INTEGRATED APPROACH IN THE WAR FOR TALENT

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ABSTRACT

Competition for talent in the Oil and Gas industry is War, especially for petro-technical and drilling engineering professionals. Since 2004, shortages of qualified professionals in these disciplines have become a major issue for Indonesia upstream Oil & Gas industries as work programs and budgets have increased in step with rising oil prices.

Several concurrent causal factors triggered the “War for Talent”. In developed countries there has been a marked decrease in undergraduates studying Petroleum Engineering and other Geo-science disciplines while increasing oil prices have provided significant incentives for Oil & gas companies to increase spending.

VICO Indonesia has not been unaffected by this “War for Talent”. Since 2004, twenty-two mid-career and senior petro-technical professionals have resigned to join other international firms. This loss of almost 30% of VICO’s total petro-technical professionals occurred coincidently with the Company’s plan to triple its capital expenditures during the period 2005 – 2010. Consequently, fulfillment of organizational manpower requirements has become a primary focal point for VICO HR & Services division.

VICO HR & Services division responded to this “War for Talent” through a comprehensive integrated approach focusing on 12 elements: Organizational Structural Alignment, Recruitment, Competency Development, Talent Development, Performance Evaluation, Promotion, Succession Planning, Monetary Rewards, Non-Monetary Rewards, Industrial Relations, People Assurance Survey, and Contract Employees.

INTRODUCTION

Since 2004, manpower shortages, especially petro-technical and drilling engineering professionals, has become a major issue for Indonesia upstream oil and gas companies working to increase production through higher spending on drilling and capital budgets.

Several concurrent causal factors triggered the “War for Talent”. In developed countries there has been a marked decrease in undergraduates studying Petroleum Engineering and other Geo-science disciplines while increasing oil prices have provided significant incentives for Oil & gas companies to increase spending. Retirement of senior petro-technical professionals, emerging National Oil companies (NOCs) and attractive Middle East packages increased demand for both Western and Asian professionals.

VICO Indonesia has not been unaffected by this “War for Talent”. Since 2004, twenty-two mid-career and senior petro-technical professionals have resigned to join other international firms. This loss of almost 30 percent of VICO’s total petro-technical professionals occurred coincidently with the Company’s plan to triple its capital expenditures during the period 2005 – 2010. Consequently, fulfillment of organizational manpower requirements has become a primary focal point for VICO HR & Services division.

A comprehensive integrated response to the problem has been initiated by VICO HR & Service to ensure the achievement of the company’s