

Winning the war for talent

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Claudia Cattaneo

The economy may be souring elsewhere, but Alberta seems headed for another labour shortage as the energy sector steps forward with big projects in the oil sands and in emerging shale oil and gas. Kevin O'Brien is the president of engineering contractor Calgary-based IMV Projects, a wholly owned unit of U.K.-based global energy services provider Wood Group that designs facilities for some of the largest operators in the Canadian oil industry. He spoke to the Financial Post's Claudia Cattaneo about why energy companies are staying the course for now, what it means for the province's labour market and about his firm's strategy to win the war for talent.

Q As a service provider to some of the largest oil and gas companies in Calgary, do you see them tighten their belts as a result of the uncertainty in the broader economy and cancel projects they did in the last recession, or do you expect them to keep spending?

A First, I should say that our company was hit really hard, like all of our peers, in 2009. We went from a staff of 800 people down to 500 people. We didn't see a comeback from that for two full years. It was really only in January that we started hiring again. We have added over 200 people since the beginning of the year. I don't know what is going to happen with the global economy, but I do think that as an industry we are better positioned. I don't think we are going to see the slowdown that we saw that started in 2009. I think that the exploration and production companies that we work for are going to take a longer term vision of their developments. Certainly some of the customers that did continue to spend through the last downturn, I believe are the envy of the industry, not just because they got to take advantage of the cost savings during the downturn, but because they are bringing in more production. A lot of the other producers in town just stalled. Going forward, I like to believe that even if there is an economic downturn, that people are going to keep spending. Certainly most of the projects that we do are very long-term projects.

Q How is technology helping the sector?

A We are not a technology developer but do work at the forefront of technology, both in shale gas and in steam-assisted gravity drainage technology used in the oil sands. They are both very young and most of the producers in the province are just getting to the commercial stage. As we look ahead to the next decade, I see a lot of change coming to mainly the SAGD industry, where a lot of technologies both reduce capital costs and reduce emissions, and that is something that is really exciting, but is only going to happen if we see that continued investment.

Q What is the labour situation?

A We have been very successful over the year with recruiting. We have a lot more to do. We expect it is going to tighten around the fourth quarter of this year because we are not the only company hiring. In 2012, if things continue at the planned pace, it's going to be really difficult. It's going to get tight everywhere, but the key project leadership - project management, construction management, and senior process engineers - are always going to be tough to come by.

Q What is your strategy?

A We are very actively trying to recruit the best talent in the city, and we know that good people follow good people. If we can attract good people at the top of the organization, it's will be easier to backfill underneath them, rather than constantly recruit with new hires and new grads, the bottom of our organization where we can't really backfill behind them. Our strategy involves all those aspects. We

will be hiring new grads, co-op students, new Canadians, new Albertans, but we really need to bring in new senior people who are known to industry.

Q How do you differentiate yourself as an employer?

A Attracting people really comes down to three things: You need to win good projects to attract good people, but our competitors win good projects also. You need to pay fairly, and we do pay fairly in our industry, but so do our competitors. And so it comes down to the third thing: culture. And we really sell our culture to new hires and to a staff here. People stay once they are here and we believe it's because we give them a good place to build their careers. One thing that we have done this year differently is to better define our culture by investing in a number of initiatives. One is the IMV Cares initiative for philanthropic endeavours, we have IMV sports clubs and IMV social clubs, where we try and get people involved in the company and try as a company to get involved in our community. I think that really rings a bell with our staff. People want a fun place to work.

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