A Response to World Economic Forum Call to Action in Closing the Gender Gap in Oil & Gas

November 28, 2016
FINAL
TABLE OF CONTENTS

1. Executive Summary
2. Recommendations (Areas of Focus)
3. Way Forward
4. Summary
5. Acknowledgements
6. Appendix: WEF Call to Action
EXECUTIVE SUMMARY

In response to the World Economic Forum's report on *Closing the Gender Gap in Oil & Gas: A Call to Action for the Industry*, published in January 2016, Pink Petro brought together industry women, men, organizations, trade groups and others with a desire to bring conversations and data to tangible actions.

Pink Petro’s leadership and membership agreed with the World Economic Forum’s initiative and felt it a priority to contribute by taking its own action. With a membership in 36+ countries and significant support from industry companies, some of which who signed the Call to Action, Pink Petro is a global community for women (and men) in energy to connect, share knowledge, drive change and bring the industry together as a connected community to end the gender gap.

We held two forums to gather input on the call to action.

1. Through the HERWorld Energy Connect forum, Pink Petro led a discussion among a diverse group of 500 energy professionals in Houston in person and online through Facebook and Twitter to develop a comprehensive response to the call to action. Delegates came from 53 companies, industry organizations, trade associations and women's initiatives across the energy value chain.

2. Pink Petro wanted to specifically hear the executive viewpoint. We then led a follow-up discussion of 30 senior energy executive women from a range of small to large companies across the energy industry.

This report serves to give an understanding of how women in industry internalize the initiative's guiding principles and fosters ongoing dialogue for industry and the World Economic Forum.

RECOMMENDATIONS

As a result of our discovery and discussions, we believe the following will establish a path forward in four core areas, which can provide a simple framework for corporate and industry gender diversity efforts. These four core areas include Leadership, Company Policies, Culture and Metrics.

LEADERSHIP

*Establish gender diversity and inclusion as a strategic business imperative at all levels of an organization visibly led by the Chief Executive and top leadership.*

1. **Commitment** - Commitment, not compliance, should be promoted from the top level of the organization and permeate through communications and programs. Companies and
organizations should include goals and metrics in a strategic business plan and report progress and initiatives in their Annual Reports.

2. **Communications** - A communications strategy should be developed to promote leadership commitment, principles, training programs, and measured results. Communications should include: Diversity Awareness, including statistics on the missed opportunity of gender diversity in leadership, progress reports, Diversity & Inclusion Champion Awards, ‘Diversity Moments’ (like a safety moment at the beginning of meetings), promotion of Diversity and Leadership training programs, designation of Gender Balance Ambassadors (persons responsible for promoting diversity), and information on Affinity networks and external networks.

3. **Leadership Development Training programs** - Leadership development training for women would promote the balancing of diversity within the upper ranks of organizations. Providing the menu of options already offered through organizations or partnerships programs through Pink Petro an effective aim at getting women accessibility to development.

4. **Sponsorship, Mentoring, & Coaching programs** – Develop programs to support and encourage men sponsoring and coaching women. Both one-on-one mentoring and mentoring circles within organizations or sponsored in external organizations should be available and supported. e.g.: Lean In Energy

**RECRUITMENT, RETENTION, and PROMOTION POLICIES**

*Review relevant policies and processes including recruitment, retention, evaluation, remuneration and career planning to ensure they are gender sensitive. Recognise and mitigate unconscious biases in selection and retention processes.*

Given that women and men are fairly balanced in the starting levels of companies, our group focused primarily on retention issues and recommendations.

1. **Gather Employee Feedback** - Implement a ‘Stay’ Interview. Both men and women quit jobs most often due to their management. Interview employees to understand what keeps them at their job and how to improve. It’s not just a motherhood issue. Dual careers of married couples present challenges to both parties. Implement 360 feedback on managers with results presented in performance reviews.

2. **Accountability** - Measure and compare retention vs recruitment statistics.
3. **Diversity Training** - Develop training programs for all management to understand diversity issues, managing unconscious bias, and provide scenario-based education.

4. **Promotion policies** - Define promotion criteria fully based on skills and accomplishments. Studies show that men are promoted based on potential and women based on results. Guidelines on promotion are needed to eliminate differences in promotion.

5. **Retention policies** – Develop policies and provide clear guidelines and training to promote better work environment and work-life balance for both women and men, including paid maternity leave (suggested 12 weeks), childcare assistance, expat assistance, mandatory vacations, NO working on vacation, flextime, flexible work arrangements or job sharing, and virtual work environments. Investigate and develop policies for broader definitions of family leave, for example: leave for elder care, adoption, paternity.

**INCLUSIVE CORPORATE CULTURE**

*Create an open and inclusive corporate culture where all genders can flourish.*

1. **Internal and External Support/Affinity Networks** – Develop internal affinity networks and/or encourage external affinity group participation and support that promote diversity discussion, development of women, and the resolution of barriers to diversity. Provide women business owners accessibility to supply chain networks.

2. **Promote Diversity Culture** – Market the opportunity. Studies show that more diversity in leadership produces greater results for companies. Provide transparency of the issues and opportunities through diversity reporting and training. Develop Manager 360 Feedback programs, Promote and develop guidelines for career advancement criteria based on skills and accomplishments. Create a “No toleration of bias” policy. Encourage men to participate in Womens Groups. Encourage organizational support of women owned firms in the supply chain.

3. **Diversity Training** - Develop training programs for all management to understand diversity issues, managing unconscious bias, and provide scenario-based education.

4. **STEM Community outreach** – Develop outreach programs to promote STEM education for girls in order to encourage the next generation diversity in technical careers.
METRICS AND GOAL SETTING

Set and maintain challenging but achievable goals and objectives for gender diversity

1. **Promote Inclusive Culture** - Changing the culture is key. Leadership should promote priorities, metrics, and goals as discussed above.

2. **Diversity goals and metrics** - Develop goals for women as a percentage of teams and job levels to prioritize the promotion of qualified women and greater gender diversity. Increase the goal over time.

3. **Performance management** - Link performance measures of managers to achieving diversity goals in their teams.

4. **Pay Bands** - Develop pay grades with compensations bands for positions to ensure equal and fair compensation between men and women performing the same job.

5. **Pay Reviews** - Perform pay reviews in HR to ensure equal and fair compensation for the same job and qualifications.

WAY FORWARD

Based on the framework above, we recommend the next set of actions, whereby Pink Petro and the World Economic Forum work together to drive a collective effort representing industry.

- **Amend the original Call to Action** to consolidate/ incorporate the ideas above into a standard framework for the industry.
- **Allow other companies to participate.** We recommend the Call to Action needs to be socialized, adopted and measured beyond the 22 companies to other companies, into the supply chain and across industry so that other companies can sign the action plan and demonstrate their commitment through an external campaign.
- **Create a global Energy Diversity Council** across industry to be formed by the 22 companies, with other supporters of the Call to Action to be added, with the goal of sharing ideas, resources, recommendations and statistics on diversity.
  - The Energy Diversity Council would have delegates serve on WEF gender gap committees and forums.
  - The Council will align work with key groups studying the gap: World Petroleum Council, Lean In, Catalyst, API and others, communicating the principles industry
wide with organizations to be defined including organizations that serve women in energy entrepreneurs.

- **Companies that sign show their commitment to the Call to Action agree to implement the following:**
  - An internal communications campaign within their respective companies to share the details
  - Senior leadership commitment to the business case for diversity with the same mindset and focus that Safety and other strategic initiatives and drive its importance
  - Signing companies develop and share a specific action plan that can measured against these four principles
  - Plans be published and ongoing input provided into WEF and Pink Petro for sharing and knowledge development.
  - Annual review of progress and key metrics defined by the Energy Diversity Council.

- **Benchmark gender diversity initiatives in other industries** We recommend a review of external industries to energy for best practices and sharing.

- **Socialize the commitment, actions, and progress to diversity in energy jointly** through traditional and social media means, industry forums and events.

- **Report findings back to CEOs and leaders** through WEF and Pink Petro forums.

**SUMMARY**

The gender gap is wide in oil and gas. The Future of Jobs, published by the World Economic Forum this January 2016 highlights that the industry currently has the lowest representation of women professionals among all employers, including an absence of women in chief executive roles among the global oil companies and that only 11% of senior executives are female. The report also highlights a 32% pay gap in the industry despite efforts to create more opportunities for women.

We believe the Call to Action and our response is a step to define the future we want to see. We also believe our industry, despite the recent downturn, has the access to resources and capital to get at this gap so that we lead rather than lag. Building a diverse and inclusive workforce will also help the industry improve its reputation and attract the next generation of talent into critical jobs needed to power our world.

Respectfully Submitted,

The Pink Petro Community
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- American Petroleum Institute (API)
- The Petroleum Equipment Service Association (PESA)
- Society of Petroleum Engineers (SPE)
- Women in Oil and Gas Association (WOGA)
- Women in Energy and Extractives (WEX) Africa
- Women in Energy, Environment, and Transportation (WNEET)
APPENDIX

Closing the Gender Gap in Oil & Gas:
A Call to Action for the Industry (World Economic Forum)

Context:
In common with many other business sectors, the oil and gas industry, despite making progress in the recent past, continues to miss out on the full benefits of a diverse workforce. In particular, participation of women in its global workforce remains less than 20%, and between 10% and 15% at senior levels.

As members of the Oil and Gas Community of the World Economic Forum, we believe this is an important business imperative and that the industry still faces challenges in attracting, retaining and developing more women in our workforce. We also believe that we can work positively together to address this gender gap in our industry.

This initiative aims to build on the efforts already being undertaken at individual company levels to attract, develop and retain female staff – especially in technical and senior management roles, and to remove barriers that may currently hinder or discourage women from rising through the ranks into leadership roles.

We believe this declaration can serve as a platform to help oil and gas business leaders around the world, to address the factors contributing to the gender gap and to advantage their companies, their owners and shareholders through the incremental performance and value this will generate.

This is good for our people, good for our stakeholders, and good for our business.

Guiding Principles

1. Leadership
Establish gender diversity and inclusion as a strategic business imperative at all levels of an organization visibly led by the Chief Executive and top leadership.

2. Aspiration & goal setting
Set and maintain challenging but achievable goals and objectives for gender diversity.

3. Science, Technology, Engineering and Mathematics (STEM) Pipeline
Support the development of women into STEM subjects at early years in school and university, and their development towards technical roles and careers.

4. Clear responsibility
Ensure that managers are responsible for reaching diversity goals and objectives and that they have appropriate oversight of strategies and initiatives to achieve them.
5. Recruitment, retention and promotion policies
Review relevant policies and processes including recruitment, retention, evaluation, remuneration and career planning to ensure they are gender sensitive. Recognise and mitigate unconscious biases in selection and retention processes.

6. Inclusive corporate culture
Create an open and inclusive corporate culture where all genders can flourish.

7. Work environment and work-life balance
Develop and communicate clear guidelines on the implementation of gender-sensitive work-life balance policies for all staff.