Gender balance in oil and gas: An important – and attainable – goal

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Representing roughly a fifth of the oil and gas sector’s employees, women account for a significantly smaller share of the industry’s workforce than they do in almost all other industries. The industry’s women also work disproportionately in business and commercial roles – they have a very limited presence in technical posts, which are often considered prerequisites for career advancement, and upper management roles. The upshot: oil and gas companies are failing to fully leverage a potentially sizable and critical pool of talent.

The loss to the industry is threefold. First, oil and gas companies have a smaller number of highly qualified candidates to choose from when filling positions, especially among the industry’s middle and higher ranks, as many talented women either never join the industry or drop out prematurely.

Second, the industry misses out on the greater quality of teamwork, diversity of perspectives, and level of creativity in solving technical and business problems that characterise more gender-diverse companies. Third, the industry’s relative lack of gender diversity, particularly in the senior ranks, hurts its reputation among women as a career destination. This could create a vicious circle, one in which the industry finds it progressively harder to recruit women across the board.

The effects could weigh heavily on oil and gas companies’ ability to increase the productivity of human and other capital. Increased capital productivity will be vital to these companies going forward as they wrestle with the challenges posed by (a) the industry’s pending generational “crew change,” (b) the ongoing “lower for (much) longer” oil-price environment, and (c) advances in robotics and artificial intelligence that could reshape the industry in a host of ways.

Attracting and retaining greater numbers of women, particularly those with optimal backgrounds, will pose challenges for the industry. The hurdles include the limited number of girls and women pursuing technical educations; structural barriers within the industry that make it difficult for women to advance and/or balance work and family; and an established, male-centric culture that remains prevalent throughout much of the industry. The industry can and must address these challenges and close the gender gap, however, if it hopes to position itself optimally for the future.

One of the report’s unique features is that it examines the realities facing women at three critical career stages – entry level, mid-career, and senior management. It also provides recommendations on how companies can foster women’s presence and advancement at each stage.

The report’s key findings include the following:

- The percentage of women in the industry’s workforce drops over time and falls particularly sharply between the mid-career and senior leadership levels. The trend won’t change unless CEOs make gender diversity a greater strategic priority. Although 56 per cent of men believe that their CEO cares about gender diversity, only 36 per cent of women do. CEO commitment matters because many employees, especially men, take their lead from the CEO. When men believe that the CEO considers gender diversity “very important,” only 34 per cent view it as important. But when they believe that the CEO considers it “very important,” 86 per cent deem it important, too.

- While men and women start out on an equal footing, women hardly ever reach the top of the organisation. This isn’t due to lack of ambition among women – women are just as ambitious as men, our research revealed. So, what’s the reason? Men, especially those in senior positions, attribute much of it to a shortage of qualified female candidates. This assessment is probably accurate: among women who have spent many years in the industry and might otherwise be considered suitable candidates for promotion to senior management, many have failed to accumulate the critical experiences – and connections – that their male colleagues have. This accounts for much of the fact that, among women who are still working in the industry after 15-20 years, most have a less than 20 per cent chance of landing a senior executive job.

- There are wide gaps in perception between men and women regarding the gender-diversity challenges that women face. Men believe, for example, that women are generally less flexible than men and therefore less suited to specific types of roles, including many expatriate jobs and positions in the
field. But women are actually prepared to be as, or even more, flexible than men in their jobs, our survey indicated. Many men also believe that they provide the same level of career support to women as they do to men – but women disagree. At least half of the women we interviewed felt that they had no visibility into many career opportunities; 60 per cent felt that they had been overlooked for senior positions. Women cite lack of support and sponsorship as the main reason for their lack of advancement.

• Without developing a critical mass of women across all types of roles, the industry will not make a meaningful difference in its gender balance. Many oil and gas companies have made a genuine effort to improve gender diversity – by improving recruiting practices, instituting work-life balance policies, and other means. One of the major reasons that this has not produced the desired results, however, is that the approach is too “hands-off” and does not focus on attaining meaningful quantitative targets broadly. The industry might reference having 22 per cent of its jobs, on average, filled by women. Looking across individual departments, however, a different picture emerges. While women’s representation in office-based roles can be as high as 40 per cent, their representation in the critical technical arena is only 15 per cent. This comes at a sizable cost to women in technical roles, who often find themselves talked over in meetings and otherwise struggling to command the same attention and respect that men get. Over time, this can erode these women’s self-confidence and enthusiasm substantially.

• There are many actions the industry can take to increase its percentage of female employees and accelerate progress toward gender equality. The industry must look holistically at the various functions – especially technical ones – and establish targets for boosting women’s presence. The industry should also take specific actions centered on the three critical career stages that Untapped Reserves: Promoting Gender Balance in Oil and Gas focuses on:
  • At the entry level, the industry can increase the size of the talent pool it draws from by taking steps to boost women’s participation in STEM programmes. It can increase its attractiveness to women as a career choice by promoting the industry’s wide range of jobs and increasing job flexibility; working with governments to remove structural barriers that make it difficult for women to work in the industry; and making senior female role models in the industry more visible. The inflow of women can be boosted by instituting aspirational gender-balance recruitment targets, such as a 50/50 male-female ratio for new hires.
  • At the mid-career level, the industry can work to ensure that women have the same career opportunities as men; that each woman has a sponsor who proactively supports her and can offer career guidance; and that work-life balance policies are available and applied equally across genders.
  • 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 decision standards for promotions are applied equally to men and women.

Greater gender diversity is a worthwhile and attainable goal for the industry, 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, certainly reaching or surpassing the 35 per cent threshold that most survey respondents said they consider possible by 2022. And the industry could reap a host of benefits – including improved organisational performance, creativity, decision-making, and likely morale – for its efforts.