

Social Justice Movement Drives Energy Company to Expand Diversity and Inclusion Efforts

Current State

This global UK-based company provides complete project-lifecycle services for the energy industry. The company is the product of a merger of two smaller companies, with 37,000 employees in more than 15 countries. A spinoff company is expected to be formed soon and the CEO is expected to be a woman.

This company, like many in this industry, lagged behind other industries in diversity and inclusion. The company largely focused its efforts on gender equity and had not paid as much attention to other areas of diversity.

However, the social justice movement in the U.S. caused top leadership to understand that the company must do more. “I have been with the company for 13 years and in the last six months we have talked about things that we have never talked about before,” the company’s global D&I manager said.

In September 2020, the Executive Vice President of People and Culture released a three-year roadmap for diversity and inclusion, focusing on improving the culture. “We have realized as a company that you can bring in as much diversity into an organization as you want — and we have done a pretty good job of that in terms of numbers — but if you don’t have an inclusive culture, you will just have a revolving door and our numbers show that,” the global D&I manager said.

The D&I manager, besides running a four-person department, is part of the organization’s D&I network, which includes business leaders and regional D&I leaders in different parts of the world, including Norway and Brazil.

Challenges

This company was built from a merger between a European company, with few compliance requirements related to D&I, and a U.S. company that had more compliance requirements, such as the Office of Federal Contract Compliance Programs (OFCCP). Therefore, in the early going, the merged company struggled to meet compliance requirements.

The company’s focus on D&I was also largely limited to gender diversity, so compliance requirements in countries such as Brazil, with compliance requirements related to people with

disabilities, Hispanic/Latinos and other groups, required an expanded focus across the enterprise.

Those efforts, which were gaining momentum during the past few years, were accelerated by the social justice movement in the U.S.

According to the global D&I manager, “Some of the recent activity in the United States, such as the George Floyd incident and others, caused our CEO to request a meeting with one of our Employee Resource Groups called BOLD (Black Organization for Leadership Development).

“He wanted to get a sense of, No. 1, how they were feeling about everything that’s going on and he also wanted to better understand their experiences in our organizations as Blacks. He was able to learn a lot and he was surprised about some of the comments he did get about experiences inside our company.

“That led to another meeting between BOLD and the executive leadership team. That led immediately to the CEO’s message to the entire organization through our internal social networks. At that point, he opened up the gates and said there will no longer just be a focus on gender diversity but that the company would be focusing on all aspects of diversity going forward. That led to the announcement of the three-year roadmap to what we are now calling Inclusion and Diversity, because the organization decided to lead with inclusion.”

The company is focusing on building partnerships through expanded internal ERGs and external partnerships. For example, the company invited the Chief Diversity Officer from Chevron, which has an accomplished D&I program, to talk to leaders of the ERGs. The company is focusing on starting or expanding ERGs for diverse groups, such as Black, Hispanic as well as women engineers. The company is working with Catalyst, a nonprofit dedicated to accelerating progress for women through workplace inclusion and other groups focused on other areas of diversity.

Success Stories and Next Steps

The company’s focus on gender diversity has paid dividends over the years. Globally, in a male-dominated industry, the workforce is 23% female. The executive leadership team has 44% women, though with the economic downturn that hit the energy industry hard, the company lost several women in senior management roles. However, three members of the board of directors are women. The CEO of the planned spinoff company will be a woman.

As part of its three-year roadmap, the company will focus on partnerships and enhancing the diversity of its leadership pipeline among all underrepresented groups. The goal is to have at

least one woman on each succession plan for higher-level positions across the enterprise and goals are being set for other underrepresented groups.

The company is taking steps to improve its talent-acquisition strategy and is beginning to look at technology providers that offer AI-based tools to guard against biases during candidate screening. “We have not purchased or gotten into that or made any decisions yet, but it is definitely something we are looking at,” the global D&I manager said. “We are also looking at working with LinkedIn to improve our recruiting efforts. We are also building a diversity mentoring program both at the collegiate level to recruit diverse groups into the organization and also expand mentorships internally.”

Last year, the company launched its Emerging Leadership group to advance the careers of leaders in roles in a short time but also show potential to move to higher leadership levels. More than 50 people participated in the program so far and about 40% are women or members of other underrepresented groups. The diversity of future classes will expand, according to the D&I roadmap.

The company had talent-acquisition partnerships for graduates, including a long-standing affiliation with the University of Houston, one of the most diverse universities in the country. There is also a partnership with Texas A&M University and the company is building relationships with historically Black colleges and universities.

“We are definitely expanding our horizons in terms of looking for, finding and bringing diverse talent into the organization. It is a competitive landscape and we don’t want to lose out on the talent,” the D&I manager said.

The global D&I team, the only people focused full-time on diversity and inclusion efforts, is small; a manager and three direct reports. However, the team makes extensive use of the Inclusion and Diversity Network. But the company knows it has a long way to go to effectively build a true diverse pipeline of talent from entry-level to the highest levels of the organization.

“Candidates — especially the ones coming from colleges and universities — are savvy. We recently brought in some HR interns from colleges and I met with each of them just to understand what they are looking to do and how they heard about our company. And I quickly learned from many of them that they’re being instructed by their college professors to thoroughly research organizations by typing keywords related to diversity and inclusion into the websites to see their level of commitment. And, of course, my next question was, ‘well, what did you see about our company when it came up?’ And they said, ‘Nothing.’ So that defines our challenge and the amount of work we have to do.”

Insights

This is an organization, like many in the energy industry, that had largely limited its D&I focus to gender diversity, equity and inclusion. The events of 2020 caused the company's leaders to realize the urgency of expanding their efforts. In that respect, the energy industry is no different than any other industry — an abrupt realization of the urgent actions needed to turn even more diversity into equity and inclusion.

This company also illustrates, once again, the importance of executive-level leadership. When the CEO realized a broader DEI focus was needed, the organization reacted quickly with a three-year roadmap. It includes making use of technology to screen against bias and expanding recruiting and awareness and advancement efforts across the enterprise. The CEO made inclusion a business issue, which changed its importance and trajectory.

The global D&I manager has been with the company 13 years and has the relationships and now a broader mandate to drive change. This company has done well with its gender diversity efforts, especially in the percentage of women in senior leadership roles. With the expanded vision from the top of the organization, the future for expanded diversity, equity and inclusion appears bright.

-Claude Werder, Senior Vice President and Principal HCM Analyst, Brandon Hall Group

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