



*Reservoir Solutions the
Industry Trusts*

- Collarini Associates

*Connecting the
Industry's Experts*

- Collarini Energy Staffing Inc.

*Guiding Careers to
the Next Level*

- Collarini Career Management

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Our Perspective

The issue of employee retention is everywhere - and it needs to be. Just in case you have not been focusing on the matter, rest assured it will face your company, your employer, and your employees in the next several years. The median age of the members of the Society of Petroleum Engineers is still close to 50 (Side note: The recent year-end summary for 2006 actually noticed a drop by one year to 46). By 2010, the oil and gas industry will have experienced a 44% talent attrition rate compared to 2001. This amounts to 231,000 cumulative years of experience lost to the industry! And this comes at a time when it takes more time to prepare new technical talent to work on more complex and technically challenging work. It is now estimated that the learning curve for a new engineer has stretched to seven years.¹⁾

What can we do? Every pathway must be pursued to make sure that experienced talent is retained, lost talent is found, and new talent is groomed. All these avenues will bring results that decide the success of employers and indeed of our industry.

The survey we conducted at the end of 2006 yielded interesting data on what is important to employees besides money. We hope you find the information helpful in your own organization. And in our continuing series on the nitty-gritty of retention, we strive to give you additional tools to limit attrition to a sensible number.

Your Friends at Collarini

¹⁾ Sapient Corporation. Brain Drain: Retaining Intellectual Capital in the Energy Industry. 2001

Upcoming Events



North American Prospect EXPO

February 1 - 2, 2007
Houston, Texas

Come stop by our booth #2164 in the
George R. Brown Convention Center.



Houston's Engineers Week

February 18 - 24, 2007
Houston, Texas

A celebration of Houston's engineering
community and sparking a passion for
engineering in young minds.

Employer Tips

The What, Who, and How of Retention, Part II

In our last newsletter, we discussed the *"What and Who"* of retention, reminding you of the following:

"The critical issue behind all retention programs is that individual decisions to leave are always unique to that person. The solution is not found in the "What" but in the "Who". No matter the size of the company, only one person is responsible for retaining your employees. That person is the direct supervisor of the individual. **Only his or her supervisor is close enough to the employee to understand the individual's personal and professional motivations, to provide a positive environment that takes those motivations into account, and to detect when an employee is unhappy and looking for a change.** Simple and short, the "Who" is easier to define than what programs a company should implement to improve retention."

If the Supervisor is the Who of Retention, then *"How"* do you empower him or her? The career management professionals at Collarini believe you implement two programs:

Extensive and ongoing retention training of every supervisor.

A strong retention training program will help supervisors learn how to build teams, manage performance, develop individuals to their full potential, help them achieve success on the job, and recognize each individual's personal needs and drivers. The training should be part

of an ongoing program and an integral part of the corporate culture. In addition, the training should be made available to non-supervisors to improve communication and enhance succession planning.

Make retention part of each supervisor's major business objectives and incentive compensation.

There are two critical metrics related to retention: how long a direct report remains with the company and how that direct report has advanced within the organization.

We suggest a formula to track the retention performance of a supervisor, remembering that any employee in the organization that has ever been the supervisor's direct report needs to be part of that formula.

$$((X_1Y_1Z_1) + (X_2Y_2Z_2) + (X_3Y_3Z_3) + (X_4Y_4Z_4) + (X_nY_nZ_n))/A$$

A = total number of current and past direct reports

X = individual current or past direct reports

Y = number of years the current or past direct report has been with the company since first direct supervision by the individual supervisor

Z = number of promotions the current or direct report has had since first direct supervision by the individual supervisor

Tracking can be accomplished through HR systems, but each supervisor will want to track his own results to stay aware and on track. Incentive compensation can be based on where the individual falls related to all supervisors. For instance, the top 25% may be awarded 150% of their retention bonus and the next 25% be awarded 100%. The lowest quartile should be assigned additional coaching or assistance in improving their performance.

Every employee is important, and each one has to be managed individually. If you start from the top down doing exactly that, each manager and supervisor will successively manage their direct reports as they are managed. In time, your company will include these steps as part of its own culture.

Talent Pool

The following biographies are just a small sampling of the kind of talent available in our talent pool of over 12,000 experts. Please call our placement managers if you are interested in learning more about these professionals, or check out our website for more candidates.

Geologist with a master's degree and 26 years of worldwide exploration and operations experience in the U.S. gulf coast offshore/onshore and U.S. mid-continent, the far east, the middle east, west and east Africa, Australia, South America and the C.I.S. Additional experience in integrated exploration software systems, data management, and integrated field development studies. **Ask for G1006.**

Geologist with a BS in Geology and 4 years experience in mapping, well log interpretation, well site geology, and exploration. Skilled in Petra, Landmark and SMT. Very bright, mature

candidate that is eager to continue and further his career path in geology. You will find this candidate to have a very personable and professional attitude. **Ask for GP1584.**

Petroleum Engineer with a BS in Petroleum Engineering and a MS in Environmental Engineering and 15 years experience in operations, production, completion and drilling engineering. Skilled at all phases of the well drilling process. Supervised over 1,100 stimulations utilizing cross-linked gels, nitrogen foam and water fracs in single or multizone completions. Managed the production optimization of a large number of gas wells, including regulatory and operational experience with salt water disposal systems, the use and repair of progressive cavity, submergible and rod pumps. Strong background in solving problems related to production. Successfully increased production by developing and implementing squeeze cement jobs, acid washes, re-cementing and other remedial treatments when necessary to enhance well performance. **Ask for P390.**

Operations Supervisor with a BS in Petroleum Services Technology and over 28 years of offshore experience in all phases of production operations. Excellent project management and supervisory skills. Effective risk management coordination of simultaneous operations. Demonstrated capability to take on challenging roles. Provided successful team management by coordinating new facility startups. Supervisor on all field construction projects. Performed numerous facility compliance pre-inspections. **Ask for PO30.**

Gas and Liquids Marketer with a BA from George Washington University and 30 years of industry experience. Worked for 14 years for a major oil company as a first order gas marketer, negotiating contracts with producers, gathering companies, pipelines and end users. Involved in all levels of planning, budgeting, scheduling and reporting for the group. Started marketing program for a medium sized independent, setting up their marketing department from scratch and was involved in the marketing of all of their gas, oil and NGLs. Developed significant industry and government contacts through his activities that could be a great resource for any company. **Ask for BA112.**

Senior Production, Facility, and Operations Engineer with a Bachelor's Degree and 26 years of experience both onshore and offshore. Experienced in drilling, production, and loss control. Skilled at facility design, installation, and maintenance; pipeline design and installation; platform installation and maintenance; well abandonment and workover; remedial well work; regulatory permitting; DOT pipelines compliance; compressor and power generating systems installation and operation; and meter station design and installation. Proficient in various computer programs including MS Office, MS Project, Outlook, ProCounts, JM Campbell, Lomax, and Hanover facility design software. **Ask for F345.**

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than 30 upstream disciplines at**

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Career Advice

Hart's Energy Survey Results

In December, Collarini Energy Staffing conducted a survey of our candidates and clients. We began with the assumption that fair compensation for the work performed is a given. Beyond that, in this highly competitive market for good people, other factors do become important. In all, we asked more than 10,000 people to rate 36 characteristics on a scale of 1 to 5, with 1 being the most important: the deal killer. In other words, if I rated a factor "1", I would work only for companies who provided it.

We received well over 1,000 responses, which was more than double our expectation. Our basis comprises hiring managers and technical people in producing and service companies and professional level candidates who work for them. The demographics of those responding are broad and fairly representative of our industry.

0 - 10 years of experience: 116; 10 - 20 years: 171; 20 - 30 years: 447; over 30 years: 289

Of those responding and filling out the demographic information requested, 176 were women and 840 were men. There were 172 managers, 346 engineers, and 233 geologists. There were 14 HR people, 81 accounting and finance, and 119 landmen. The remaining were support personnel in a variety of roles. Almost half are two-career families, and 40% have children at home.

Recalling that an importance of #1 means a person would work for only companies that have that characteristic, the factors of most importance are *corporate reputation* and *challenging work*. The next most often rated #1 are related to people and culture. They include *the team* and *supervisor*, *welcoming of new ideas*, and *influence on decision making*, which equates to the company's respect for professionals' opinions.

There was very little difference in average response between men and women, although women did rate commute time and flexible work hours a little higher than men did. Those two factors are of importance to most people, and it seems not to vary significantly from one age group to another or from discipline to discipline.

Engineers, geologists, and managers, many of whom in this group are from technical backgrounds, rate challenging work at the top of the list. Team and supervisor are in the top few for every discipline, as are welcoming of new ideas. Most groups also expect to be able to influence decisions, probably not so much on the corporate level as much as on a well or field spending level. Interestingly, the human resource people are very different in what they see as important. They are a very small sample, but we suspect are influenced by what they *think* the employees feel is important.

Contrary to the literature, there was a low importance placed on child and elder care. More than 300 people rated this of lowest importance, more than any other factor in the list; and, that includes rating by both 2-career families and families with children at home. Because our group comprises mostly professionals, we expect this would be assumed to be personal responsibility. Other factors rated low in importance include a variety of office locations and provision of office amenities, such as coffee, food, and so on.

We received about 250 written comments, and most confirmed that a joy in going to work each day is of utmost importance. That includes flexibility in meeting individual needs. Varying work schedules, work from home, part-time opportunities, are all ideas that not only will help to retain people, but also may re-create resources in the form of people who left the industry for personal reasons.

Please visit our web site to see the slides we presented at the conference.

About Us

Connecting the Industry's Experts...

Collarini Energy Staffing Inc. is a full-service agency specializing in the placement of energy and EPC personnel and including the disciplines listed below (other supporting personnel are managed upon request):

Accountants and finance personnel	Naval architects
Administrative and clerical personnel	Operations supervisors
Business analysts	Pipeline, riser, and subsea engineers
Civil and architectural engineers	Process engineers
Drilling engineers	Procurement engineers
Drilling operations supervisors	Production engineers
Executives	Project managers and support personnel
Geologists, geophysicists, and petrophysicists	Quality control and inspection personnel
Health, safety, and environmental personnel	Reservoir engineers
Human resources personnel	Sales and marketing professionals
Instrument and electrical engineers	Technical writers
IT professionals	Technicians, drafting and graphic
Land, legal, and supporting personnel	Technicians, engineering and geoscience
Materials and corrosion engineers	
Technicians, geoscience	

Reservoir Solutions the Industry Trusts...

The **Collarini Associates** petroleum engineers and geoscientists specialize in evaluating oil and gas reservoirs. Specific projects include integrated field studies, acquisition evaluations, independent reserve appraisals, and exploration and exploitation prospect generation and assessment. Our full divestment services include creation and hosting of electronic and physical data rooms in addition to the technical evaluation. Our teams in Houston and New Orleans are very experienced and stand ready to help you on projects of any size. Try us!

Guiding Careers to the Next Level...

Collarini Career Management applies its deep understanding of the career paths of technical professionals in the E&P and EPC communities to help companies and professionals build successful organizations and careers. We leverage Collarini's unique combination of industry knowledge and technical expertise to guide companies and individuals during transition, training existing employees for high performance, and designing customized technical training plans for companies and individuals.

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Comments

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