

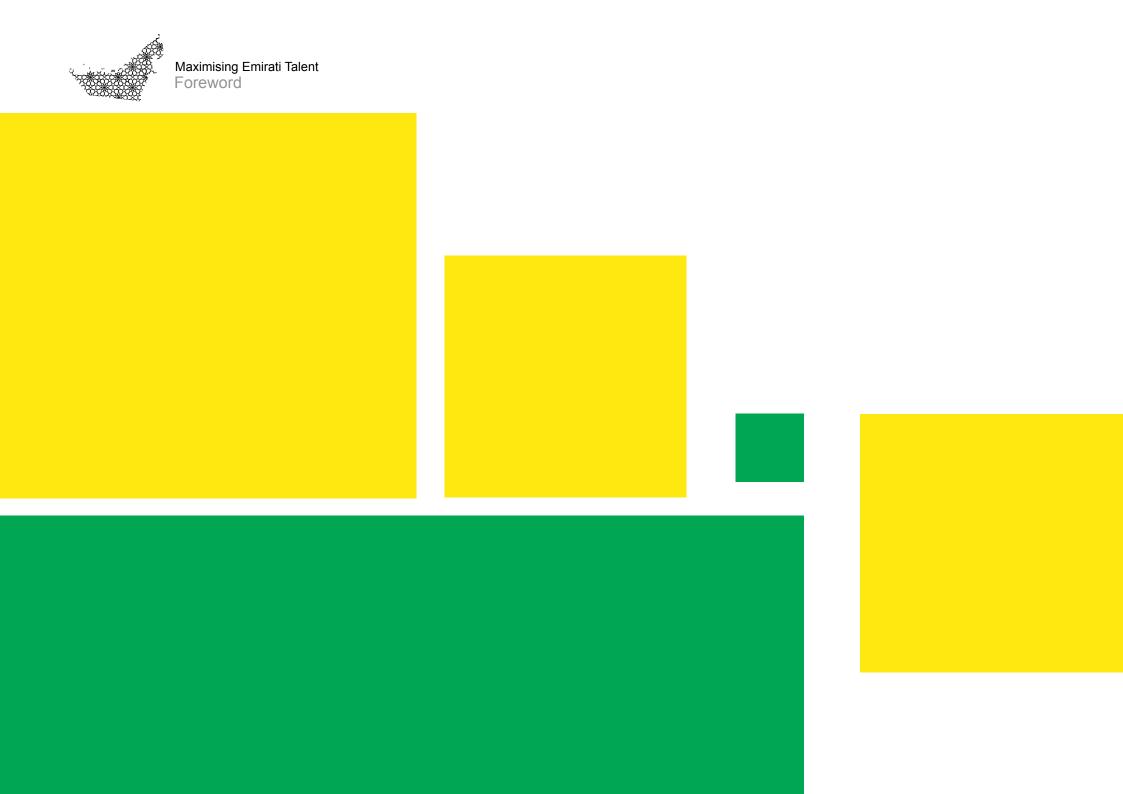








Foreword	3
Introduction and Summary	4
The Research Methodology	10
Findings	12
Recommendations	24
About BP	38
About Oxford Strategic Consulting	39







Foreword

or a large multinational company that has a big presence in the region, it is important that we attract and retain employees with the right skill set and experience. We also understand the focus on building local talent to meet the future needs of the nation more widely.

As a committed investor and partner, we wanted to learn about the most effective ways to attract and develop

talent in science, technology, engineering and mathematics. Expertise in these subjects after all are a core asset for a company like BP. We want to develop local talent because it has direct value for our business, and not primarily because of targets set around 'Emiratisation'. Quite simply, it's the right thing to do.

To this end, BP has supported this important research project with Oxford Strategic

Consulting, to capture insights from young Emirati individuals who might be interested in pursuing education in 'STEM' subjects and might even be attracted to joining our company or the wider industry. The research provides valuable lessons for ourselves in recruitment and human resource development and we hope the findings are helpful also for our host governments, our partners and the oil and gas sector in general.



AbdulKarim AlMazmi
President and General Manager
– BP UAE



Introduction and Summary

Background and Summary

The development and employment of national talent is the major priority for all the countries of the Gulf Cooperation Council (GCC). The region's rapid population growth, reliance on oil and gas production and fast-changing social and economic aspirations, especially those held by young nationals (including females), have

required GCC governments to develop new ways of addressing economic issues and meeting the demands of developing national talent and maximizing employment of male and female nationals.

Emiratization policies and initiatives, such as Tanmia, ENDP, Tawteen Council and Absher, seek to reduce the UAE's dependency on foreign workers and permit more Emirati nationals to benefit from economic growth in the country. In light of the growing need to employ Emirati nationals in the private sector, the UAE government has ensured the employment and development of Emirati talent as a top priority for the country. Despite numerous initiatives,

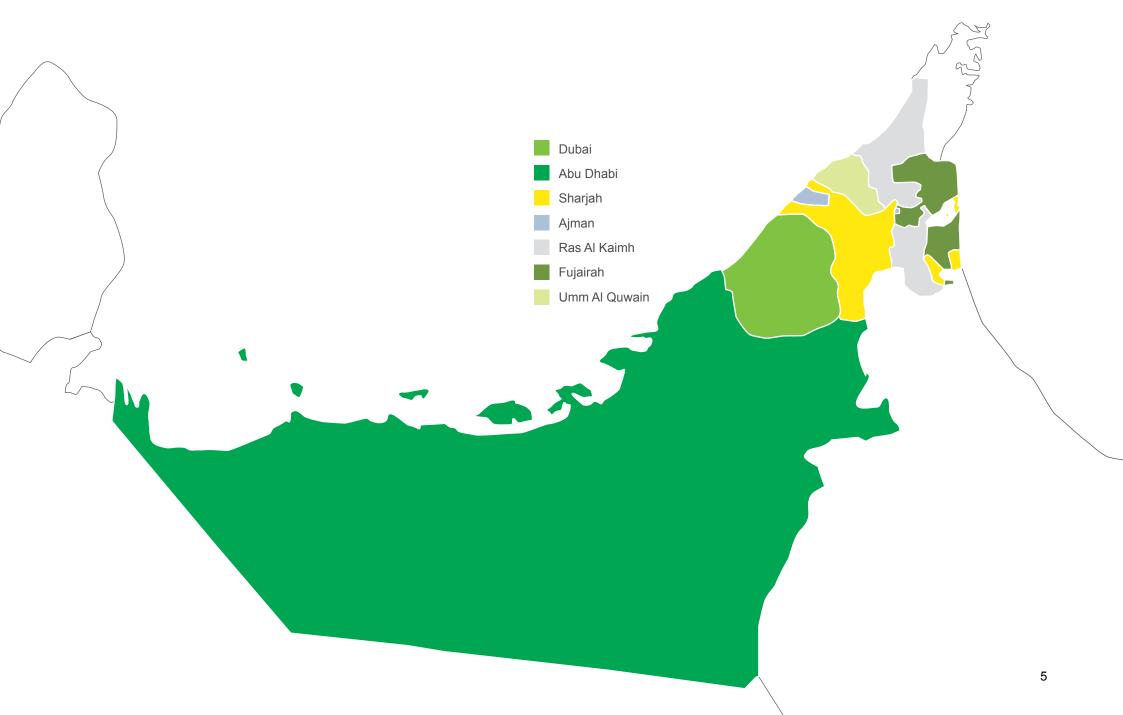
very few (estimated as less than 1%) of the 4 million private sector workers in the UAE were Emirati.

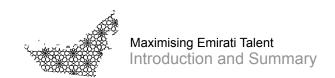
BP, as a major employer in UAE's energy sector, has a strong commitment to develop Emirati talent, particularly in vital technical engineering and leadership roles. As part of this commitment, BP commissioned

this research initiative, carried out by Oxford Strategic Consulting, in order to help maximize the development of Emirati talent in engineering, with a specific focus on the Oil and Gas sector. This is a brief summary of the full report, which is available from wsi@ oxfordstrategicconsulting.com.









The key priority is to develop Emiratis for leadership roles

The UAE must ensure that increasing numbers of nationals assume leadership roles in order to maintain the distinctive national character of the country. In fact, our research found that 64% of Emiratis must become leaders if all of the senior leadership positions in the country were to be filled by nationals.

It is for this reason that both HH Sheikh Khalifa bin Zayed Al Nahyan and HH Sheikh Mohammed bin Rashid Al Maktoum have said for many years that leadership is the key capability for Emiratis, and they have consistently promoted and supported efforts to develop leaders.

Oil and gas companies can help the UAE make huge strides in national development by 'fast-tracking' national talent into both domestic leadership roles and the forefront of global leadership. In order to accomplish this, local talent must be prepared to assume leadership roles within the industry. Once they assume

these leadership positions, local oil & gas engineers can significantly contribute to the national strategy and promote leadership within the country – but this will take time, training and commitment from the industry.

Promoting local leaders does not mean 'replacing

ex-pats'. Talent creates employment and, as the UAE has demonstrated, high levels of ex-pat and national talent can create high growth, which will result in high demand for national talent. The secret is to build and develop the right national talent to meet industry demands as rapidly as they occur.

MITMENT **SFOK** CT EDUCATE ATTRACT



There are clear factors limiting the numbers of Emirati oil and gas engineers

Our research found that, although many oil and gas companies are putting a great deal of effort into Emiratization, there are several factors limiting young Emirati interest in oil and gas engineering. The main reasons can be summarised as follows:

Perceptions and aspiration — Many young people believe that oil and gas engineering is dirty, hard work and dangerous. They believe that a government desk job is the 'best career'. There is little factual basis for these beliefs, but employers and educators are failing to give different messages in ways young Emiratis can relate to.

Employers believe that young nationals are mainly motivated by money and a 'big' job title, while in fact, self-development and contributing to national success are deemed just as important by young Emiratis themselves. Misperceptions on both sides are stopping private sector employers and young nationals from engaging effectively.

A skewed market –
Government jobs are 'too'
attractive for Emiratis, while
the quota instrument is too
blunt. Further, the private
sector does not do enough
to validate the costs of
hiring nationals against
expatriates, or to explain to
young nationals why they

should not automatically seek employment in the public sector; widely perceived as valuable to the country, less demanding and more secure.

Collaboration – Companies tend to work in isolation to address an industry wide problem. Companies, academic institutions and government are not working closely enough together, a major contributor to the above two factors.

This situation *can* be changed, for the benefit of oil and gas companies, Emiratis and the nation.





There is a clear case for investment

The IMF and other international institutions employ an established measure of 'human capital'. This measure indicates whether or not more investment in human capital including training, subsidies and business incubators will produce significant economic benefit.

UAE has a considerably greater prospect to enhance the levels of human capital per worker than, for example, the USA. This means that investment in human capital will continue to produce improvements in output per worker (and hence GDP) for a considerable time to come.

And of course this is only the 'hard' economic benefit. Investment in human capital delivers many 'soft' benefits such as self-respect, confidence, transferability of skills (which helps to build a flexible and resilient economy), feelings of self-value and consequent social stability (productive workers tend to be more content).

There is a need for coordinated initiatives

The report conducted by OSC in partnership with BP makes several key recommendations to maximize Emirati engineering talent, complementing the many government-led and individual company initiatives already underway. It suggests that employers themselves can take more effective action and that this would have substantial business benefits. The report identifies major disconnects between employers, young Emiratis and educators on the motivations and aspirations of Emiratis, on the best ways to attract and recruit and on the preferred work preferences of Emiratis. These disconnects can be viewed as opportunities for more effective development of Emirati talent to reduce national unemployment, to increase GDP and individual incomes and to ensure the UAE's competitive position in the global economy.



The Research Methodology

A mixed methodological approach was adopted for the research study that provided the data for the OSC-BP report, combining qualitative in-depth interviews with an extensive quantitative research survey (also by interview).

Qualitative, open and semistructured in-depth interviews were conducted with a number of leading employers and educators in the UAE to obtain detailed feedback on a range of topics.

The quantitative stage consisted of surveys with three distinct sample groups. The first group were Emirati students (attending high school or university/college), who were interviewed face-to-face. The second group were university educators, who were sent

an email inviting them to take part in an online survey. The third group were employers including business and HR leaders, who were interviewed over the phone.

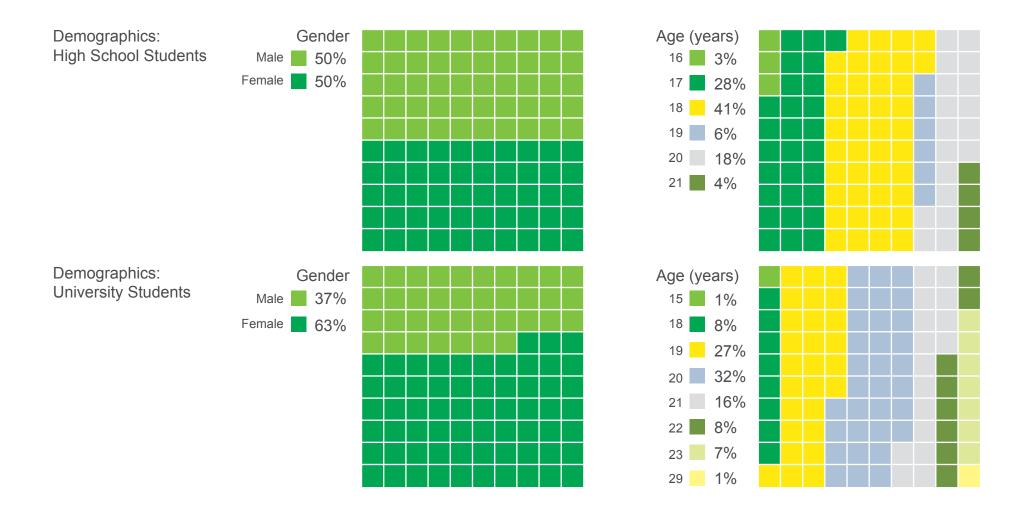
The surveys consisted of 20-30 fixed choice and open-ended questions covering a range of areas including skills development, motivations, career aspirations, barriers to

employment, role models and perceptions of a career in engineering in the oil and gas industry.

Almost 200 respondents were interviewed in the quantitative stage of the study between September and October 2013. The interviews were conducted in various locations and with a variety of respondents, allowing for demographic variations.







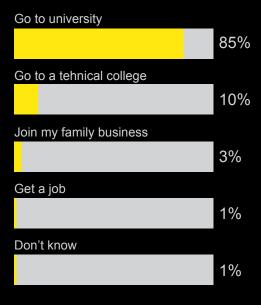
Findings

About young Emiratis

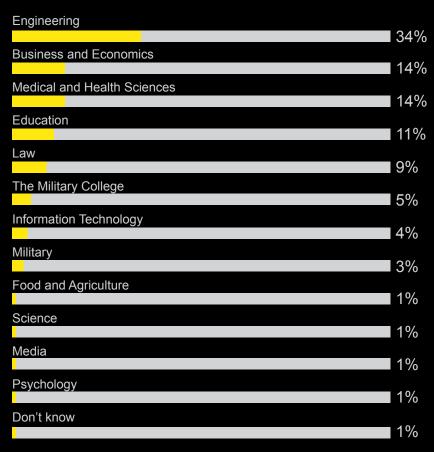
Emirati High School and University/College students' intentions and subject areas

The majority of high school students planned to go to university after finishing high school, with most suggesting they planned to study engineering (including computer engineering and so on). Subsequently, the most popular subjects being studied by University students are IT & Computing and Business.

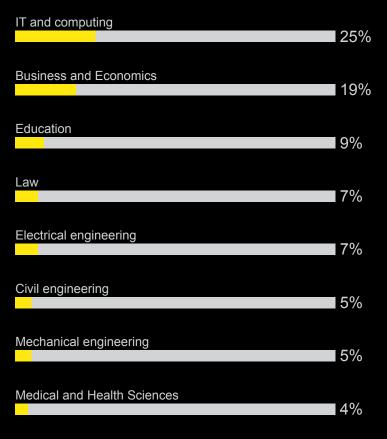
What do you intend to do after high school?



Which of the followinng best describes the subject area you wish to study at university or technical college?



Which of the following best describes the subject area you are currently studying at your college/university?

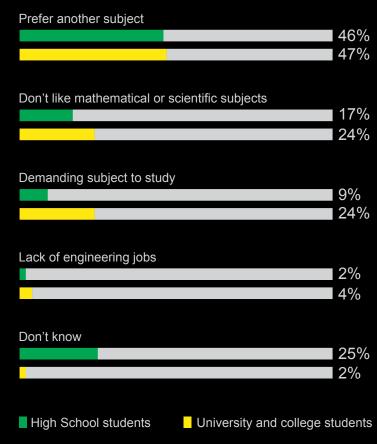


Engineering? Why not?

Students who were not studying engineering were asked why the subject did not appeal to them.

The main reason for not studying engineering by high school and college/ university students was preference for another subject (47%) and (46%). Students also mentioned a dislike of mathematical or scientific subjects (17% and 24%) and the demanding nature of engineering as a subject to study (9% and 24%). A minority also mentioned lack of engineering jobs (2% and 4%). In the detailed interviews, several students mentioned that Engineering in Oil and Gas was a 'dirty' job, meant staying away from home for months in the desert or at sea and was 'not cool'!

Can you tell us why the field of engineering did not appeal to you.



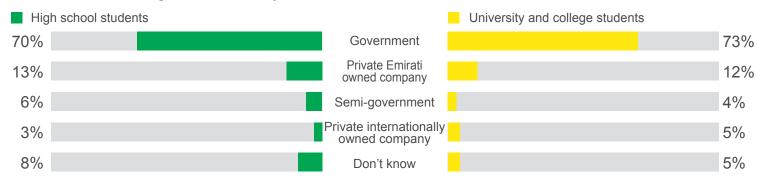


Students' preferred sector and organization

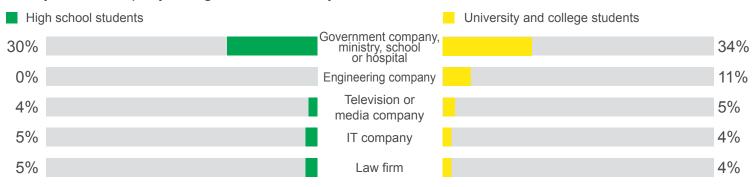
Over 70% of all students preferred a career working in Government (70% and 73%). Less than a fifth wanted to work in the private sector (16% and 17%), mostly for an Emiratiowned (13%% and 12%) rather than an internationally-owned (3% and 5%) company. Emirati students at all levels shared very similar 'sector' aspirations.

Students were most interested in working for government companies, ministries, schools and hospitals (30% and 34%), while 11% of university students were interested in working for an engineering company.

Which of the following sectors would you most like to work?



Ideally which company or organization would you like to work for in the future?



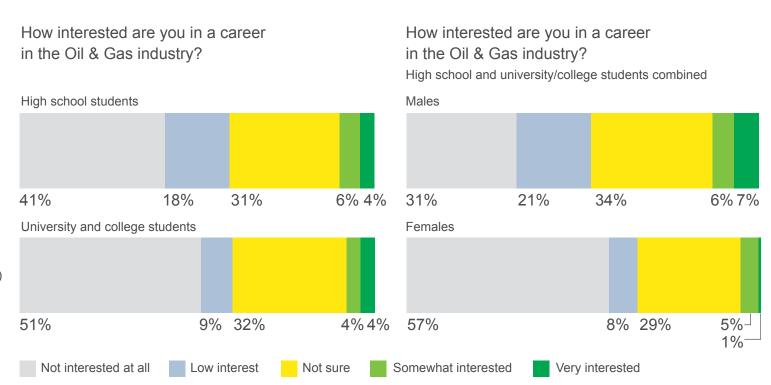




Students' interest in the Oil and Gas industry

Only around 1 out of 10 high school (10%) and university/ college students (8%) were somewhat or very interested in a career in the oil & gas industry. Over 30% of all students were unsure whether a career in Oil and Gas was for them – a reflection of lack of knowledge perhaps.

Males (13%) were more than twice as likely as females (6%) to be interested in a career in the oil & gas industry.

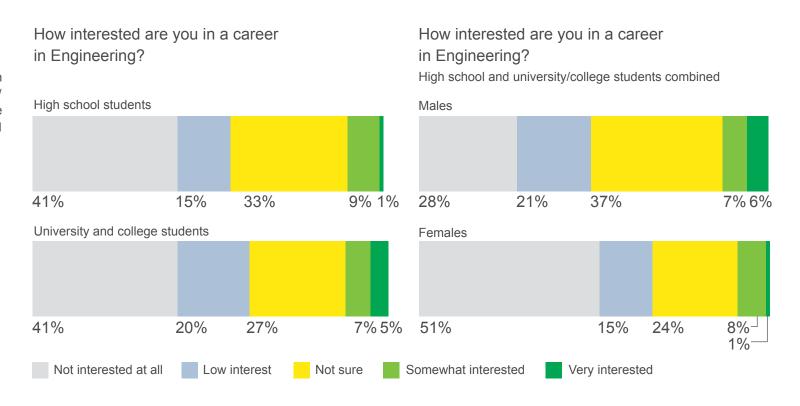




Students' interest in a career in Engineering

Only around 1 out of 10 high school (10%) and university/ college students (12%) were somewhat or very interested in a career in engineering.

Only 13% of male and 9% of female students were interested in a career in engineering.

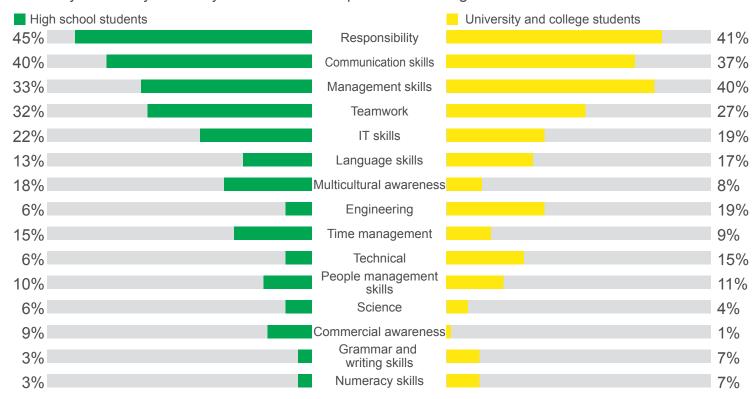




Development of (required) key skills for young Emiratis

Emirati students considered that the most important skills that they needed to develop before entering the workforce was the sense of responsibility required for work. Our detailed interviews suggested this was because they were concerned that work-life was very different to student-life but they had not had sufficient preparation - not least in the obligations and duties of the workplace. Communication and management and teamworking skills, were also (quite accurately) seen as important.

What key skills do you think you need to develop before entering the workforce?







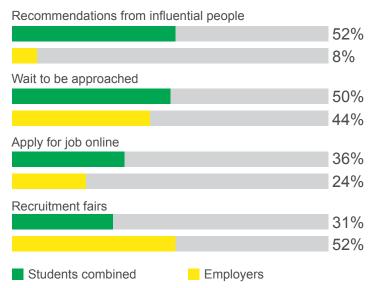
Comparing the views of young Emiratis, educators and employers

How do young Emiratis search for jobs? And how do employers find them?

Recruitment and job search processes are critical for any fast growing industry, sector or organisation. Emirati students were most likely to search for job opportunities through recommendations from influential people (friends, family or key contacts), waiting to be approached (either by organizations direct or through employees of organizations). Around 30% also used online methods (especially the younger high school students)

and attended career fairs. Meanwhile, employers tended to focus on finding suitable young nationals by attending recruitment fairs. Many also used a type of direct approach by encouraging recommendations from existing employees. The method most preferred by young Emiratis (personal recommendations) is the least used by employers and the top method used by employers (recruitment fairs) is the least used by young Emiratis. This misalignment between employers' methods of attracting nationals and jobseeking nationals' approaches to employment needs to be corrected. Employers could re-align their approaches to finding young Emirati talent by utilising the extensive social networks of influential contacts which Emiratis rely on. In some ways, this use of social networks is similar to executive search, where the recruiter spends time identifying and approaching key mutual contacts. The recommendations propose a specific variation of this approach to be deployed in the search for Emirati talent.

How do young nationals look for jobs? And how do employers find them?







What motivates young Emiratis? The contrasting views of employers and young Emiratis.

For employers to recruit, develop and retain the best young Emiratis, it is vitally important to understand, and appeal to, their motivations and aspirations. Whilst employers and young Emiratis both agree that money is an important motivator, employers significantly

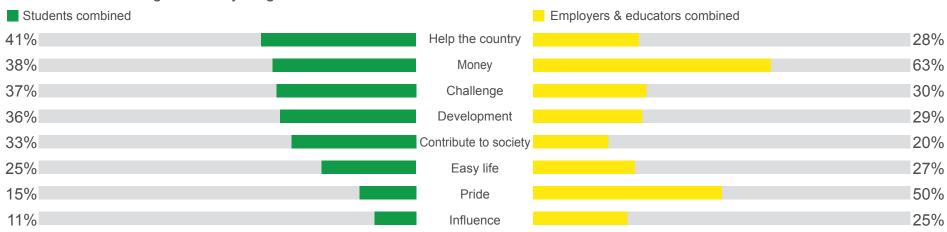
overstate its significance (at 63%) compared to Emiratis' actual top motivating factor of 'helping the country', and the closely related 'contributing to society', which have a combined score of 74%. Young Emiratis are also motivated by opportunities for challenge and development. Around 25% of students, employers and educators agree that young people are attracted to an 'easy life'. But in our interviews this was generally seen by employers as 'not having too much to do', whereas young Emiratis meant 'having time to meet family obligations'. Employers also deem 'pride' as key motivator for young Emiratis whereas this appears to be outweighed by 'helping the country' and society by young Emiratis themselves.

As a result of employers' perceptions, many felt that the only way to attract Emiratis was to offer higher salary and benefits packages, easy work and important job titles. On the contrary, in fact young

Emiratis were more likely to be attracted to employers that were considered to be helping the country and providing great development and challenges. Companies that supported further academic qualifications, training and professional development were also viewed favourably by young Emiratis. In a market where many employers misjudge the motivations of those they are trying to employ, an employer who does understand and appeal to Emiratis' real motivations will

enjoy a significant competitive advantage in recruiting national talent. Competing for human resources solely on salary levels is both unsustainable and ineffective. Rather, employers hoping to attract Emirati talent could easily incorporate other motivating factors, such as 'helping the country' and 'contributing to society', in their messages and employer branding.

Which of the following motivate young Emiratis the most?















Recommendations

The research conducted on behalf of this report has identified some clear obstacles that are limiting the number of Emirati nationals entering the oil and gas industry as engineers. These obstacles are simple to understand and can be tackled effectively using clear and implementable solutions.

We propose a number of recommended actions, most of which can be achieved by companies within the oil and gas sector, with only a few of the actions requiring government involvement and/or collaboration. The recommendations are considered to be realistic, achievable, supportive of national strategy, good for ROI, and aligned within the Emirati culture and policy outlook.



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The aforementioned recommendations are grouped into key areas required for maximising Emirati talent effectively - they include:

Engage with National Strategy **p26**

Demonstrate the Business Benefits p28

Increase the Talent Pipeline

Attract
Emirati
Talent
p30

Recruit Emirati Talent Develop Emirati Talent p34 Potential
Government
Actions
p36



Engage with national strategy

In light of the global focus on corporate social responsibility (CSR), it is vital that employers in the oil and gas industry demonstrably engage inw the strategic issues and goals of the country that they operate in. Employers who make valuable contributions to a country can influence strategic goals and consequently create a positive public profile amongst government leaders and the society at large. BP's support for this Emirati research report is a prime example of actions that benefit the wider community, while also contributing to national strategy.

Companies can make strategic contributions:

- By engaging with relevant debates and initiatives, including taking part in forums or joint committees between the public and private sector.
- International companies, in particular, could share their best practices and wealth of experience in helping to tackle issues facing the country.
- International companies can also act as country consultants and advisors where appropriate.
- Companies can launch regular initiatives and associated PR on issues of interest to the country.
- Based on value-adding research and data, companies can become 'thought leaders' and as a result contribute real strategic value, thus demonstrating their commitment to all of the stakeholders in the country.





Demonstrate the business benefits

Many countries, including the UAE, require that international companies bidding for national contracts demonstrate in-country value (ICV), a measure of the net financial contribution that the bidder will make to the country and its populace. An important area of ICV is the maximisation of human capital. OSC research shows that this is a very blunt instrument. ICV, with

amendments to the calculation method, can be used to encourage the development of more skilled, senior Emiratis. The ICV calculation could include longer-term impact, transferable skills and careerlong value.

Companies operating in the UAE might find it more useful to account for the value-added business benefits rather than

to just focus on the costs and obligation of Emiratization.
Benefits include: knowledge of the business environment; contacts and networks; ability to act as role models; ability to lead/inspire other nationals; familiarity with culture and language; freedom of movement; government-related incentives and so forth.







Increase the talent pipeline

Research conducted for this report found that there was a weak overall pipeline of potential engineers, primarily as a result of: low perceptions of the oil and gas industry, a shortage of schoolchildren choosing relevant subjects, and young Emirati students forming 'misinformed' opinions of the private sector, and engineering as a profession, through unclear impressions and hearsay.

It is important that employers promote the oil and gas industry as "the best career for

me" to high school students, or even elementary school students, and their families if possible. Educational awareness campaigns could be designed for school age children, and their families, with the ultimate goal of developing a 10-year engineering talent pipeline, instead of relying on high school and university graduates. These campaigns could position employment in the oil and gas sector as exciting, important for the country's development and a vital contribution to the

modern history of the nation, as younger children may not appreciate the concept of 'career'. Engaging with social media is also essential vis a vis the proliferation of internet usage among Emirati youth.

Employers can initiate collaborations between major oil producers and educational institutions (such as the HCT) and ministries, in order to make a bigger impact in schools, colleges and universities. Working with parental role models from within the existing workforce

is an alternative method of forming positive attitudes about the oil and gas industry. Companies can also assess their potential for providing scholarships and awards for academic achievement in subjects related to oil and gas engineering. These approaches and strategies will contribute positively to developing a sustainable talent pipeline.



Attract Emirati talent

Employers must demonstrate to young nationals that an engineering career is a challenging, exciting and safe environment - an example of this would be to sponsor youth competitions to be hosted within Oil and Gas offshore or desert installations. Young competitors, and their families could be taken to facilities to compete in, and serve as spectators of, highly advertised matches. Young Emirati students would be

attracted to these activities, and the experience would help quell any misguided opinions, concerning safety, comfort and hygiene, in the oil and gas industry. Furthermore, companies could spend less time and efforts on advertising higher salaries and benefits packages, and instead focus on advertisements that are centred on the other Emirati motivations like helping the country. Young Emiratis possess a favourable view

of companies that are seen to help the country through creating jobs and producing revenues. Employers could also do more to highlight their sponsorship and support activities pertaining to further academic qualifications, training and professional development. Creating more work-ready Emirati nationals is also an imperative feature of helping to attract Emirati talent. Employers could engage with education

institutions and seek to provide work experience opportunities where students can develop skills necessary for the workplace. Finally, companies in the private sector could differentiate their marketing message from that of the public sector with regards to employment. Instead of trying to compete with the public sector on short-term salaries, an 'easy life' and shorter working hours, private sector companies could emphasise

job satisfaction, excitement, long-term career prospects and potential lifetime wealth, as well as a private sector's role in contributing to Emirati society and the national goals. Employment 'differentiators' in the private sector, such as the potential to work abroad or away from the office (an uncommon feature in the public sector) can also be used to attract Emirati talent.















Recruit Emirati talent

Companies could attempt to align their recruitment approaches with the job search channels that young Emiratis prefer, including online avenues and personal recommendations. Employers could design online recruitment campaigns that attract a larger number of young Emiratis, which can include creating and sponsoring an online job fair. Young Emiratis prefer to

search for jobs online and employers tend to prefer using recruitment fairs, hence an online job fair combines both approaches to create a virtual platform that connects job seekers and employers. As Emiratis seek recommendations from relationships and influential figures, executive research at a more junior-level can be employed by companies to attract nationals. This

can be done through careful identification of location and social communities of the most likely candidates; making contacts through mutual contacts and approaching young nationals personally and pro-actively. Companies can also attract nationals by looking where nobody else is looking. For example, women working in the oil and gas industry is uncommon due to family pressure and social

stigma, however, if companies in the industry were to provide more flexible working arrangements, this may open the doors to a large untapped 'national' resource.

Once oil and gas companies recruit Emiratis, the best talent needs to be retained. This is no easy task as retention is a major problem in the UAE. OSC research found that employers can significantly

improve retention by focusing on opportunity development in the workplace. Almost 50% of young people said "challenge and development", not money, would make them stay in a job. Employers need to create challenging roles for employees, rather than simply relying on money as a retention tool.



Develop Emirati talent

The most effective way of building long-term human capital for a country is to develop leadership and leaders. International companies possess many fast-track programmes for developing individuals with potential and those that meet specific criteria. These programmes could be applied to assess and develop Emirati nationals that are likely to benefit and thus add value to the firm and the nation at large.

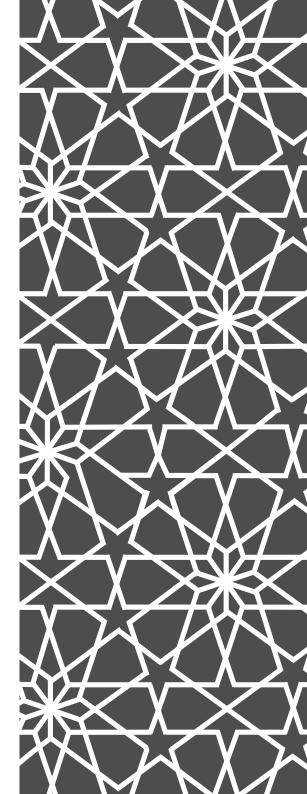
Obstacles to becoming an engineer in the oil and gas industry, cited by young Emiratis, included a lack of understanding of mathematical/scientific subjects and demanding studies. Companies could create study/tutoring centres in Emirati schools, which focus solely on mathematical and scientific subjects. These educational initiatives would contribute to building the pipeline necessary for the industry workforce, establish CSR, display commitment to the UAE, and it would also support the national strategy through the development of human capital.

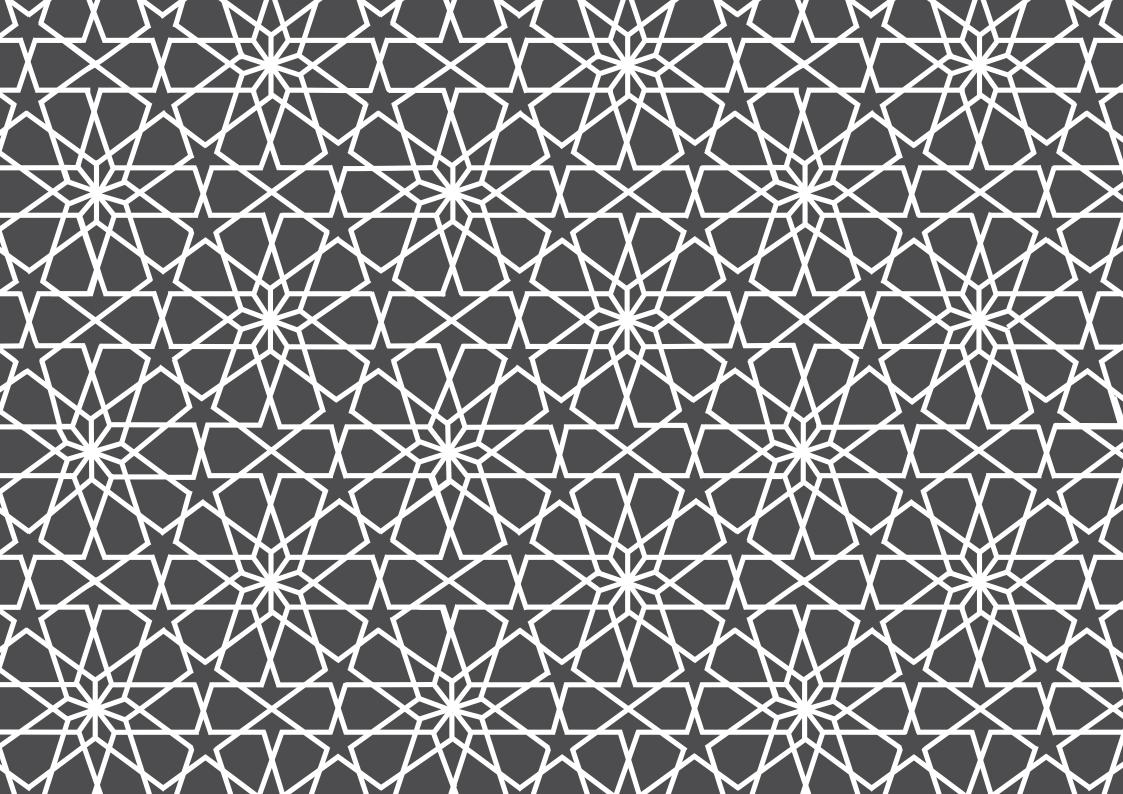
The good news is that research suggests young Emiratis would respond positively to increased educational initiatives.

Approximately 90 per cent of young nationals said

employers could introduce the worlds of work and engineering to young nationals and families at school. This statistic demonstrates that employers and educators must work more closely to introduce young Emiratis to the industry.

Industry role models can also help develop future leaders. One of the emerging themes in OSC's recent research on the Emirati Leadership Style is the importance of role models and mentors in the development of leadership skills. More could be done to identify and promote oil & gas role models and integrate proven industry leaders in the process of attracting, recruiting and retaining young Emiratis.







Potential Government actions

Most GCC countries have offered their nationals highly attractive employment in the public sector, with salaries, working conditions and job security that are perceived as superior to that of the private sector. As a result, a preference for public sector jobs occurs in much of the region, with most young nationals drawn to government employment. In fact, over 70% of young nationals prefer government jobs – though OSC research

suggests that this is partly because nationals want to contribute to their country. The private sector is keen to employ many of these nationals but faces difficulty recruiting nationals at a comparable cost to equivalent expatriate talent. The private sector can compete by offering good career development and showing how the organization and the job helps the country and can make their families proud.

Another solution is that the UAE government considers seconding under-utilised Emirati employees to the private sector, for a fixed period, while subsidising wage costs to allow employment by companies in the private sector at a comparable cost to expatriate counterparts. This would allow employers to employ nationals at an economic cost, while also giving employers the opportunity to demonstrate the

advantages and dynamism of the private sector. These advantages include providing valuable work experience and knowledge transfer for Emiratis, who can either return to the public sector with the newly acquired skills or remain in the private sector. Another government action that could help provide a potential solution for driving Emirati nationals into the private sector is a private sector experience requirement.

Emiratis applying to the public sector would need a minimum amount of experience in the private sector before applying to the public sector. This would reform and energise the labour market, thus alleviating pressure on the government to create jobs, while giving private sector companies the opportunity to benefit from the Emirati talent pipeline.









About BP

BP is one of the largest oil and gas companies in the world and has had an upstream presence in Abu Dhabi since the 1930s.

Today BP's interests include shareholdings in Abu Dhabi Marine Operating Company (BP share 14.67%), Abu Dhabi Gas Liquefaction Company (10%), the Natural Gas Shipping Company (10%) and Bunduq Company Limited (3%).

BP's aim is to work in partnership to maximize resource discovery and recovery through the application of our global expertise and upstream technology.

BP is supporting Abu Dhabi's social development goals more broadly, which it does through several flagship social investment projects. These include:

- The Sustainable Schools Initiative with Abu Dhabi Environment Agency.
- Support for The Emirates Foundation for Youth Development.
- The BP Young Adventurers leadership development programme.
- Support for the Abu Dhabi Petroleum Institute.

- Partnership with The Masdar Institute of Science and Technology to support innovation and entrepreneurship programmes.
- Support for the Khalifa Fund for Enterprise Development.







About OSC

SC is a British/GCC Consultancy with an enviable track record in helping to build human capital across the GCC and in Europe. It carries out advanced research and delivers exclusive consulting projects with major global private and government organisations to help them achieve their key strategic objectives, especially

regarding national talent, diversity and sustainability. OSC combines practical research findings with a deep understanding of strategic capabilities and how they can be created and developed. OSC's consultants work closely with HR teams and other parts of the organization, quickly building a sense of belongingness and partnership with client staff.

Websites

http://www.oxfordstrategicconsulting.com/

http://www.oxfordstrategicresourcing.com/

Our projects and research in the press and media

http://www.oxfordstrategicconsulting.com/press-media/

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