

Oil and Gas:

Understanding the Employee-centric Organization

January 2024

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Date of Issue: 01 // 30 // 2024

Date of Expiry: 01 // 30 // 2025

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Summary

This paper explores the burgeoning emphasis on employee-centric policies within the oil and gas industry, underscoring the crucial connection between operational efficiency and the well-being of employees in this sector. It aims to outline the fundamental aspects of adopting an employee-focused approach amidst the unique challenges and complexities inherent to the oil and gas industry, with a special emphasis on the pivotal role of Human Resources (HR) in driving these initiatives forward. Given the industry's vast scope, encompassing everything from exploration and extraction to distribution and retail, the article seeks to present its findings in a manner that is relevant across various facets of the oil and gas sector. This approach guarantees that the insights remain pertinent to a broad audience of professionals, managers, and stakeholders within the industry. Through its analysis, the article intends to provide enlightening perspectives that could significantly impact the development and implementation of progressive policies in the oil and gas industry, thereby nurturing a work environment that highly values the engagement and welfare of its employees, a critical component in this vital sector.

Thesis Statement

In the fast-evolving landscape of the oil and gas industry, there's a growing recognition of the importance of an employee-centric approach as a key component of organizational management. This shift, moving away from the traditional focus on efficiency and budget-centric models, champions a framework that prioritizes the well-being, engagement, and satisfaction of employees within the sector. Acknowledging this change is crucial for enhancing operational performance, driving innovation, and securing a competitive edge in an industry deeply dependent on the dedication, expertise, and talent of its workforce.

The specific challenges faced in the oil and gas sector underscore the necessity of adopting an employee-focused mindset. These challenges range from the need for highly skilled professionals adept at managing the intricacies of energy production and distribution, the pressure to meet escalating global energy demands amidst environmental and regulatory complexities, to managing a workforce that seeks not just employment but meaningful and impactful roles. Creating an environment that places the needs and well-being of employees at its core is seen not just as an ethical obligation but as a strategic imperative. Such an environment is anticipated to result in higher job satisfaction, reduced turnover rates, and a more engaged, loyal, and resilient workforce.

Within this context, the role of Human Resources (HR) becomes paramount. HR professionals are tasked with the responsibility of transforming the principles of employee-centricity into tangible strategies and policies. Their duties span a wide range, from devising effective talent management and professional development initiatives to promoting a work culture that values inclusivity, respect, and a balanced approach to work and life. HR's role evolves from traditional administrative tasks to becoming strategic partners critical in fostering organizational transformation. They act as the conduit between the aspirations of employees and the strategic goals of the oil and gas companies, creating

an environment where individuals feel valued and inspired to contribute to the industry's success.

Despite the clear benefits of embracing employee-centric practices and the pivotal role of HR in this evolution, a notable research gap remains, especially within the oil and gas context. This article seeks to bridge this gap by exploring what it means to be an employee-centric organization in the oil and gas industry and how HR can lead the charge in developing and sustaining such a culture. Through this exploration, the article contributes to the broader discussion on effective organizational management in the oil and gas sector, providing insights that could help companies in crafting workplaces where employees are at the heart of achieving business objectives.

What defines an Employee-centric Organization in Oil and Gas

Adapting the principles of employee-centric organizations to the oil and gas industry emphasizes the creation of a workplace culture that values the well-being, engagement, and satisfaction of employees within this sector. This culture is founded on an organizational philosophy that fosters open communication, inclusivity, and the empowerment of staff members. Key practices involve implementing feedback mechanisms to understand and address employee needs and preferences, cultivating an environment that encourages active participation, and facilitating the sharing of knowledge and expertise (Schein, 1992).

The shift towards an employee-centric approach in the oil and gas industry is marked by the introduction of flexible work arrangements, including remote work, flexible scheduling, and part-time opportunities, to meet the diverse needs of employees. These practices are aimed at improving work-life balance and increasing job satisfaction (Nonaka & Takeuchi, 1995).

A critical component of employee-centric organizations in this sector is the focus on continuous training and development. This includes not only traditional training methods but also mentorship, career development programs, and cross-functional learning opportunities to enhance employee skills and provide wider career paths (Argyris & Schön, 1978).

Implementing effective feedback and recognition systems is essential for fostering a culture of continuous improvement and appreciation. The employment of 360-degree feedback, employee recognition programs, and regular performance evaluations is crucial for identifying growth opportunities and celebrating achievements (London & Smither, 1995).

Promoting the formation of collaborative teams that leverage diverse talents and perspectives is vital for improving problem-solving capabilities, driving innovation, and creating a sense of community and belonging among employees (Edmondson, 1999).

An employee-centric philosophy in the oil and gas industry also involves a strong commitment to diversity and inclusion, ensuring equitable hiring practices, and establishing a

workplace where diverse viewpoints are considered critical to organizational success (Sitkin, 1992).

Engagement with external networks and platforms to encourage organizational learning is also significant. Participation in industry associations, policy forums, and online learning platforms provides valuable opportunities for employee growth and innovation (Bench, 1998).

Leadership's commitment to employee-centric values plays a key role in creating a supportive and empowering work environment. Leaders are charged with actively promoting and implementing policies that prioritize the well-being and professional development of employees (Senge, 1990).

Transitioning to an employee-centric model in the oil and gas industry requires effective change management strategies, including communicating the advantages of such practices and involving employees in the transition process to ensure a smooth and successful shift (Kotter, 1996).

Evaluating the effectiveness of employee-centric practices through clear objectives for employee engagement and satisfaction, assessing outcomes through surveys and feedback, and refining strategies based on these insights is crucial for continuous improvement (Kirkpatrick, 1994).

In summary, evolving into an employee-centric organization within the oil and gas sector involves a comprehensive strategy that places a premium on employee well-being and engagement. By nurturing a supportive culture, offering flexible working conditions, and committing to continuous training and development, organizations in the oil and gas industry can enhance their adaptability, innovation, and overall performance, securing long-term success in the dynamic and challenging environment of the energy sector.

How Can HR Assist in Developing an Employee-centric Organization

In shifting the focus to the oil and gas industry, the role of Human Resources (HR) in fostering and maintaining an employee-centric organization assumes critical importance. Drawing from Schein's (2010) insights, organizational culture in the oil and gas sector is understood as a complex system of shared beliefs and values that guide behavior within organizations. In this sector, where efficiency, safety, and innovation are paramount, HR's role in shaping these cultures extends beyond enforcing policies to nurturing a work environment that prioritizes employee well-being and engagement.

The strategic partnership between HR and management is essential in aligning employee-centric values with the organization's objectives. Ulrich, Brockbank, and Ulrich (2019) stress the importance of HR professionals as strategic partners, ensuring workforce alignment with the organization's strategic goals. This alignment is particularly crucial in the

oil and gas industry, where the effectiveness and satisfaction of the workforce are directly linked to operational success and competitive advantage.

In the competitive landscape of the oil and gas industry, faced with the challenge of attracting and retaining skilled professionals amidst volatile market conditions and environmental scrutiny, recruitment, and retention become significant hurdles. Breugh (2008) highlights the vital role of strategic HR management in attracting and retaining a skilled and engaged workforce, which is essential for operational effectiveness and the successful execution of projects.

Moreover, the focus on skilled professionals underscores the need for ongoing training and development. Noe (2017) discusses the importance of continuous training programs in maintaining a competitive edge, ensuring employees are adequately prepared for their roles and the challenges ahead in the rapidly evolving oil and gas sector.

Employee well-being and engagement are pivotal in building an employee-centric organization. Hallowell and Gambatese (2010) emphasize the importance of comprehensive safety and wellness programs, which in the oil and gas industry, include physical safety, mental health, and stress management, reflecting HR's role in crafting policies that promote a healthy and engaging work culture. Khan (1990) highlights the psychological conditions that foster employee engagement, underlining HR initiatives that motivate the workforce and contribute to operational success.

Implementing work-life balance policies is also essential, especially given the demanding environments of the oil and gas industry. Kossek & Hammer (2014) argue that such policies not only boost employee satisfaction but also productivity, which is crucial in a sector where balancing professional demands with personal well-being is vital.

In summary, HR's role in promoting an employee-centric culture within the oil and gas industry is comprehensive and indispensable. Through strategic alignment, culture development, talent management, and the promotion of employee well-being and engagement, HR practices play a pivotal role in creating a workplace where employees feel valued and supported. These efforts benefit not only the employees but also contribute to the industry's operational efficiency, safety, and adaptability, addressing the unique challenges of the oil and gas sector.

This narrative, supported by scholarly research, provides a solid framework for understanding the critical role of HR in advancing employee-centric organizational cultures within the oil and gas industry, highlighting the sector's unique context and the importance of HR practices in achieving operational excellence and competitive advantage.

Discussion

The transition towards an employee-centric model within the oil and gas industry, while offering significant benefits, unveils a complex landscape of challenges and opportunities. The imperative to boost efficiency, ensure safety, and innovate within the constraints of

environmental responsibility accentuates the importance of focusing on health and well-being. However, navigating the path to an employee-centric environment in the oil and gas sector involves overcoming hurdles such as financial volatility, operational complexities, and potential resistance to changing established industry norms.

Enhanced Employee Satisfaction and Retention: By adopting practices that acknowledge and respect the contributions of employees, companies can enhance job satisfaction. This is crucial in an industry competing for highly skilled professionals, potentially leading to lower turnover rates and reduced costs associated with hiring and training (Harter, Schmidt, & Hayes, 2002).

Increased Productivity and Quality of Work: Addressing employees' needs and providing adequate support can boost productivity and the quality of work. For the oil and gas sector, this translates into more efficient operations and outcomes that elevate company reputation and stakeholder trust, fostering a culture of excellence (Bakker & Demerouti, 2007).

Enhanced Well-being and Mental Health: Prioritizing mental health and overall well-being is crucial in fostering a healthier work environment. Given the high-risk nature of oil and gas operations, such a focus benefits employees directly and also contributes to reducing costs associated with absenteeism and decreased productivity (Zohar, 2010).

Boosted Innovation and Problem-Solving: Encouraging a culture of participative decision-making promotes innovation. In an industry facing technological advancements and environmental challenges, an engaged and motivated workforce ready to explore innovative solutions is invaluable (Amabile & Kramer, 2011).

Increased Costs: Implementing employee-centric practices involves investments in competitive compensation, comprehensive training programs, and initiatives aimed at improving health and well-being. These costs may be challenging for companies operating within fluctuating market conditions (Pfeffer, 1998).

Complexity in Implementation: Shifting to an employee-centric culture requires significant changes in HR policies and management practices, potentially complicated by the diverse operational areas within the oil and gas industry (Kotter, 1996).

Risk of Decreased Immediate Operational Efficiency: Concentrating on long-term benefits such as employee well-being and engagement might temporarily impact operational efficiency. For entities facing market pressures or smaller operations, prioritizing these practices could appear unsustainable (Cascio, 2003).

Potential Misalignment with Industry Norms: The traditional focus on hierarchical, process-driven approaches within the oil and gas industry may conflict with the shift towards an employee-centric model, necessitating considerable cultural adaptation within companies and potentially affecting operational dynamics (Egan, 1998).

Successfully integrating an employee-centric approach within the oil and gas industry requires strategic insight and thoughtful consideration of the sector's unique demands and realities. Balancing the advantages against the challenges necessitates a dedicated effort to redefine organizational priorities, ensuring that the adoption of employee-centric practices aligns with the overarching objectives and operational imperatives of the oil and gas sector.

Conclusion

The journey toward becoming an employee-centric organization within the oil and gas industry signifies a strategic and profound shift that places employee well-being, engagement, and satisfaction at the core of organizational goals. This transformation necessitates a fundamental cultural evolution, anchored in values of open communication, inclusivity, and empowerment. By adopting measures such as flexible work arrangements, continuous learning opportunities, effective feedback mechanisms, and promoting diversity and teamwork, companies in the oil and gas sector lay the groundwork for a vibrant, innovative, and cohesive work environment.

Embracing an employee-centric model triggers a positive cascade effect throughout the organization, not only elevating job satisfaction but also enhancing productivity, sparking creativity, and securing a competitive advantage in energy production and service delivery. However, navigating this transformational journey presents challenges, requiring robust leadership, effective change management, and an ongoing cycle of assessment and refinement to ensure that practices align with both employee needs and organizational objectives.

In the unique environments of the oil and gas industry, entities that successfully implement and sustain employee-centric practices stand to reap considerable rewards. They cultivate a motivated, highly skilled, and unified workforce, establishing themselves as desirable employers in a competitive landscape, adept at attracting and retaining top talent. Therefore, transitioning to an employee-centric approach is more than a strategic choice—it's a vital evolution for companies striving for excellence in the dynamic realm of the energy sector.

The pivotal role of Human Resources (HR) in fostering an employee-centric culture within the oil and gas industry cannot be overstated. Through strategic alignment, cultural development, talent management, and the promotion of well-being and engagement, HR leads the charge in creating an organizational environment that genuinely values and supports its employees. This commitment extends beyond mere policy implementation to a deeper investment in the holistic well-being and development of employees, recognizing them as key to operational success and sustainability.

Scholarly insights from leaders such as Schein (2010), Ulrich, Brockbank, and Ulrich (2019), Breaugh (2008), Noe (2017), Hallowell and Gambatese (2010), Khan (1990), and Kossek & Hammer (2014) underscore the complexity and significance of HR's role in this endeavor. From enhancing mental health and lifelong learning to improving recruitment and retention and championing work-life balance, HR's responsibilities are crucial in navigating the unique

challenges of the oil and gas industry. These initiatives not only drive the immediate success of operations but also bolster the long-term adaptability and resilience of companies.

As the oil and gas industry evolves amidst technological advancements and environmental considerations, the importance of HR in nurturing and maintaining an employee-centric culture becomes increasingly critical. Companies that prioritize and adeptly execute these HR practices are likely to see improvements in productivity, innovation, and operational quality, positioning themselves as leaders in the energy sector. Thus, pursuing an employee-centric culture represents a strategic investment in the workforce that leads to both organizational prosperity and employee fulfillment, underscoring the invaluable role of HR in shaping the future of the oil and gas industry.

The benefits of transitioning to an employee-centric model in the oil and gas industry are clear, including improved employee satisfaction and retention, enhanced quality of work and productivity, and increased innovation and problem-solving capabilities. These advantages demonstrate the profound impact of valuing and investing in employees on the overall success and sustainability of companies within the sector.

However, this transition is accompanied by challenges, such as the costs of implementing comprehensive employee-centric practices, the complexity of adapting HR policies to a diverse and dynamic workforce, and potential impacts on short-term operational efficiency. Moreover, the need for a significant cultural shift within companies, which may conflict with established industry norms, calls for a deliberate and strategic change management approach.

Despite these hurdles, the long-term benefits of fostering an employee-centric culture in the oil and gas industry—from reducing turnover costs to achieving superior operational outcomes and a strengthened competitive edge—present a compelling case for its adoption. Companies willing to navigate the complexities of this transformation and the necessary cultural realignment are not just poised to enhance employee well-being and engagement but are also on track for sustained growth and success.

As the industry progresses, companies that prioritize the needs and well-being of their workforce are set to emerge as industry leaders, redefining standards of excellence and innovation in the energy sector. Balancing the immediate challenges with the long-term rewards of employee-centric practices will be crucial in securing enduring success and resilience in an increasingly competitive and dynamic oil and gas industry landscape.

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