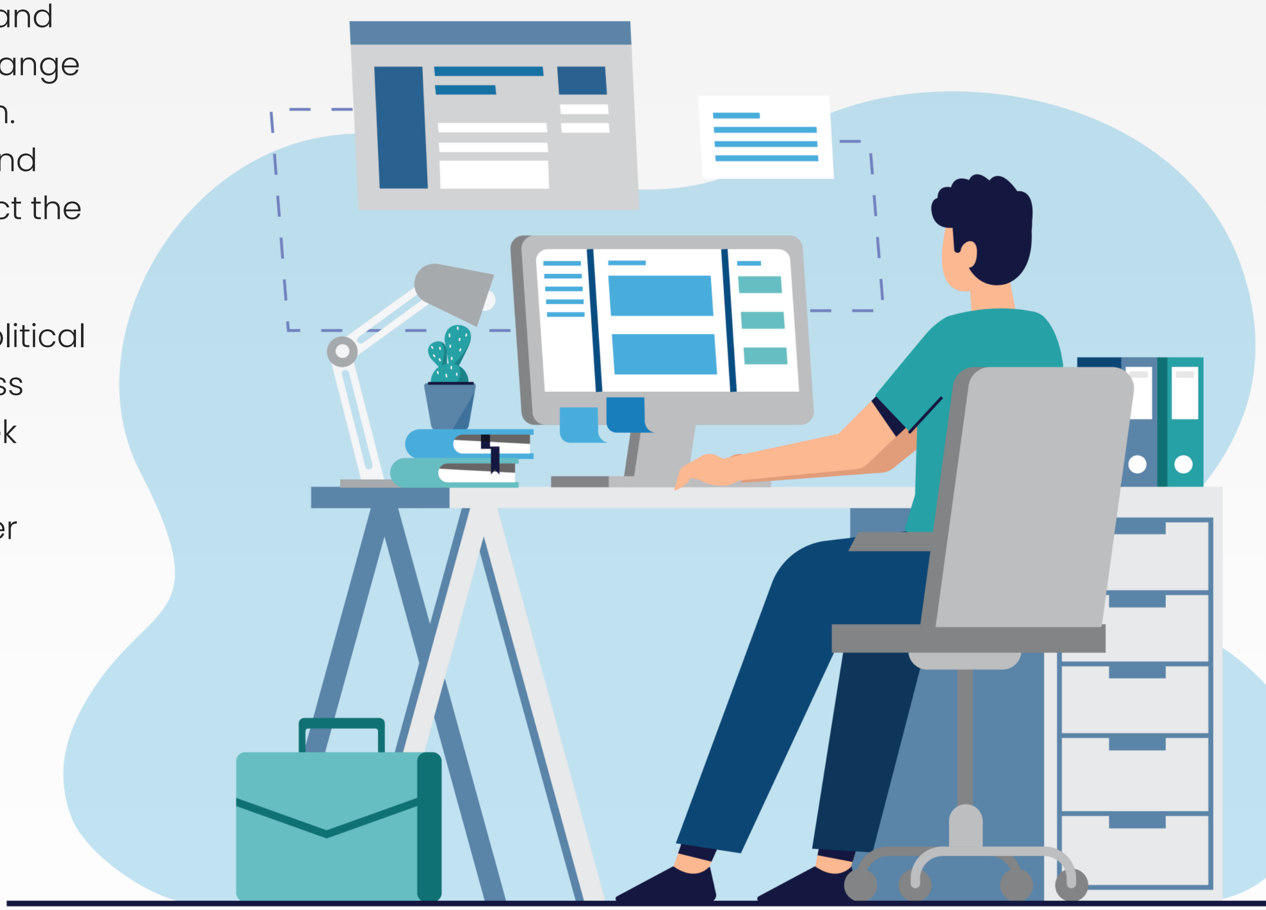
Energy & Utilities Staffing Trends Report

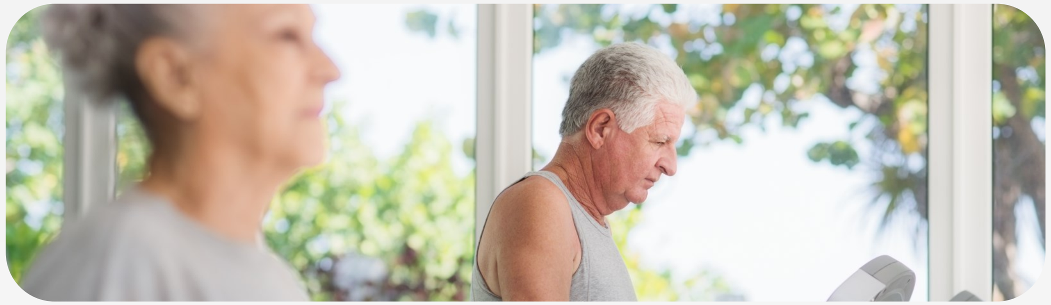
Overview

One of the biggest challenges facing the energy & utilities industry is its image problem with a younger generation who expect their employers' values to align more closely with their own. An ageing workforce with skills tied to old processes and technologies may struggle to keep up with the pace of change unless the industry receives a much-needed talent refresh. But with raised expectations around workplace flexibility and DEI, there's a lot of work to be done on positioning to attract the best Gen Z candidates.

Elsewhere, uncertainty around volatile markets and geopolitical conflicts is making a career in energy & utilities a much less attractive proposition than it once was. As candidates seek stability and a better work-life balance, companies in the sector need to make a compelling case that they can offer what talent craves.



Headwinds



An ageing workforce is in urgent need of reinforcements

To accommodate short-term growth in demand for fossil fuels, employers may need to expand their workforces in the coming years. According to the International Energy Agency (IEA), however, the energy & utilities industry has an ageing workforce and companies are finding it harder to attract new talent. In the United States, the number of petroleum engineering graduates fell by over 80% between 2017 and 2022 and according to some reports, only 12% of the global workforce is currently under 30. Unless the industry finds a way to bring in the next generation of talent, there's a risk of the old guard being left behind by advancing technology.

Workers are concerned about climate change but don't feel heard

While other industries have struggled with "quiet quitting", energy & utilities workers companies have had to contend with "climate quitting"—leaving a job or rejecting an offer because of concerns around ESG. A recent study by KPMG found that 1 in 5 respondents had rejected a job offer due to the potential employer's ESG practices. Meanwhile, only 45% of respondents in Airswift's Global Energy Talent Index Report felt their opinions and values were being heeded and reflected in company policies and 38% say they had no impact whatsoever—the lowest ranking of any sector other than nuclear. The energy & utilities industry's multi-skilled, mobile workforce is highly attractive to other sectors like renewables and technology, and there's a real risk of leaking talent due to a mismatch in values.

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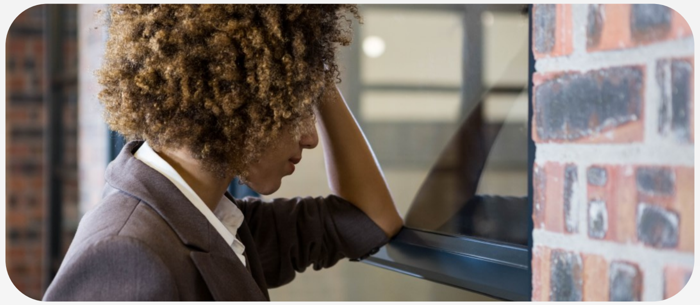
The search for better work/life balance is reducing mobility

Not too long ago, a career in oil meant a lot of time spent abroad, but post-pandemic there's a reluctance for workers to embrace the jet-setting life of an oil executive. The proportion of energy & utilities workers wanting to move abroad has fallen for the third consecutive year, down to 81% in 2022 from 89% the previous year and 91% in 2020. Rising travel costs and a growing focus on work/life balance have made globe-trotting less desirable too, particularly for workers with families and other commitments. Fifty percent of workers in the energy & utilities industry reported that they find their work to be exhausting, with nearly 40% feeling frustrated in their jobs. The risk of burnout should be a key concern for businesses as they seek to retain key workers and attract new talent.



Instability is making talent more risk-averse

Job security has traditionally been one of the biggest factors driving talent to a career in energy & utilities with 39% citing it as a priority for choosing the energy sector for employment. But environmental concerns coupled with ongoing global conflicts like the war in Ukraine are having an impact on candidates' faith in the stability of the sector, leading talent to look elsewhere when plotting the next step in their career journey. Organizations will need to find a way to reassure talent that there's a future for them in the industry.

Supply chain costs are impacting recruitment

Rising supply chain costs are repeatedly cited as the most disruptive issues facing the energy & utilities industry in recent times, and price inflation is having a knock-on effect on recruitment. 41% report that they've had to reduce or delay recruitment and 37% say this has also reduced or stalled salary and benefit increases within their organization. In the past, the energy & utilities industry has been able to offer highly competitive compensation packages that balanced out the demanding nature of the work, but without strong remuneration and benefits —one of the biggest drivers of job satisfaction— organizations could find it difficult to retain talent .

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ESG will become key to EVP

As awareness grows around climate change, talent will seek assurances that the companies they work for are doing everything in their power to maximize their social impact while minimizing the harm they do to their environment.

Energy & utilities companies will show an increased focus on DEI and ESG initiatives as they seek to create a stronger Employee Value Proposition (EVP) and a more progressive environment for a diverse generation of workers. This shift is already underway in parts of the industry—48% say their firm has reduced operational emissions or fossil fuel investments while 27% say it has significantly reduced them, and perhaps most importantly, 38% say they enjoy their role more because of these changes.

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Companies will seek adaptable talent as the industry transitions to clean energy

While the number of clean energy jobs is set to increase in the coming years, not all those jobs will share skills with those that they replace. In their ongoing quest for workforce stability, energy & utilities companies will look to the long term as they define the skills required to tackle the challenges ahead.

Candidates with transferable technical skills will be highly sought after for their ability to adapt to new technologies and evolve as the industry continues to change.

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The industry will cast a wider net for skilled workers

With talent getting harder and harder to come by and traditional inflows turning to focus on other industries, companies in the energy & utilities sector may need to look elsewhere for the next generation of employees.

That could mean looking to other countries for skilled workers—in which case they'll have to consider the costs associated with onboarding and training overseas workers—but it could also mean seeking the advice of outside experts, such as those in the staffing and recruitment business, as they look to attract the workforce of the future.

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