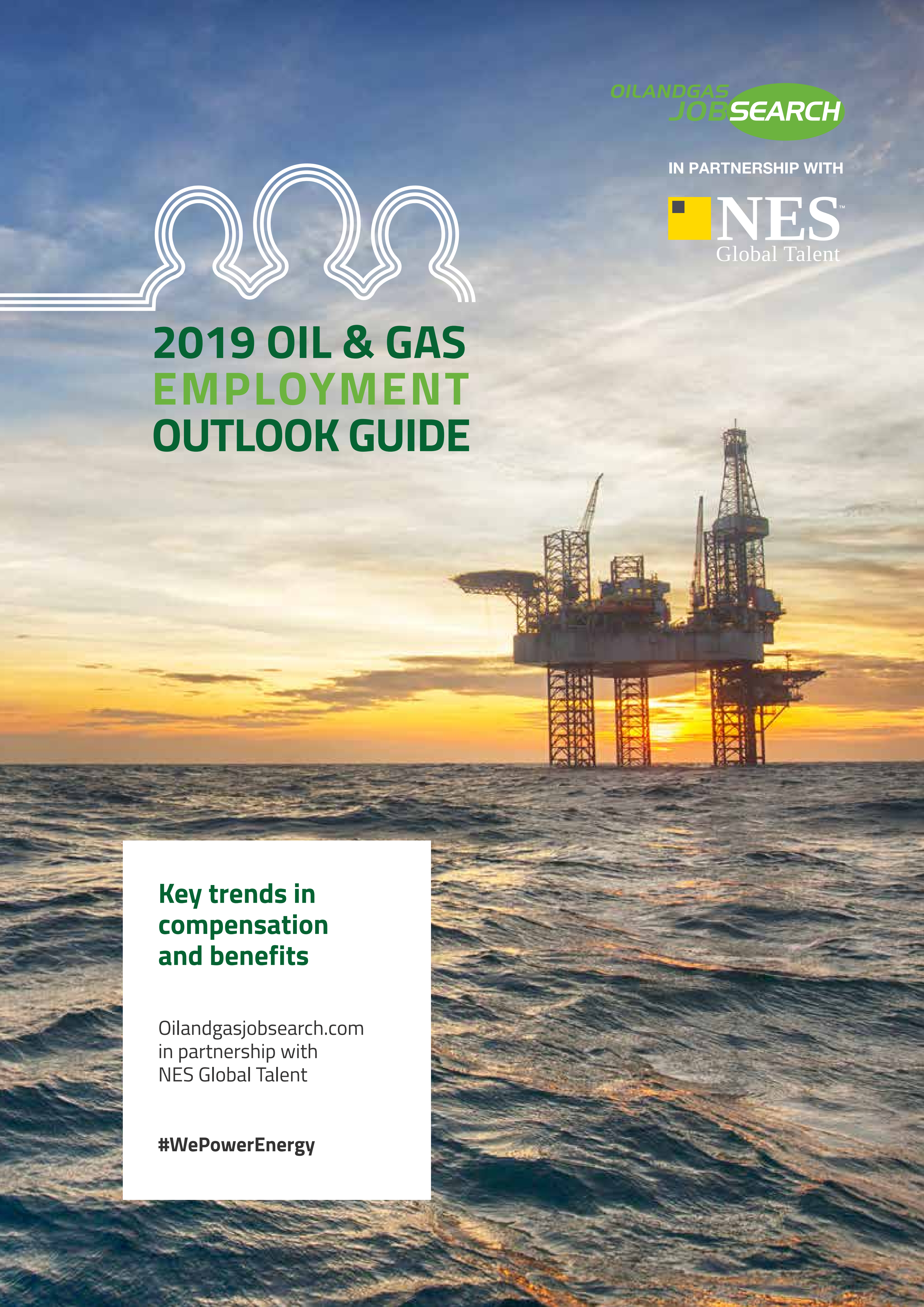

OILANDGAS JOBSEARCH

IN PARTNERSHIP WITH

NES Global Talent

2019 OIL & GAS EMPLOYMENT OUTLOOK GUIDE

Key trends in compensation and benefits

Oilandgasjobsearch.com
in partnership with
NES Global Talent

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OIL & GAS EMPLOYMENT OUTLOOK GUIDE

METHODOLOGY

This year, more than 33,200 people in the oil and gas industry – from 22 different disciplines and 171 countries – took part in our survey. We run the survey every two years. All respondents answered the questions between 1st Dec 2018 and 31st March 2019, with responses posted online.

We have analysed the findings to identify the most important trends and points of interest in the research. In addition, our teams of local experts around the world have reviewed the data to ensure that it reflects the realities of their local labour markets as well as global trends.

We believe that the combination of the survey's unique scale and reach and our local-market expertise mean that this report delivers a representative view of trends and opportunities in employment and remuneration in our industry, right across the world.

RESPONDENTS

This year, approximately 33,200 participants across over 22 disciplines from 171 countries responded to our survey.

FOREWORD

ALEX FOURLIS, MANAGING DIRECTOR OILANDGASJOBSEARCH.COM

The oil and gas market is back! The Global Oil and Gas Employment Outlook is a joint effort between Oilandgasjobsearch.com and NES Global Talent. For more than five years at oilandgasjobsearch.com we have published a global survey on the state of the oil and gas employment market. NES has been a valuable partner and supporter in the last 2 editions of the survey and I would like to personally thank the wonderful team at NES for making this survey possible and working closely with us on improving it every year.

In this edition, we broke every record of participation with more than 30,000 oil and gas professionals from all corners of the globe including hundreds of talent acquisition and human resource executives answering our survey on behalf of the biggest employers in the market.

Every year we look into trends in employment, supply and demand, salaries and focus both on the global and regional level trends. In this year's edition, we took a bit more interest in how skills shortages and gender balance are affecting the oil and gas sector particularly and we published for the first time a list of the Top 25 Most Desired Employers in Oil and Gas.

There is definitely a simple theme emerging from all our findings and analysis: the oil and gas employment market is rebounding after 2-3 years of contraction and crisis following the steep decline in oil prices. As the oil price, slowly but steadily stabilises and improves, employers are looking to invest, hire more people, spend more on salaries, training and benefits to support their workforce and business. That does not mean that the industry does not still have to face some challenges around an ageing workforce, talent shortages and gender imbalance and gender pay gaps. It is much easier though to address those challenges in a positive job market where talent is high on the agendas of global CEOs.

On behalf of the teams at Oilandgasjobsearch.com and CareerBuilder, I wish you pleasant reading and we look forward to meeting you and discussing your questions at our salary guide launch events around the world.

CEO WELCOME

TIG GILLIAM

We are delighted to share with you the Oil & Gas Outlook for 2019. This research aims to provide employers, employees and candidates with key insights into global market trends in workforce planning, hiring, compensation and benefits based on last year's experience and expectations for the coming year.

This is the second time that we have conducted this research program and the response has been outstanding, with over 30,000 people from all over the world contributing their views.

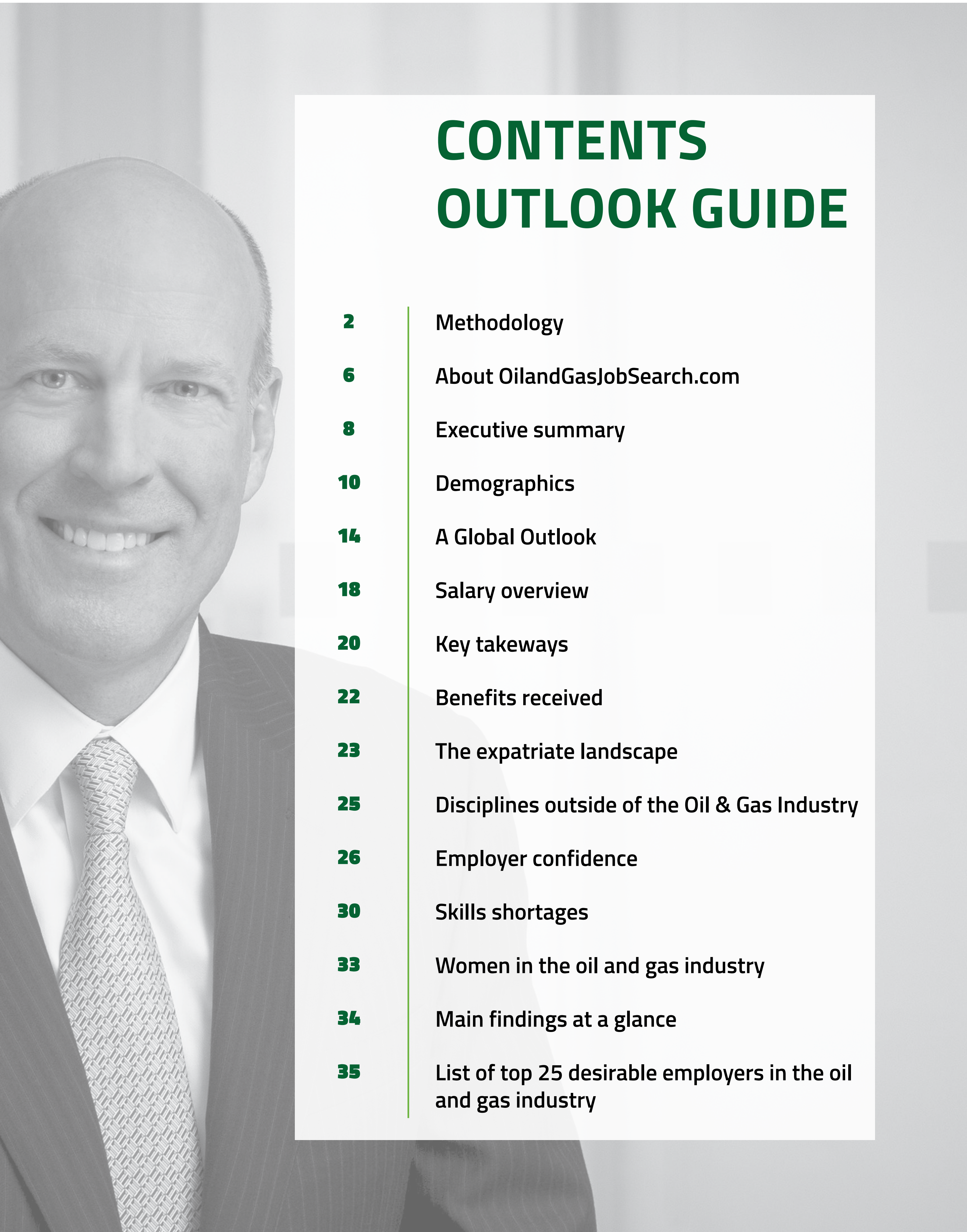
I would personally like to thank everyone for their participation. The range of respondents covered every oil and gas segment - upstream, mid-stream and downstream – as well as capital projects and operational activities.

With this year's research, we received significant input from people who are relatively new to the industry, with over 30% of respondents having less than 4 years' experience – this is great to see and delivers a fresh perspective on the industry as a whole.

Of course it is also pleasing to see that this year's results provide a tangible increase in positivity and opportunity among employers and those working in the industry. Indeed, 72% of respondents are significantly more positive in their attitude toward the Oil and Gas employment market compared to 55% in 2017, when we last carried out the survey.

Employers are equally positive with 75% expecting staffing levels to increase in the next 12 months. This is certainly consistent with our experience in the last year and our expectations for the coming year as the volume of projects arriving at Final Investment Decision continues to rise, generating new opportunities for skilled workers – employees and contractors.

We trust that you will find this research of value. We look forward to working with you and continuing to serve the Oil & Gas Industry in the years ahead.



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THE WORLD'S PREMIER OIL, GAS & ENERGY JOB SITE

2m+
PROFESSIONALS
IN DATABASE

4.5m
MONTHLY
PAGEVIEWS

300,000+
JOB APPLICATIONS
PER MONTH

Oil and Gas Jobsearch is the World's premier energy job site, and is part of the CareerBuilder network.

The site carries over 16,000 new jobs every month and provides candidate services for every sector of the energy industry. In March 2019 our database of energy professionals passed 2,000,000 registered users and we continue to grow month on month, making us the fastest growing global candidate database in the industry. These professionals make over 300,000 job applications every month for positions all over the globe.

Our business also allows our clients, both direct employers and agencies, complete control of the recruitment process. We are the only company that can offer a 'Hello to Hire™' service, through both our job board and our world leading recruitment software which includes Broadbean, Textkernel and full ATS solutions. We provide unparalleled access to the right candidates, to fill even the most demanding roles.

BOOK A DEMO

Full demos are available on all of our products. Contact us at +44 (0)161 975 6026 or sales@oilandgasjobsearch.com.

EXECUTIVE SUMMARY

BIENNIAL OUTLOOK SURVEY

The biennial Outlook survey from www.OilandGasJobSearch.com is the most comprehensive study of employment, salaries, and prospects in the global oil and gas industry.

The 2019 Outlook survey finds that the industry is in vibrant good health. The size of the global workforce has increased in the past 12 months, as have annual salaries. Both these measures of business performance have increased faster than the last time we published survey results in 2017.

There is confidence around the world that the growth prospects for jobs and salaries will continue to improve more quickly during the year ahead. Hard measures of business success are therefore echoed by softer measures of attitudes and beliefs, and this is true among both employers and employees. There are also signs of greater fluidity and flexibility in the market than ever before.

Despite these positive trends the industry is faced with a challenging paradox. There is a larger, more confident, and better paid workforce, however the industry still needs to deal with sustained skills shortages across the board. This is particularly true of jobs in engineering and design, operations, maintenance, and production. If the skills gaps remain unaddressed, this emerging and growing talent crunch could stifle growth and innovation.

Fortunately, many businesses are taking active steps to address skills shortages. They are doing this by investing more in training and development. While work is undertaken to close the talent gap, the industry is increasingly relying on expat workers and contractors.

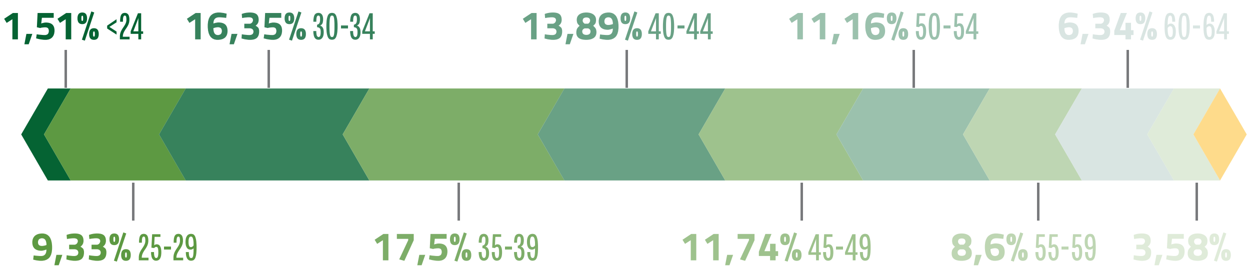
One area where the industry has a real opportunity to help close the skills gaps more quickly is through women entering the industry - with over 2500 responding to our survey this year (compared to 1000 in 2017), there are certainly signs that the female workforce is increasing. Employers are also tackling the shortage by partnering more effectively with further education institutions and offering far more apprenticeships than 2 years ago.

CONFIDENCE

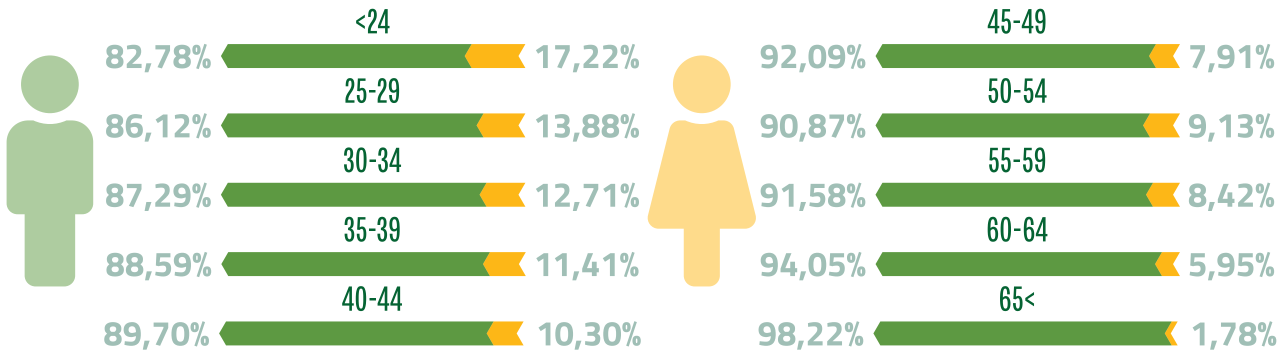
There is confidence around the world that the growth prospects for jobs and salaries will continue to improve more quickly during the year ahead.

DEMOGRAPHICS

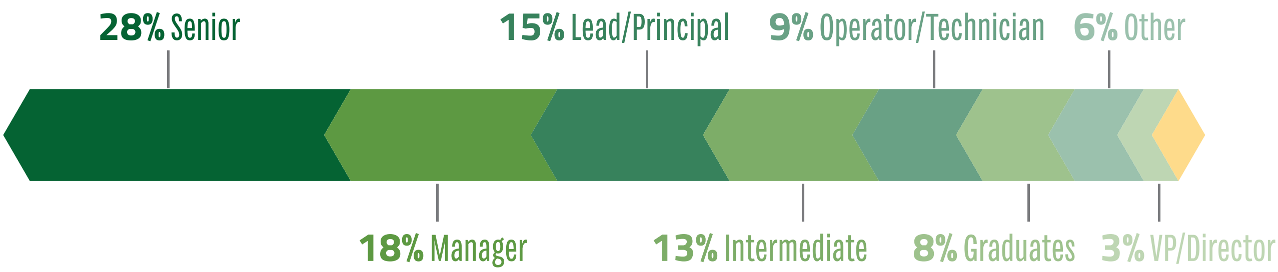
BY AGE



BY GENDER

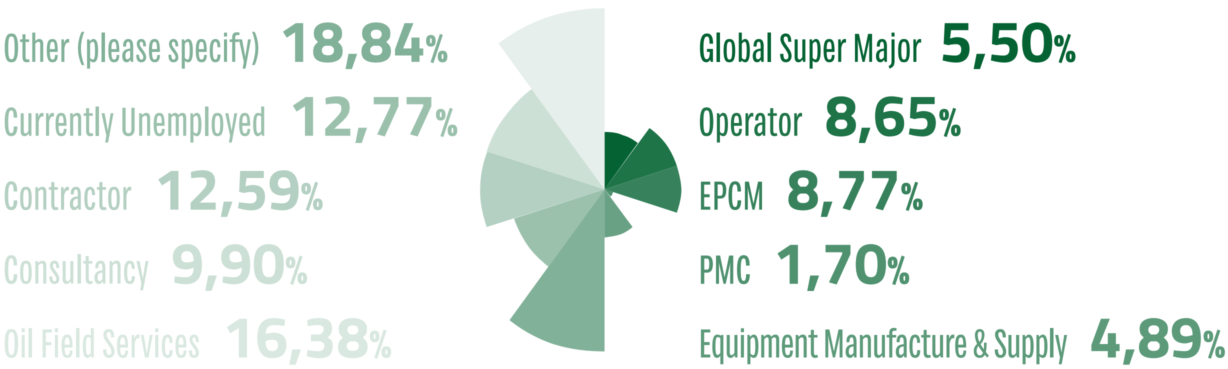


BY SENIORITY

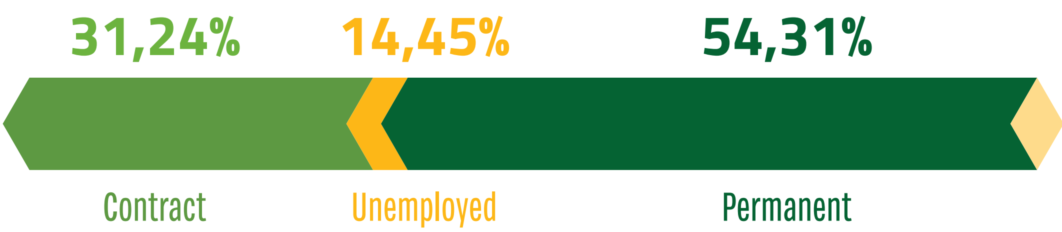


BY REGION

BY COMPANY



BY EMPLOYMENT TYPE



DISCIPLINES

AVERAGE NUMBER OF YEARS SPENT IN DIFFERENT DISCIPLINES

	0-4 YEARS	5-9 YEARS	10-19 YEARS	20+ YEARS
HEALTH, SAFETY AND ENVIRONMENT (HSE)	32,56%	24,83%	28,62%	13,99%
QUALITY ASSURANCE/ QUALITY CONTROL (QA/QC)	28,58%	22,07%	31,12%	18,22%
TECHNICAL SAFETY	40,61%	19,89%	22,10%	17,40%
PROCESS (CHEMICAL)	19,57%	23,12%	34,30%	23,01%
ELECTRICAL	37,92%	21,74%	25,93%	14,41%
MECHANICAL	35,35%	22,29%	26,03%	16,33%
PIPING	12,36%	21,84%	37,23%	28,57%
STRUCTURAL	30,87%	23,04%	31,09%	15,00%
MARINE/NAVAL	24,56%	25,53%	31,33%	18,57%
SUBSEA/ PIPELINES	9,95%	23,30%	38,48%	28,27%
PRODUCTION MANAGEMENT	32,13%	18,69%	24,70%	24,48%

DISCIPLINES

AVERAGE NUMBER OF YEARS SPENT IN DIFFERENT DISCIPLINES

	0-4 YEARS	5-9 YEARS	10-19 YEARS	20+ YEARS
CONSTRUCTION/ INSTALLATION	30,91%	19,93%	25,02%	24,14%
GEOSCIENCE	26,58%	15,71%	30,10%	27,61%
RESERVOIR/ PETROLEUM ENGINEERING	22,44%	23,50%	28,45%	25,62%
DRILLING	10,25%	24,49%	32,12%	33,14%
PROJECT CONTROLS	30,18%	22,32%	29,79%	17,71%
ESTIMATOR/ COST ENGINEER	41,18%	22,06%	22,43%	14,34%
DOWNSTREAM OPERATIONS MANAGEMENT	25,46%	22,32%	26,47%	25,75%
BUSINESS DEVELOPMENT/ COMMERCIAL	48,41%	16,18%	19,44%	15,97%
SUPPLY CHAIN/ PROCUREMENT	32,21%	22,04%	28,05%	17,70%
LOGISTICS	51,12%	18,72%	19,41%	10,75%
HUMAN RESOURCES/ MANAGEMENT	57,37%	19,34%	15,72%	7,57%

A GLOBAL OUTLOOK - EUROPE & AFRICA

EDDIE HALKETT
MD, EUROPE, UK & AFRICA

There are some exciting project opportunities expected in 2019 across Europe and Africa.

In the North Sea there is commitment to spend USD $15.6bn on new Oil & Gas projects through to 2025, which is a real positive for the region after the recent downturn in market conditions. Oil majors such as Shell, BP and TOTAL are working through development expenditure on Penguins, Vorlich & Align and Glendronach, which will have an impact on supply chain and investment in region.

If we look to Continental Europe – exploration drilling projects in Europe, primarily offshore in the Black Sea are gathering pace and pending FID commit-ment in Romania on a large gas field.

Africa's resurgence will be tempered due to Final Investment Decisions (FID's) pending on many projects, however some major development expenditure in the region is being discussed in East Africa (Uganda, Tanzania and Mozambique) with commitment from Oil Majors. For example, expected FID for new project developments in Uganda and Tanzania stalled in 2018, however it is expected that these will be granted this year leading to $6-8billion of regional project spend. This will drive growth in an emerging location. In Mozambique major LNG project developments continue, with two mega terminals to be constructed and delivered by 2024. The projects above and the associated FLNG projects will create huge workforce opportunities as Mozambique becomes a leading gas exporter to the world.

Finally, Egypt continues the development of gas fields in the Mediterranean and Western Sahara, with new projects and concessions being sanctioned by the Egyptian government as the country seeks to become a net exporter of energy over the coming years.

A GLOBAL OUTLOOK - MIDDLE EAST

DARREN GRAINGER
MD, MIDDLE EAST

The Middle East overall outlook is very positive as rapidly growing population and urbanisation, rising income levels, and industrialisation are the market drivers for the rise in Oil & Gas, Power & Renewables in the ME region. Middle East Oil investments are likely to rise in 2019 on the back of shallow water brownfield expansions. Some commentators have Oil spend forecast to increase by nine per cent year-on-year to $56 billion in the Middle East, citing expansionary projects and offshore projects with Saudi Aramco.

The Abu Dhabi National Oil Company (ADNOC) and other firms in the region have also announced plans to increase their spending to boost Oil production in the coming years. It's been forecast over the next five years, ADNOC will be prioritizing spend to increase production capacity to 4 million barrels per day by 2020.

In Qatar consolidation of national gas operators has been achieved and new project activity is flourishing across north field expansion gas projects, as the moratorium on exploration of gas in Qatar has ended and we are seeing a return to expatriate engineering opportunities.
In Iraq's Kurdistan region, gas projects expansion has been identified across IOC's and some smaller independents. The project will deliver gas to the local market. More significantly, it will open up gas exports beyond 2019.

UAE spending in Refining on projects in pre-execution – is a reflection of the Abu Dhabi Oil major's shift from upstream to downstream investment. The $15billion new refinery project at Ruwais will create further opportunity for the indigenous population and expatriate workers in the south western Emirates.

Duqm Refinery & Petrochemical Industries is a huge opportunity. The Port of Duqm, with its close proximity to major shipping lanes and major markets, is Oman's single biggest economic project, and aims to diversify its economy away from Oil by strengthening the chemical network between the East and the West. This is an exciting time for the Southern port in Oman with focus on local content, EPC opportunities for expatriate workers including long term assignments for operations and maintenance.

The ME region has one of the highest level of investment in power infrastructure globally. Renewables across the Middle East will gain more momentum; there are currently over 12,000 megawatts of solar power projects that have either been awarded, or under construction, commissioning & operation.
As we look ahead solar power is attractive with many projects in execution in the UAE, Oman and planned in Saudi Arabia.

In conclusion there are plenty of significant opportunities for large team deployments in the Oil & Gas, Power and Renewables and Nuclear sectors which will continue through 2019. In addition, several large projects in the Middle East have the potential to significantly fuel activity across 2019 and NES has seen a 30% increase in new contract hires in the last 12 months, so there are many reasons to be very positive from the previous 2 years consolidation and limited activity.

A GLOBAL OUTLOOK - ASIA PACIFIC

MATT UNDERHILL
MD, ASIA PACIFIC

There is a general sense of opportunity across the region in all phases of the oil and gas industry. The South East Asia region is currently the epicentre of that activity, however new projects are coming through the FEED stages in other regions of APAC, and hiring is picking up in anticipation.

For the first time in several years we see activity in the subsea and drilling space to support numerous new projects and tie backs to existing infrastructure. The hiring requirements are modest at this stage although conversely, skills are not readily available with the talent pool having been eroded over the last few years. Other offshore projects include numerous FPSO's and a select number of high profile LNG projects making steady progress to FID. Hot spots for the upstream sector include Singapore, Malaysia and Thailand, although Indonesia, Japan, Vietnam and Australia are also gathering pace. The fabrication yards in South Korea remain relatively quiet in comparison to their competitors in South Asia, and whilst China's yards have not yet recovered fully from the last down turn they do look like they are picking up more than their fair share of new work heading into 2020. In the downstream sector there is a steady stream of demand for talent, driven largely by redevelopment work on existing plants, modernising and updating infrastructure to achieve new environmental requirements. A number of new integrated petrochemical plants currently under construction in the region are also driving requirements for new build construction skills.

With increasing demand for skills many employers are finding that existing supply chains are not able to cope, and there is a great deal of activity in redesigning and expanding their sourcing capability and infrastructure to make it 'fit for purpose'. A significant part of this is reviewing pay rates and ensuring that talent is secured and 'tied in'. As the market continues to "hot up" and rates climb continued vigilance in this regard will be needed by employers in APAC to ensure projects are supported appropriately, and attrition doesn't negatively impact project time lines.

As we push into this new cycle skilled individuals are increasingly seeking new experiences and environments to work. This is being countered by authorities in APAC becoming ever more protective of local workforces. This comes in the form of increasing restrictions on cross border movement, and an emphasis on local content within government supported projects. Partnering with established players with both local presence and global capability to navigate such important operational and compliance requirements is as critical as ever.

A GLOBAL OUTLOOK - AMERICAS

GAVIN PEAVOY
MD, AMERICAS

2019 looks set to be an exciting year for the region. Gulf activity is particularly buoyant with new projects such as GCGV and Golden Pass LNG receiving FID this year. The GCGV project will deliver a 1.8 million tonne ethane cracker planned for construction in San Patricio County, Texas and the facility will also include a monoethylene glycol unit and two polyethylene units, which is great news for the local workforce across multiple disciplines. NES have recently opened operations in Port Arthur to support this coverage.

Our specialist division for Onshore Oil & Gas – Bedrock Petroleum Consultants, allows us to continue our strategic positioning to deliver the skilled expertise needed for the Onshore shale operators and their projects across the U.S.

Canada has also seen early signs of a return to growth with a large new build LNG plant in British Columbia and forthcoming development of a new petrochemical plant in Alberta, Canada. NES has recently opened a new office in British Columbia and are due to open on the East Coast of Canada later in 2019 to support various offshore activities.

In addition plentiful and affordable natural gas supplies have transformed America's chemical industry from the world's high-cost producer five years ago to among the lowest-cost producers today. The number of completed, started and potential chemical industry projects as of September 2018 are expected to create $200BN+ of new capital investment, generating over 400 thousand jobs.

Elsewhere Mexico continues to be an area of investment, as does Guyana with the involvement of ongoing development of the Liza field.

SALARY OVERVIEW

Over the course of the past year, more workers have received pay increases than the last time we surveyed the industry in 2017. Those in the industry believe that prospects are good for the year ahead, too.

Higher salaries

45% of oil and gas workers have received salary increases in the past 12 months, up from 42% in 2017. Of these, almost a third have seen their salaries increase by 5% or more. This is more than the proportion who enjoyed a similar salary increase in 2017. Meanwhile, 45% of those surveyed said their salaries remained the same in the last year, while just one in ten had received pay cuts. This is down from almost one in five in 2017.

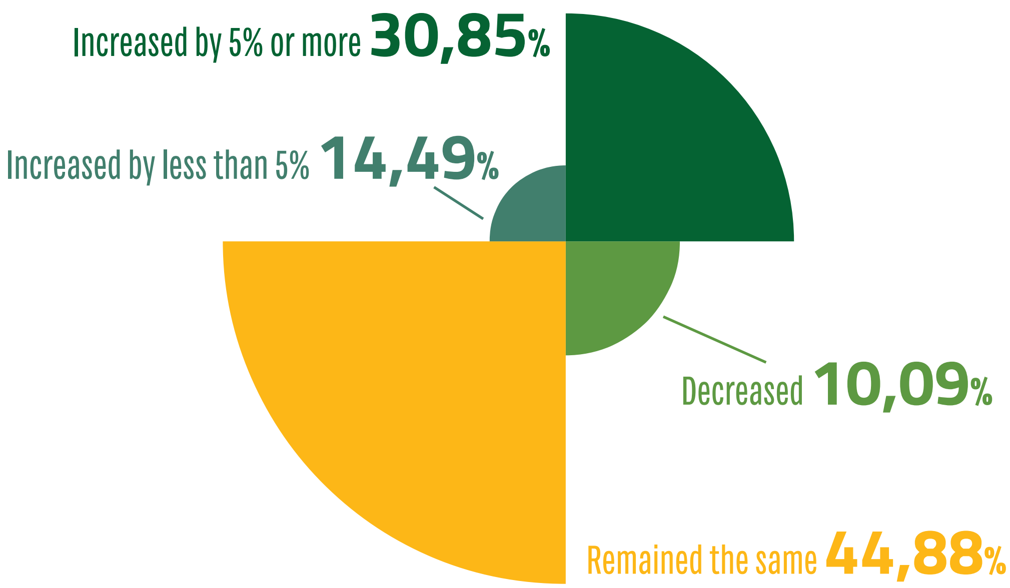


Figure 1. “In the last 12 months, my salary has …”

GOOD SALARY PROSPECTS

Based on the current market, more than three quarters of bosses expect salaries to grow in the year ahead, up from two-thirds in 2017. Half believe increases will be 5% or more, while another quarter think that increases will be more than 10%. Just 2% of bosses anticipate the need to cut salaries in 2019, down from 5% in 2017.

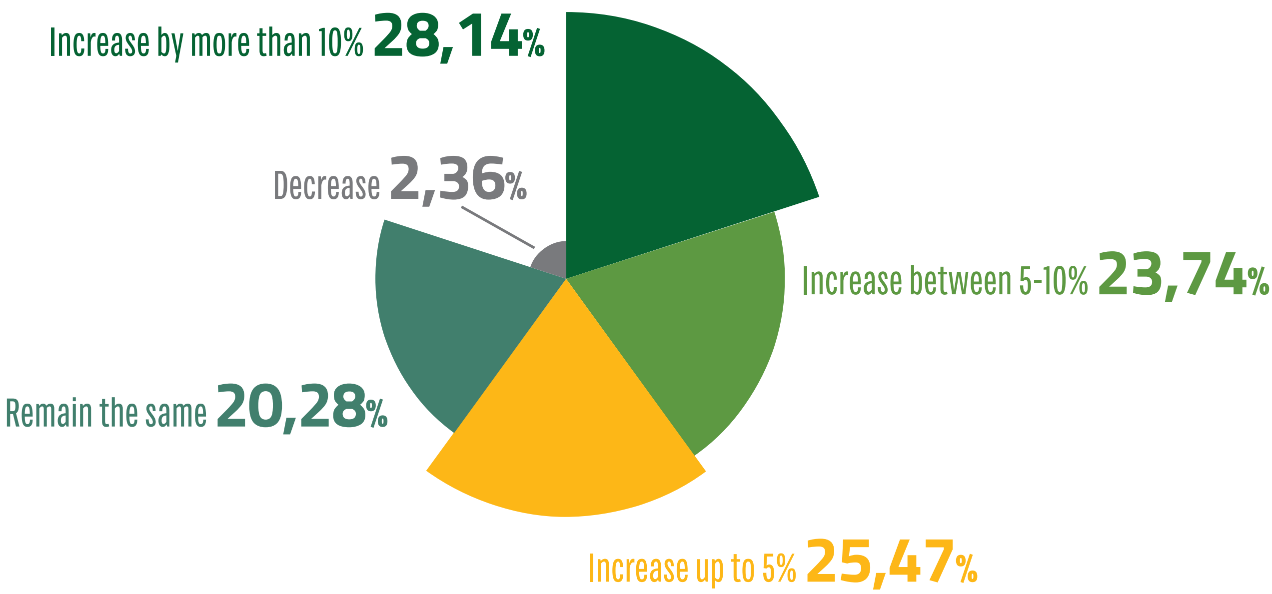


Figure 2. "In the next 12 months, I expect salaries to …"

HIGHER SALARIES = STRONGER INDUSTRY

55% of our sample believe that the oil and gas industry will grow stronger in the next 12 months, up from 45% in 2017. Just 15% think it will weaken (down from 19%), while 30% expect little change (down from 37%).

KEY TAKEAWAYS

North America Average Operator / Technician day rate has risen from $350 in 2017 to $475 in 2019

Workers in North America and Europe averaged the highest salaries across all regions.*

Reservoir and Petroleum Engineering, Subsea / Pipelines and Production Management are the most lucrative disciplines in the oil and gas industry

South America
The average salary for an Estimator/Cost Engineer has risen from $32,000 in 2017, to $46,300 in 2019

Downstream workers are the most likely to have received a pay increase

$ $ $

Over half (53%) of respondents in Asia and Oceania have had their salaries increase in the last year 39% have received pay rises of 5% or more

Middle East
The average salary for a HSE specialist has risen by over 20% in the last two years

Regional disparities

- Oil and gas workers in North America, Western Europe, and the European Community* average the highest salaries across all regions.
- On average internationally, just under half (48%) of all oil and gas workers surveyed earn less than $50,000 per annum - in North America, just 15% of workers earn less than $50,000 a year, whilst 13% earn at least $150,000 a year (compared to just 6.6% globally).
- The average salary amongst workers in North America is $97,000 per annum-almost double the $48,600 earned on average by oil and gas workers in Sub-Saharan Africa.

Disciplines

- Reservoir and Petroleum Engineering, Subsea / Pipelines and Production Management are the most lucrative disciplines in the oil and gas industry - 29% of employees in these disciplines earn at last $100,000 per annum, and the average salary in each exceeds £70,000 per annum.
- That's compared to just 17% of employees working in Logistics, and 18% of those working in Quality Assurance / Quality Control.
- The average salary of those working in Logistics is just $51,500 per annum, $14,500 less than the average earned across all disciplines.

Areas of highest growth

- Employees working in Asia and Oceania, Western Europe (excluding the European Community)*, the Middle East and Eastern Europe are significantly more likely to have received a pay rise in the last twelve months.
- Employers in the growth regions (Asia and Oceania, Middle East and Eastern Europe) are the most confident that salaries will increase in the upcoming twelve months.

Instability in Latin America has meant that employees in this region are most likely to have felt their pay decrease; over a fifth (21%) of respondents say their salary has decreased in the last year.
Salaries of oil and gas workers in Downstream Operations Management (51%), Chemical Process (53%) and Production Management (51%) are the most likely to have increased in the last twelve months, whilst those working in Drilling (16%) and Subsea / Pipelines (19%) are the most likely to have felt pay cuts in the last year.

REGION	REGION AVERAGE SALARY (USD)
NORTH AMERICA	97,143.29
WESTERN EUROPE EXC EC*	72,603.77
EUROPEAN COMMUNITY*	67,095.95
LATIN AMERICA AND CARIBBEAN	58,553.80
MIDDLE EAST AND N AFRICA	57,467.80
AUSTRALIA AND OCEANIA	54,243.36
EASTERN EUROPE	51,282.28
SUB-SAHARAN AFRICA	48,611.93

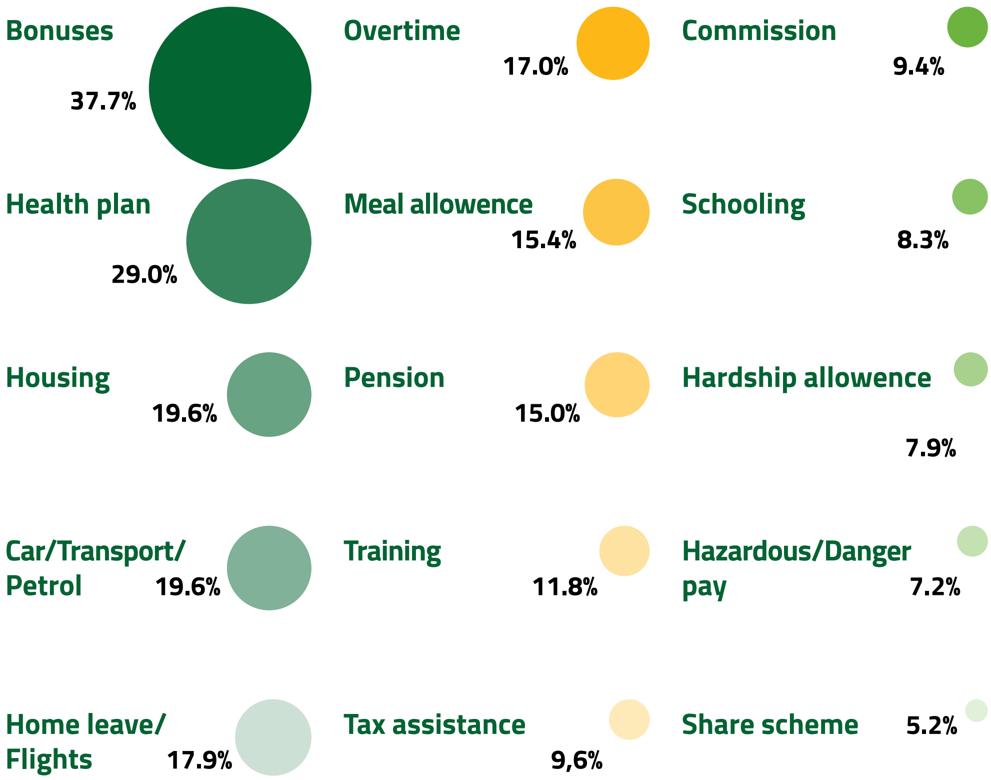
**The European Community includes The EU28 and Monaco; Western Europe excluding the European Community comprises of workers in Iceland, Switzerland, Norway and Turkey.*

DO YOU ANTICIPATE SALARIES TO GROW NEXT YEAR?

Just 65% of employers in North America and 67% of employers in Europe said yes; salaries are already the highest in the industry in these regions.

BENEFITS RECEIVED

57% of those in our survey receive benefits as part of their overall compensation package. Respondents in Asia and Oceania (60.8%) and in the Middle East and North Africa (62.7%) are most likely to have benefits as part of their compensation package, whilst those in the European Community (40.4%) and in Western Europe outside of the EC (47.1%) are least likely to be compensated with benefits.



**The European Community includes The EU28 and Monaco; Western Europe excluding the European Community comprises of workers in Iceland, Switzerland, Norway and Turkey.*

BENEFITS

Fewer employees are receiving schooling, pensions, or hardship allowance than did in 2017; this fall may be due to the increased proportion of workers in the industry who are employed as contractors, as those on these types of contract are significantly less likely to receive any benefits.

THE EXPATRIATE LANDSCAPE

Increasing reliance on expatriate workforce

The vast majority of oil and gas companies employ some of their workforce on expatriate contracts (78%, up from 75% in 2017). More than half of all businesses believe that industry reliance on expatriate labour will increase, up from just 43% in 2017. At that time, 12% thought that there would be fewer expat packages in the following 12 months, but the talent crunch has shrunk this figure to just 5% today.

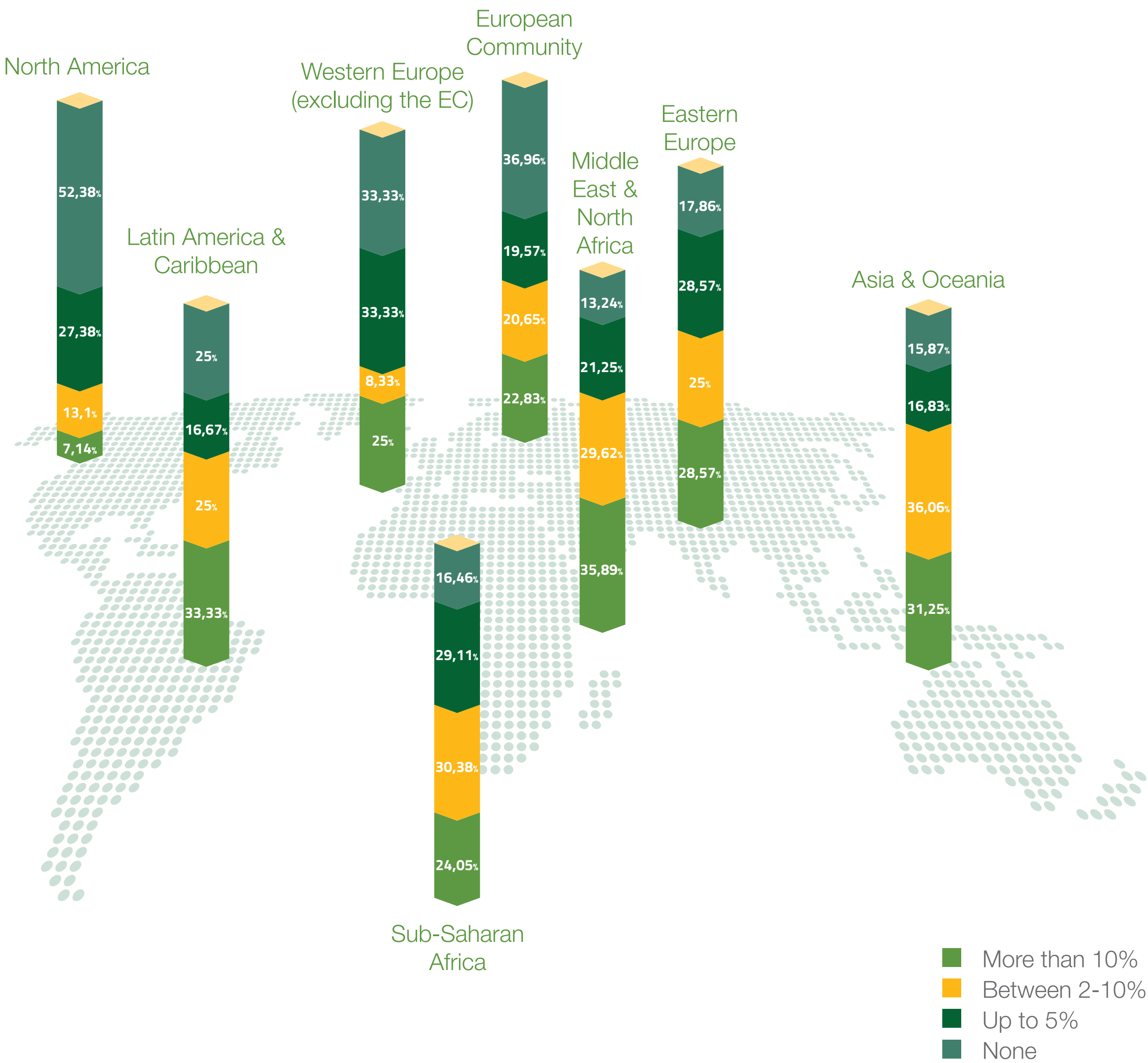
Temporary contracts mainstream – and increasing

Temporary contracts are now even more common than expat packages, with 86% of oil and gas companies employing some staff on temporary or contract assignments. Just under half employ 10% of their workforce as temps, while a quarter employs 11-50% of their team in this way. For 15% of businesses in the category, more than half of their staff are on temporary contracts. Oil and gas is becoming more of a 'gig economy'.

The proportion of companies expecting to increase their reliance on temporary staff has grown by 10% in the past two years (up from 40% to 44% from 2017 to 2019). 16% of companies believe this reliance will decrease in the year ahead, compared with just over a fifth in 2017, suggesting that temporary contracts are not just mainstream but growing in popularity and usefulness.

THE EXPATRIATE LANDSCAPE

Percentage of workforce currently employed on an expatriate package. A high proportion of 5% or more expatriates in the workforce would qualify a location as attractive for expatriates.

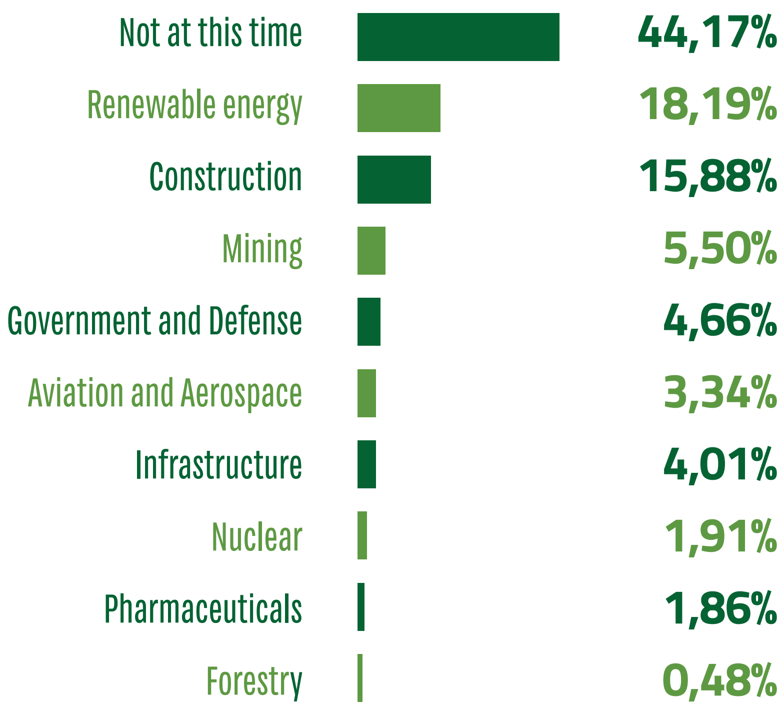


DISCIPLINES OUTSIDE OF THE OIL & GAS INDUSTRY

According to our research 44% of respondents are choosing to stay within the Oil & Gas Industry for the near term, while 56% said they would consider positions outside of the industry.

Skilled workers always have the option to move in to a complementary sector such as the renewables market, where skills can be easily migrated and previous experience can be invaluable.

For those who would consider new opportunities in their field but in other disciplines than the Oil & Gas Industry, Renewable Energy came 1st with 18.19% of responses followed by Construction (15.88%).



Are you currently seeking opportunities in your field outside of the Oil & Gas Industry?

#WEPOWERENERGY

Did you know that oilandgasjobsearch.com also caters for Renewable Energy and Construction jobs?

EMPLOYER CONFIDENCE

Confidence in the current market

Employers are more confident about future prospects in the oil and gas industry than they were in 2017. More than 70% of employers are either "very positive" or "positive" about the current employment market, with a fifth neutral, and fewer than one in ten negative.

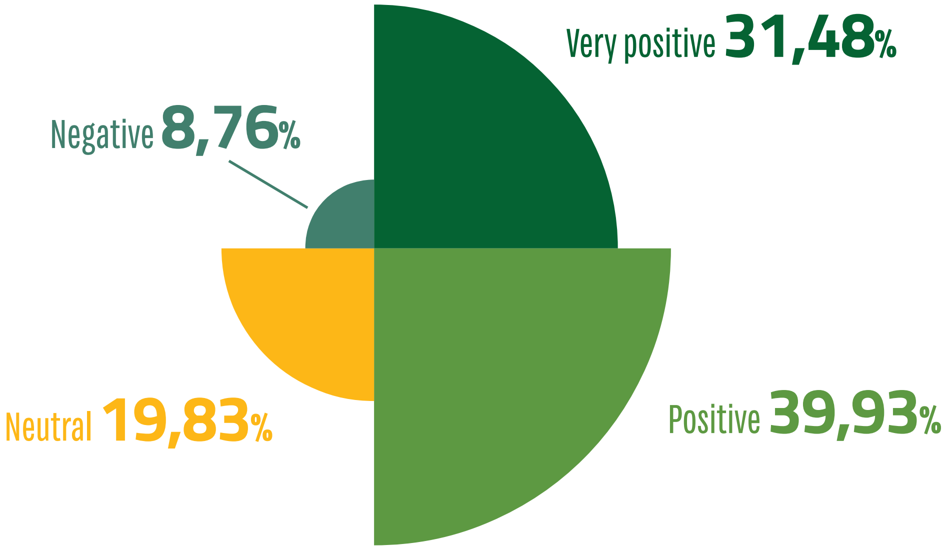


Figure 3. Confidence in the current employment market.

TOTAL EMPLOYMENT IS GROWING

46% of employers in the sector say that their workforces have grown in the past 12 months – a third by hundreds or thousands – while a further 44% report that headcount has remained stable. Just one in ten have laid off employees in the past year, most (70%) of whom have cut fewer than 100 jobs.

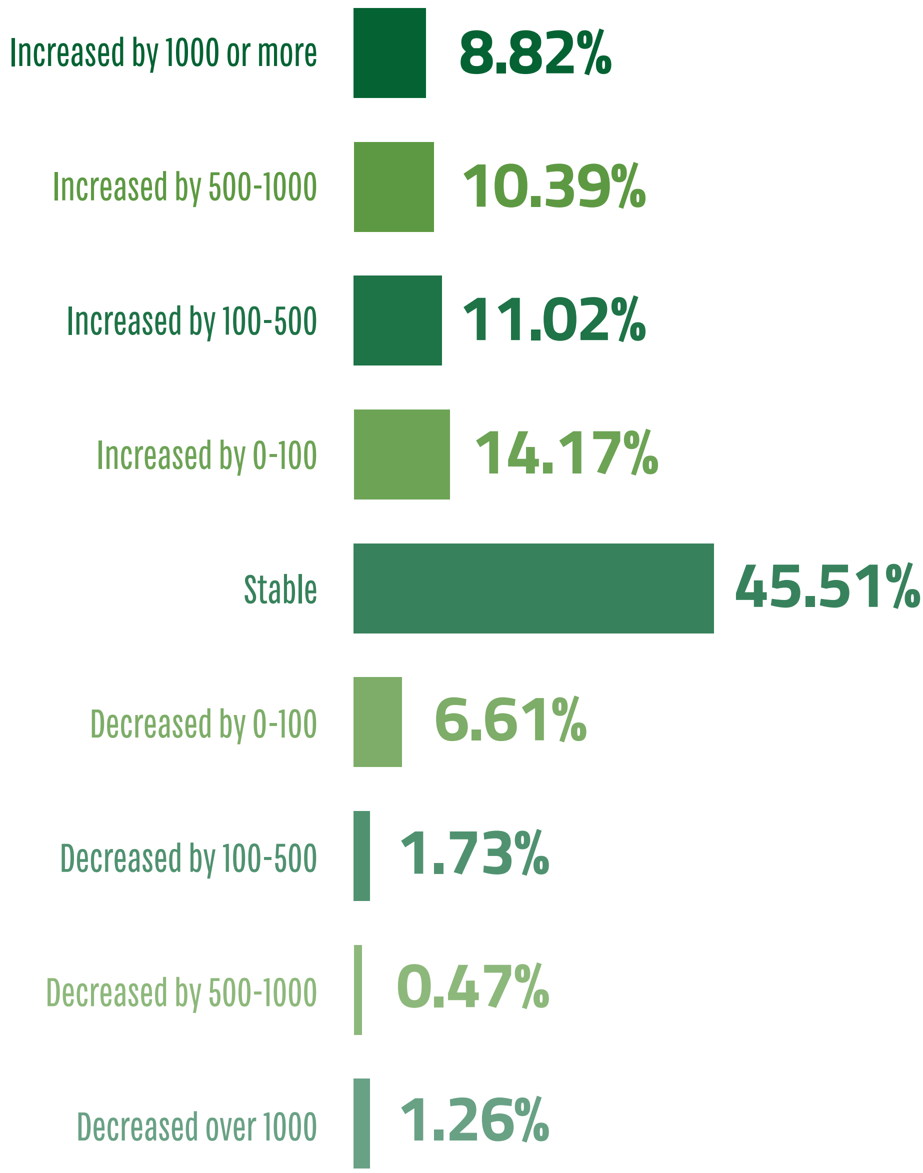


Figure 4. Increase in workforce over the past 12 months

HEADCOUNT EXPECTED TO CONTINUE GROWING

Fully three-quarters of those in our survey are confident that they will be joined by new colleagues in the next year, compared with 62% in 2017. 27% expect headcount to grow by more than 10%, half as many again as said this in 2017.

Just 5% anticipate cuts in staffing levels in the next year, less than half the 11% who held this view two years ago.

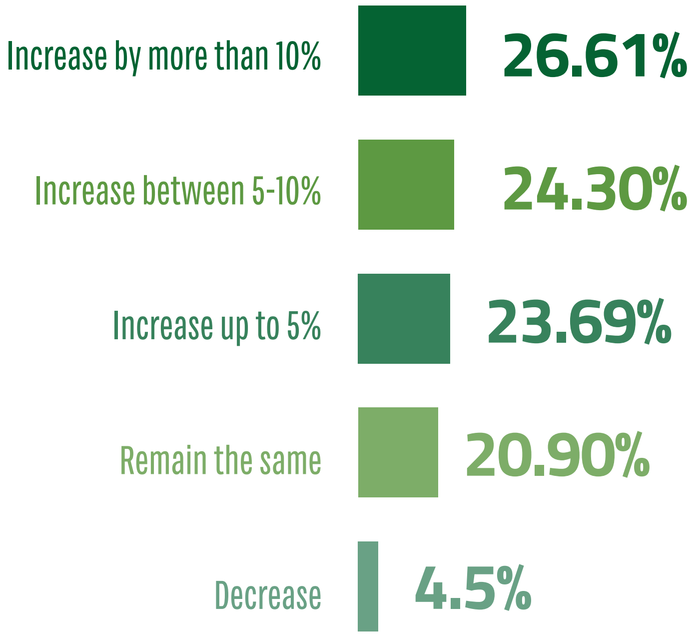


Figure 5. Projected changes in headcount for the next 12 months

NEW ROLES, MORE FLUIDITY

Four in five of those working in oil and gas today are confident of finding new roles in the industry, up from 72% in 2017. Half of those we spoke to describe themselves as “extremely” or “very” confident (up from 42%), while just 8% are “not at all confident” (down from 13% in 2017). There’s also evidence that oil and gas is an increasingly fluid job market. Almost half of those surveyed have been with their current employers for less than two years, up from 45% in 2017. All measures of behaviour and expectations – hard and soft metrics – point to growth in the number of employees in the industry and how much they’ll be paid.

SKILLS SHORTAGES

Despite improved performance and market conditions since 2017, the industry is facing sustained skills shortages in many areas. In all sectors of the industry, skills gaps have grown steadily wider in the past two years. Almost nine in ten employers say that skills shortages are having a negative impact on productivity. See Table 2., below.

INDUSTRY SECTOR	2017	2019
Engineering and design	15%	37%
Operations / maintenance / production	20%	32%
Business development	13%	26%
Project controls	5%	23%
Construction / subsea / pipelines	9%	21%
Drilling and well delivery	7%	21%
HSE / QC QA	6%	19%
Geoscience and petroleum engineering	3%	15%
Petrochemicals	2%	15%
Supply chain / procurement / purchasing	4%	15%
Support functions (e.g. HR, finance, IT)	2%	10%

Table 2. Areas where employers feel skill shortages are impacting productivity, 2017 versus 2019

SKILLS

One reason why employees are confident that they will be able to find new jobs and command higher salaries in the year ahead is that there are skills shortages across the board; it's definitely a seller's market.

Skills gap

Employers are most likely to attribute skills shortages to “inadequate succession planning for knowledge transfer and skills retention”, with just over a third of employers choosing this explanation. 22% cite “fewer new professionals entering the industry”, while 17% believe that “a general lack of up-to-date skill sets that match up to the latest technological advancements” is the main reason.

Whatever the true cause or combination of interacting causes, skills shortages represent a significant threat to the long-term future success of the industry.

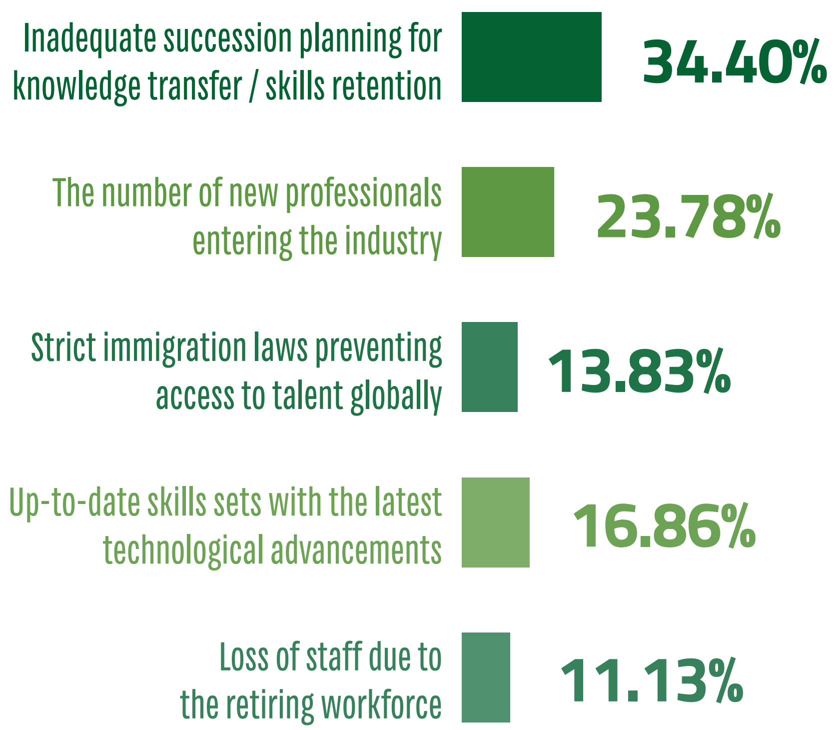


Figure 6. Perceived causes of skills shortages

STRATEGIES ADDRESSING SKILLS SHORTAGES

The industry is most definitely not ignoring the current skills shortages facing the future of oil and gas. The most popular approaches to addressing the challenges include more investment in training and development and increased reliance on contractors.

Training and development
61% of employers in the oil and gas industry are actively upgrading their training and development schemes to tackle the talent crunch, up from just over half of employers investing in this way in 2017. 28% are making changes to their retention and recruitment practices, more than double the 13% who did that in 2017.

Next generations, previous generations
What's more, 26% are partnering with further education colleges (up from 9% in 2017), 22% offering apprenticeships (up from 9%), and 21% are targeting those working in other industries (up from 7%). Meanwhile, 13% are looking to bring back those who've already retired, capitalising on their knowledge and experience (up from 7%), and 12% are looking to attract more women to the industry (up six-fold from just 2%).

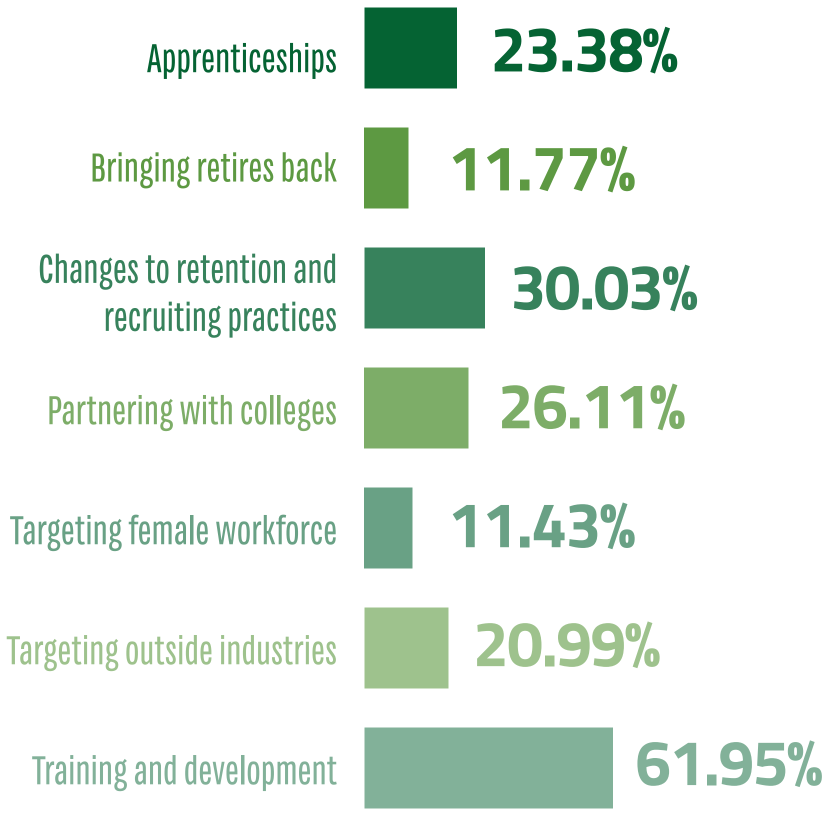


Figure 7. Strategies for addressing skills shortages in action today

TRAINING TAKING CENTRE STAGE

It is positive to see that employers are actively investigating in training and development as well as hands on apprenticeship schemes to tackle the prevailing skills shortage.

WOMEN IN THE OIL AND GAS INDUSTRY

A 2017 report for the World Petroleum Council by the Boston Consulting Group reported that women represent around a fifth of all employees in the oil and gas industry.

Women in the industry work disproportionately more in office jobs than men but only have a very limited presence in technical and engineering roles. The report concluded that "oil and gas companies are failing to fully leverage a potentially sizable and critical pool of talent".

The 2019 Outlook survey offers some encouraging signs for women in the industry – and the ways in which women could help to address the current skills gaps right across oil and gas. But to have meaningful impact, the rate of change clearly needs to accelerate. Our research found that the gender imbalance in the oil and gas industry is slowly improving. While women are still more likely to fill more junior, office based roles, there's evidence that across all disciplines clients are looking to increase female participation in the industry to help to address the skills shortage.

The pay gap

While the number of women in the industry is growing slowly, there is still a significant gender pay gap. Men in oil and gas are 19 times more likely than women to earn more than $150,000 a year, while women are overrepresented in the lowest wage brackets. 36% of women in the industry earn less than $30,000 a year, compared with 31% of men.

Women's salaries increasing

Men's salaries in the industry are increasing faster than women's, but only just! 45% of men in our sample had received a pay rise in the previous year compared with 43% of women.

Women more likely to be in office-based roles

In our survey, 38% of women work in operational roles – 19% in HR and management, 10% in business development and commercial, and 9% in supply chain and procurement. Just 10% of all men in our survey work in operational roles.

Note: women were under-represented in our survey relative to the proportion of women in the industry worldwide. More than one in ten of our respondents were women, while one in five in the industry today are women. Nevertheless, our survey recorded the attitudes and opinions of almost 2,500 women working in the oil and gas sector, the largest study of its kind. Also, the proportion of respondents in our 2019 survey who were women increased from 9.5% (2017) to 10.3% this time.

MAIN FINDINGS AT A GLANCE

A vibrant and healthy industry

The oil and gas industry is currently in good – and improving – health. The size of the workforce and salaries both increased in the last year.

Confidence in sustained growth

There's confidence around the world that the market will continue to improve in the year ahead. Hard measures of better performance are reflected in softer measures of attitudes and beliefs.

Stronger outlook for the future

The proportion of those who believe that the industry overall – and salaries in particular – will grow in the next 12 months is growing too. There is good evidence of greater fluidity in the job market.

Serious skills shortages

Despite improved performance and market conditions, the industry is facing sustained skills shortages in many areas.

Strategies addressing shortages

The most popular approaches to addressing skills shortages include more investment in training and development and increased reliance on contractors to ensure access to the right skills with operational flexibility.

Encouraging signs for women

The gender imbalance in the oil and gas industry is slowly improving, and while women are more likely to fill more junior roles, there's evidence that clients are actively looking to this segment to help to address the skills shortage.

TOP 25

MOST DESIRABLE EMPLOYERS IN THE OIL AND GAS INDUSTRY

We asked our respondents who they felt were the best companies to work for in the industry and we're delighted to reveal the "hot 25" most desirable employers based on your votes!

1. Shell
2. ExxonMobil
3. Chevron
4. BP
5. TOTAL
6. Saudi Aramco
7. ADNOC
8. Qatar Gas
9. Petronas
10. Haliburton
11. Schlumberger
12. Baker Hughes
13. Eni
14. Worley Parsons
15. Technip
16. ConocoPhillips
17. Wood Group
18. Equinor
19. Saipem
20. Suncor
21. Fluor
22. Bechtel
23. KBR
24. Weatherford
25. Jacobs

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