

UNTAPPED RESERVES

Women are underrepresented in the O&G industry, but according to a research conducted by the World Petroleum Council and the BCG, the sector has a chance to successfully implement some actions to end this inequality.

Women account for a far smaller share of employees in the oil and gas industry—roughly one-fifth—than they do in most other industries. The oil and gas industry has a range of potential actions it can take to address the imbalance, according to a new report from the World Petroleum Council (WPC) and The Boston Consulting Group (BCG), the oil and gas industry has a series of potential actions it can choose to take to end this imbalance.

The report *Untapped Reserves: Promoting Gender Balance in the O&G Industry* is based on proprietary research that includes in-depth interviews to about 2,000 male and female professionals and primary quantitative data supplied by major international and domestic companies, which

AT THE SENIOR-LEADERSHIP LEVEL, THE INDUSTRY CAN PROVIDE STRETCH GOALS FOR WOMEN AND THE NECESSARY SUPPORT TO HELP THEM SUCCEED

collectively generate over \$1.9 trillion in revenue and more than 25 percent of the jobs in the industry. The study explores gender balance at the three stages of women's career development: entry level, midcareer, and senior level. It draws on different perspectives in order to provide new knowledge on that women and companies interested in advancing gender balance face at each stage. In critical terms, the report also provides pragmatic recommendations on the way to address these challenges.

"The oil and gas industry faces substantial challenges in the years ahead and will need to be able to attract and retain the best talent it can if it hopes to surmount them," said BCG partner and coauthor of the report Katharina Rick. "This means, necessarily, a greater focus on women, a

segment the industry has long underemphasized. It is our hope that this report, by providing greater insight into the status quo and identifying a potential path forward for these companies, can help the industry succeed on this front."

The percentage of women in the industry's workforce drops over time and falls particularly sharply—from 25 percent to 17 percent—between the middle-management and senior-leadership career stages. This trend won't change unless CEOs make gender diversity a higher strategic priority.

Although men and women start out on an equal footing, women rarely reach the top of the organization. This isn't owing to a lack of ambition on the part of women. Rather, it is largely due to the fact that, among women who have spent many years

in the industry, relatively few have been offered the technical and operating roles that their male colleagues have, positions that allow employees to accumulate the critical experiences necessary for advancement to senior management.

Unless oil and gas companies develop a critical mass of women across all types of roles, meaningful change in the industry's gender balance will not occur. Female employees work disproportionately in business support roles; they have a very limited presence in technical roles, which are often considered prerequisites for career advancement, and in upper management.

There are wide gaps in perception between men and women regarding the gender-related challenges that women face. The differences of opinion are particularly evident with regard to women's underrepresentation in the senior ranks. Fifty-seven percent of women surveyed said that female employees receive less support for advancement into senior positions than male employees; only 24 percent of men agreed. Fifty-six percent of women said that women are overlooked for senior positions; only 23 percent of men agreed.

Greater gender balance is a worthwhile and attainable goal for the industry, and one that it has the means to achieve. Provided that leadership commitment, especially from CEOs, remains sufficiently strong, the industry could boost women's representation steadily and materially over time—and reap a host of benefits, including improved organizational performance,



creativity, decision making, and morale.

"Support for gender balance at the top is critical," says Ivan Marten, a BCG senior partner and coauthor of the report. "Our study found that when men believe that the CEO considers gender diversity to be very unimportant, only 34% of them view it as important or very important. But when men believe that the CEO views the issue as very important, 86% of them likewise consider it important or very important. In the end, a commitment to gender balance needs to be part of the corporate strategy—and that commitment needs to be clearly communicated by the CEO." ■

BREAKING THE GLASS CEILING

- At the entry level, the industry can expand the talent pool it draws from by taking steps to increase women's participation in STEM (science, technology, engineering, and mathematics) programs. It can enhance its attractiveness to women as a career choice by promoting the wide range of jobs available and making career paths more flexible, working with governments to remove structural barriers that make it difficult for women to work in the industry, and increasing the number and visibility of senior female role models.
- At the midcareer level, the

industry can work to ensure that women have the same career opportunities as men, that each woman has a sponsor who can offer career guidance, and that work-life-balance policies are available and applied equally to male and female employees.

- At the senior-leadership level, the industry can provide stretch goals for women and the necessary support to help them succeed, broaden the range of career paths from which senior leaders are picked, and ensure that standards for promotion are applied equally to men and women.