Diversity & Inclusion – Energy Companies
October 2020



## Iconic Energy Company Focuses on Hiring, Retaining Women in Technical Roles

#### **Overview**

This company, with approximately 85,000 employees and operations in more than 30 countries, aims to hire 50% women among all new hires. To retain women, the organization stresses early-career development. There are a wide variety of programs, ranging from formal and informal mentoring to immersive global programs. The company partners heavily to attract external talent, heavily trains interviewers, and is exploring the use of technology to decrease the chances of bias in recruiting and hiring decisions.

### **Talent Acquisition**

This global company hires locally in more than 30 countries, including Malaysia, Singapore, India, South Africa, China, and therefore has a strong contingent of diverse professionals at all levels of the organizations in most of their regional operations.

Therefore, targeted recruiting efforts are largely aimed at women in the technical space. The company aims to hire 50% women across the board to increase its percentage of women overall, which now stands at 32% globally. For technical positions, the company strives for closer to 60% women, which is challenging, but this is to account for attrition of women in what is a competitive market for women in these technical roles.

For external recruiting, the company makes heavy use of role models from within the company to showcase careers and achievements. It's aiming now particularly at hiring new graduates and Millennials with experience in the technology areas it needs.

### **Use of Technology**

The company is researching/testing a couple systems to facilitate anonymity in candidates screening. This helps to remove bias or stereotypes that might hinder diverse recruiting. The Talent Acquisition function believes it is doing a good job of removing bias, but it is a heavily manual process and it is looking to automate to the degree possible to reallocate resources to other areas of TA. However, testing has halted for now due to budget freeze because of downturn in the energy markets.

### **Partners**

Throughout the world, but particularly in Southeast Asia, this company partners with LinkedIn to understand where the shift in talent is, understanding the level of graduates coming out of

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universities so the company can inform hiring managers to determine if those skills are useful in some of their roles.

For example, the company is seeing more women coming out of universities with degrees and experience in analytics, so the company needs to understand how analytics will be used in the energy industry so that it can hire the appropriate number of women with expertise in analytics. From there, the company believes it can develop the women internally to move them into other roles and responsibilities over time.

The company also networks heavily with governments and recruiting agencies, particularly in Southeast Asia. The government agencies influence the jobs that are coming. The company also works with recruitment agencies that specialize in particular areas. For instance, the company has recently been recruiting for sales marketing positions for its downstream business (converting oil and natural gas into fuels and finished products) and engineers in the upstream businesses (extracting oil and natural gas from the ground). The goal is to hire local (meaning within the country or immediate region) before bringing people in from outside the region. There is also a heavy emphasis on promoting from within and one of the company's most delicate balancing acts is internal promotion of women versus building the overall talent pool.

### Interviewing

All interviewers, from front-line screeners and all interviewers – including recruiters and hiring managers -- must go through accreditation. Before accreditation, all interviewers go through pre-work and face-to-face training on unconscious bias. Then they are assessed on knowledge and application of knowledge before they can be accredited to interview.

On all interviews with all candidates, there are two interviewers. One is potentially the hiring manager; the other is outside the hiring role. The company matches the non-hiring manager interviewer based on different experiences. The company wants to bring an outside "objective" interviewer into every candidate interaction. For example, if the company is hiring someone in Singapore, one interviewer would be the hiring manager and the second interviewer could be from almost anywhere based on the match to the interview situation based on assessment.

### **Internal Talent Development**

Internal talent development is always a priority. The company uses its Kenexa system to manage internal consulting. The company publishes jobs on the internal jobs platform and encourages employees to apply for those roles and go through the same assessment process as external candidates. The internal process is completed before going outside for candidates. In some difficult-to-fill job roles, the internal and external process are run in parallel.

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The company has an early-career development program and a high-potential program for women. Development is focused on women in the first two to six years of their tenure. The company tends to accelerate women quickly through high-potential development because of the competitive landscape and the risk of losing talent women to competitors or companies outside the energy industry that have a better reputation for developing female talent.

The high-potential programs for women usually involve 200 per year across the globe for the mid-level program and a smaller number for senior-leader development. The internal candidates are pulled from the UK, Netherlands, US, China, Vietnam, Australia, Malaysia, Singapore and India.

To facilitate these programs, the company draws heavily on program alumni to facilitate the program, rather than external facilitators as many such programs do. The ratio of internal to external facilitators is 9 to 1. This is because the company values the experiences of the alumni who have not only gone through the program but understand the challenges and pressures involved in moving into more responsible roles in often remote locations within the organization.

The program is also increasing its involvement of men in developing women leaders. The organization believes in the concept of male allyship and the need to have those in power understand how to help women in their journey.

The company has increased the retention rate of female leaders by more than 15% in the last three years.

In terms of other types of diverse hiring and development, the company is beginning to increase its focus on LGBTQ+, race and ethnicity. There have been a lot of conversations about talent acceleration programs for other dimensions, including Asian talent. Asian leaders are more relationship focused, not necessarily seen as strength outside Asia. The company is looking at developing Asian leaders, and people of color – special intervention and support. These new focuses are still in the planning stages and will be rolled out with pilot programs and then accelerated over the next 12-24 months.

### **Mentoring**

The company uses a centralized program for mentoring diverse talent. There are both formal and informal mentoring relationships. There are also group mentoring circles in ERGs – in women's networks for example. Mentoring is a part of the culture at this company. It is quasi-informal, but engrained in the culture. ERGs are also strong.

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#### **Assessments**

2 processes for assessments:

- Graduate online psychometric test; then final assessments about 2.5-3hours, including case studies and then a functional interview.
- Experienced apply, short list, screen, formal assessments, which is based on a two-assessor model, functional and technical competencies. The company is looking for consistency in the assessment results. Pre-set questions used globally, same set of ratings and questions.

### **Insights**

This is a unique company – one of the true leaders in the energy industry – that is exploring new ways to keep their competitive advantage in hiring and developing talent. Like other energy companies, there biggest challenge is recruitment and retention of women in field roles and technical roles. They are only now beginning to look at expanding diversity and inclusion into other areas and expanding the ways they recruit and retain talent. They are tepidly looking at technology to expand their reach and protect against bias. Though we did not touch on much of it in the interview, I know from prior conversations that there is a strong DEI training focus across the enterprise, particularly around bias. Gender issues are far more top of mind than other areas.

# The Social Justice Movement Drives Energy Company to Expand Diversity and Inclusion Efforts

### **Current State**

This global company based in the UK provides complete project lifecycle services for the energy industry. The company is the product of a merger of two smaller companies and has 37,000 employees in more than 15 countries. A spinoff company is expected to be formed soon and the CEO is expected to be a woman.

This company, like many in this industry, has lagged other industries in diversity and inclusion. The company has largely focused its efforts on gender equity and had not paid as much attention to other areas of diversity.

However, the social justice movement in the U.S. has caused top leadership to understand the company must do more. "I have been with the company for 13 years and in the last six months we have talked about things that we have never talked about before," the company's global D&I manager said.

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In September 2020, the Executive Vice President of People and Culture released a three-year roadmap for diversity and inclusion, focusing on improving the culture. "We have realized as a company that you can bring in as much diversity into an organization as you want – and we have done a pretty good job of that in terms of numbers – but if you don't have an inclusive culture, you will just have a revolving door, and our numbers show that," the global D&I manager said.

The D&I manager, besides running a four-person department, is part of the organization's D&I network, which includes business leaders and as well as regional D&I leaders in different parts of the world, including Norway and Brazil.

### **Challenges**

This company was built from a merger between a European company, with few compliance requirements related to D&I, and a U.S. company, which had more compliance requirements, such as the Office of Federal Contract Compliance Programs (OFCCP). Therefore, in the early going, the merged company struggled to meet compliance requirements.

The company's focus on D&I was also largely limited to gender diversity, so compliance requirements in countries like Brazil, with compliance requirements related to people with disabilities, Hispanic/Latinos and other groups, required an expanded focus across the enterprise.

Those efforts, which had been gaining momentum over the past few years, were accelerated by the social justice movement in the U.S.

According to the global D&I manager, "Some of the recent activity in the United States, such as the George Floyd incident and others, caused our CEO to request a meeting with one of our Employee Resource Groups called BOLD (Black Organization for Leadership Development).

"He wanted to get a sense of, number one, how they were feeling about everything that's going on and he also wanted to better understand their experiences in our organizations as Blacks. He was able to learn a lot and he was surprised about some of the comments he did get about experiences inside our company.

"That led to another meeting between BOLD and the executive leadership team. That led immediately to the CEO's message to the entire organization, through our internal social networks. At that point he opened up the gates and said there will no longer just be a focus on gender diversity but that the company would be focusing on all aspects of diversity going

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forward. That led to the announcement of the three-year roadmap to what we are now calling Inclusion and Diversity, because the organization decided to lead with inclusion."

The company is focusing on building partnerships, through expanded ERGs internally and through external partnerships. For example, the company invited the Chief Diversity Officer from Chevron, who has an accomplished inclusion and diversity program, to talk to leaders of ERGs. The company is focusing on starting or expanding ERGs for diverse groups, such as Black, Hispanic, as well as, women engineers. The company is working with Catalyst, the non-profit dedicated to accelerating progress for women through workplace inclusion, and other groups focused on other areas of diversity.

### **Success Stories and Next Steps**

The company's focus on gender diversity has paid dividends over the years. Globally, in a male dominated industry, the workforce is 23% female. The executive leadership team has 44% women, though with the economic downturn that has hit the energy industry hard, the company has lost several women who were in senior management roles. However, three members of the Board of Directors are women. The CEO of the planned spinoff company will be a woman.

As part of the three-year roadmap, the company will focus on partnerships and enhancing the diversity of its leadership pipeline among all under-represented groups. The goal is to have at least one woman on each succession plan for higher-level positions across the enterprise and goals are being set for other under-represented groups.

The company is taking steps to improve its talent acquisition strategy and is beginning to look at technology providers that offer AI-based tools to guard against biases during candidate screening. "We have not purchased or gotten into that or made any decisions yet, but it is definitely something we are looking at that," the global D&I manager said. "We are also looking at working with LinkedIn to improve our recruiting efforts. We are also building a diversity mentoring program both at the collegiate level to recruit diverse groups into the organization and also expand mentorships internally."

Last year, the company launched its Emerging Leadership group to advance the careers of leaders who have been in their roles for a short time but have shown potential to move to higher leadership levels. More than 50 people have participated in the program so far, and about 40% have been women or members of other under-represented groups. The diversity of future classes will expand, according to the D&I roadmap.

The company has had talent acquisition partnerships for graduates, including a long-standing affiliation with the University of Houston, one of the most diverse universities in the country.

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There is also a partnership with Texas A&M University and the company is also building relationships with historically black colleges and universities.

"We are definitely expanding our horizons in terms of looking for, finding and bringing diverse talent into the organization. It is a competitive landscape and we don't want to lose out on the talent," the D&I manager said.

The global D&I team, the only people focused full-time on diversity and inclusion efforts, is small – the manager and three direct reports. However, the team makes extensive use of the Inclusion and Diversity Network. But the company knows it has a long way to go to effectively build a true diverse pipeline of talent from entry level to the highest levels of the organization.

"Candidates – especially the ones coming from colleges and universities – are savvy. We recently brought in some HR interns from colleges and I met with each of them just to understand what they are looking to do and how they heard about our company. And I quickly learned from many of them that they're being instructed by their college professors to thoroughly research organizations by typing keywords related to diversity and inclusion into the websites to see their level of commitment. And, of course, my next question was, well, what did you see about our company when it came up? And they said, 'Nothing.' So that defines our challenge and the amount of work we have to do."

### **Insights**

This is an organization, like many in the energy industry, that had largely limited its D&I focus to gender diversity, equity and inclusion. The events of 2020 caused the company's leaders to realize the urgency of expanding their efforts.

This company also illustrates, once again, the importance of executive level leadership. When the CEO realized a broader DEI focus was needed, the organization reacted quickly with a three-year roadmap. It includes making use of technology to screen against bias and expanding recruiting and awareness and advancement efforts across the enterprise. The CEO made inclusion and business issue, which changed its importance and trajectory.

The global D&I manager has been with the company 13 years and has the relationships and now a broader mandate to drive change. This company has done well with its gender diversity efforts – especially in the percentage of women in senior leadership roles. With the expanded vision from top leaders, the future for expanded diversity, equity and inclusion appears bright.

-Claude Werder, Senior Vice President and Principal HCM Analyst, Brandon Hall Group

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