

# Navigating the Talent Transition:

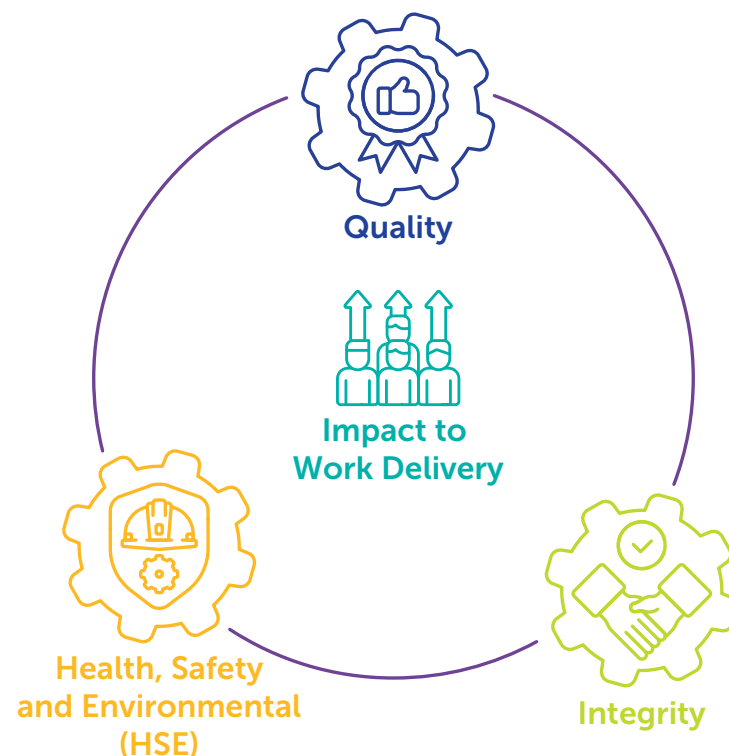
## Challenges and Opportunities in the OGSE Industry

The changing landscape presents both challenges and opportunities for the OGSE industry, including the journey towards energy transition with new business models, digital technology integration and lower-carbon alternatives. As environmental and sustainability issues gain prominence, the need for qualified talents is becoming increasingly urgent, while competing with gig economies and other industries. Talents with both broad and specialised expertise are required to have new skill sets and capabilities to perform in the current landscape, as failure to do so may hinder productivity. This will further affect the industry's competitiveness.

In order to remain competitive in this volatile environment, the OGSE industry must prioritise attracting and retaining the right talent with the right capabilities.



### The Oil and Gas Talent Landscape Grapples with a Growing Capability Gap and Capacity Shortage



In Malaysia's dynamic oil and gas industry, the successful hiring and retaining of relevant top talents is paramount to sustain growth and competitiveness. However, an internal survey conducted by PETRONAS revealed widespread challenges in hiring and retaining skilled professionals, citing competency gaps and competing job offers in the industry.

A mismatch of workforce skills may impact operational efficiency, productivity and jeopardise safety. This could lead to poor asset integrity, compromised health, safety and environmental compliance and hinder the OGSE industry's competitive edge.

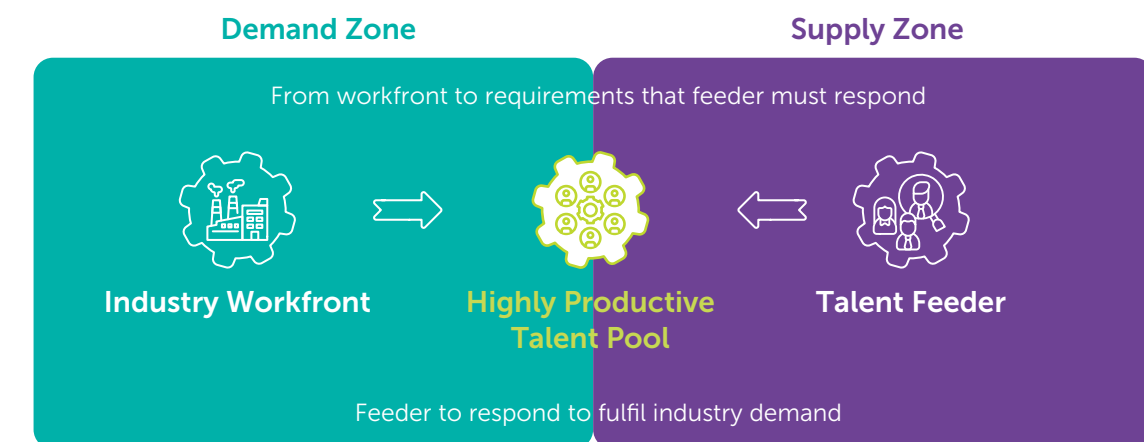
### Talent Integrity Remains Essential in the Oil and Gas Industry

It is imperative that the industry have talents who adhere to the highest integrity standards that are crucial for generating and sustaining corporate value. Talents must have the necessary competencies and knowledge to uphold asset integrity and process safety especially in high-risk environments such as offshore operations or processing plants to avert unfavourable situations or accidents. This involves the management of people, systems, processes and technologies to ensure high productivity of assets that operate safely with zero risks to employees, the public and the environment. Having the right talent that does not compromise on integrity is a major step towards achieving success in today's business environment.

### Tomorrow's Talent: Are We Ready for the Future?

One of the key items highlighted during the Energy Asia 2023 conference was that despite commitments, advancing technology and adequate funding, there is a considerable talent gap in the energy industry. This poses a significant challenge to transition towards net zero energy systems effectively and efficiently. Filling this gap requires the creation of about 30 million new jobs worldwide, including 200,000 in Malaysia alone<sup>1</sup> to ensure the sustainability of the nation's oil, gas and energy industry.

Attaining a future-ready talent pipeline requires rewiring the talent strategy ecosystem, including sourcing, retaining and elevating talent value propositions via upskilling and reskilling. Having a comprehensive line of sight on talent demand and supply within the industry ecosystem will ensure an industry-ready workforce. Facilitating the integration of the industry's existing fragmented initiatives will contribute towards a robust talent outlook.



*Brief talent supply and demand within ecosystem re-imagined framework for illustration purposes only*

The industry must have visibility to the dynamics of talent demand (what skills and roles are needed by the industry) and talent supply (the available pool of talents with needed skills and qualifications). This will enable the industry to analyse and respond timely to the current and future needs for specific skills and the availability of talents.

Fulfilling industry demand is important as it ensures sustainability and ability to contribute positively to the nation's oil, gas and energy industry.

Source:

<sup>1</sup> Experts: New talent needed for transition to renewable energy | The Star

To ensure a consistent supply of talent, the industry must collectively work together to entice the masses as early as during school level towards the interest of science, technology, engineering and mathematics (STEM). This can be done through collaboration with schools and universities to allow students to be exposed to industry demands, as well as the range of jobs available to them. Using real-world examples and experiences, the curriculum can be tailored for students to carry out industry-based experiments, make observations, ask questions, test ideas, think creatively and use their intuition, which will one day lead to solutions for the industry.

### Did You Know?

#### We Shape Tomorrow's Bright Talents

PETRONAS has been nurturing talents through robust education and training initiatives, devoting resources to Malaysia's human capital development to meet the country's requirements and the energy industry's demand.

PETRONAS Powering Knowledge Initiatives:

1. Discover PETRONAS @Schools (DPS)
2. Education Sponsorship
3. Vocational Institutions Sponsorship and Training Assistance (VISTA)

\*List is non-exhaustive

### Did You Know?

Embracing a collaborative strategy towards a forward-thinking and strategic move can yield benefits not only for an individual organisation but also for the broader oil, gas and energy industry. It's time for industry players to co-create a talent pool in addressing talent challenges.

Get on board! Join the industry collaboration today as we work together to enhance the visibility of talent demand and supply and drive top-notch workforce productivity by scanning the QR code below before 30 June 2024.



The industry is also urged to promote and support Technical and Vocational Education and Training (TVET) graduates to fulfil the demand for talents. Collaboration between all stakeholders is crucial to ensure the right certification and training modules are made available for the right qualification. Additionally, during his keynote speech at the Oil and Gas Asia 2023 (OGA) conference, Datuk Bacho Pilong, PETRONAS' Senior Vice President, Project Delivery and Technology (PD&T) also urged industry players to tap into TVET institutions to align both talent and industry needs.

Visibility over the demand-supply of talent is still not enough. Visibility alone will only enable action towards capacity, but not capability. The industry must address the capability to drive long-term competitiveness which requires a conscious and concerted effort from everyone involved.

From the training perspective, the industry is urged to increase awareness of incentives provided by the Human Resource Development Corporation (HRD Corp) on levies for specific soft-skills trainings and local professional development programmes. Referring to the same survey analysis conducted by PETRONAS this year, 80 per cent of the respondents were aware of the levies. However, only 52 per cent were registered with the government agency. Notably, small and medium-sized enterprises (SMEs) indicated lower utilisation of HRD Corp benefits, compared to others. 18 per cent of SMEs are still unaware of the initiatives HRD Corp provides. Inputs from the industries, HRD Corp and relevant government agencies are vital to assess retraining programmes of industry skill sets, especially those which are expected to decline.

#### Nurturing OGSE Talent: A Collective Responsibility

Addressing the talent demand-supply gap is crucial for long-term sustainability of the oil and gas industry as a driver to the country's economic growth. It requires a concerted effort by everyone in the industry to step up to enhance productivity and competency. Investing in the industry's talent development through enhancing capability, capacity and productivity norms as well as collaborating with policymakers, training providers and educators will ensure the OGSE industry becomes more globally competitive, attracting foreign investors while forging a path towards sustainability.

Every small effort is a significant step forward, not only for the industry's success but also to advance the broader goals of responsible business practices, while ensuring a sustainable and resilient OGSE ecosystem to drive the industry forward amid the energy transition. The time to act is now. Failure to do so will undoubtedly hinder growth of the energy industry.



### Did You Know?

PETRONAS has collaborated with HRD Corp and the Malaysian Oil, Gas and Energy Services Council (MOGSC) to address talent development needs within respective industries through the development of the second edition of the Industrial Skills Framework.

This initiative helps to channel levy and training grants timely to the right talent through competent training providers and aims to increase the number of Malaysian skilled workforce timely as required by the industry.

The second edition of the Industrial Skills Framework covers core and in-demand skill sets in the OGSE sector and critical focus areas have been identified and enhanced. A new addition as well as certification schemes have also been incorporated. With the proposed enhancements, there are several skill sets such as:

1. Welding Inspection
2. Hydro-Jetting
3. Insulation
4. Blasting and Painting

\*List is non-exhaustive

For more details on the Industrial Skills Framework, please scan the QR code.

