

Ultimate Challenge

Expanding and Replacing our Engineering and Design Capabilities

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Richard Forman – Biography

Dick Forman is President of Forman Search Consultants, an executive search firm serving the process industries (energy, pharmaceutical, chemical, and power). His executive search career began in 1978 and he has performed more than 300 successful executive searches in a broad range of disciplines.

Mr. Forman's background prior to entering the executive search profession includes 18 years in human resources management positions with McDermott International, Schlumberger, Oxford Paper Company (later acquired by Ethyl Corporation), and Metropolitan Life Insurance Company.

A native of Long Island, Mr. Forman is an alumnus of Bowdoin College, Brunswick, Maine, and Adelphi University, Garden City, New York, from which he attained his MBA.



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Two Issues which Bear Directly on our Ability to Attract Talent to our Industry:

- The public perception of the companies that comprise the process industries
- The changing nature of the people we are trying to recruit

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The “Process Industries” Defined

The Oil and Gas , Chemical, Pharmaceutical, and Power Companies plus the Contractors That Serve Them

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Big companies are viewed by the public to be:

1. "Employee unfriendly," as evidenced by:
 - Frequent layoffs
 - Coerced early retirements
 - Long work hours
 - Diminishing employee benefits
 - Little effort given to career development and advancement.
2. Bureaucratic and impersonal, with very little top-to-bottom communication.
3. Overly concerned with the price of their stock and too little concerned with the welfare of their employees.
4. Lacking in concern for the community, as reflected by environmental, safety, and social issues.

Since some of the biggest companies in the United States are found in the process industries, it follows that a "big company stigma" is attached to them. This is a shame, because a generation or two ago, these same companies were looked upon as pioneers and innovators.

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The big process industry companies used to be viewed as pioneers and innovators.

- The oil & gas companies were perceived to be boldly exploring for new sources of energy in uncharted territory.
- The chemical companies were creating new products that improved the quality of our lives.
- The pharmaceutical companies were developing new drugs to help heal the sick and prolong life.
- The power companies, through new technology, were establishing the groundwork for clean, non-depleting sources of energy that would one day transform our lives.

That was the public's view just a generation ago. But that view was short-lived. No longer are the process industries viewed as pioneers and innovators. To be blunt, the image of the process industries has taken a beating.

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Today, this is what the public sees:

- \$3.00/gallon gas
- unsafe, environmentally unfriendly chemical plants
- unproven drugs that are rushed to market with disastrous consequences
- nuclear facilities that are an ongoing danger to the surrounding communities

The contractors have also taken an "image beating."

Several years ago, they were depicted as:

- innovative, creative engineers
- bold, "can do" constructors

Today, the image is tarnished by stories of:

- overcharges on government projects
- illegal, under-the-table payments

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Generation X people are:

- More altruistic. They want to “make a difference”.
- More demanding. They insist on challenging, exciting jobs.
- Less willing to sacrifice. They will work hard but stop short of doing “whatever it takes,” i.e., moving frequently, traveling to remote (and, sometimes, marginally safe) locations, working long hours without appropriate recognition.
- More concerned with environmental, safety, and community matters.

These are not minor differences, to be brushed off and dismissed as irrelevant. These differences speak of monumental change, of people with a whole new set of values and a different view of the world. They have higher expectations than their parents and they cannot be enticed to join our industry by the same methods and techniques as the ones we used to attract their parents.

So, let’s quickly recap: The public perception of our industry has evolved from favorable to unfavorable. We have a serious “image problem.” And, the people we are trying to recruit are very demanding. They want to work for companies they perceive to be innovative and creative, acting in the best interests of their employees, and concerned about the issues of safety and the environment.

So, where does that leave us?

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We can come to only one conclusion:

Our industry has a serious image problem which must be addressed if we are to successfully recruit talented engineers and designers.

That's the bad news but there's a flip side that is good news: the problem is correctible. It will take some time, some money, and a great deal of determination but the problem can be corrected.

It would take a whole lot more time than we have available to us at this conference to lay out a workable plan to correct a problem that has been years in the making, but let me conclude by suggesting a few ideas that might provide a starting point:

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I believe the industry needs to:

Candidly evaluate the public's criticisms and fix what is broken

Are our companies "employee unfriendly"? Have they become bureaucratic, impersonal, and uncommunicative?
Do they need to be more concerned about the communities in which they reside?

- Do some serious P/R

- By industry segment - oil & gas, chemical, pharmaceutical, power, and engineering & construction contracting. Focus groups should be established with the mission of restoring the industry segment's public image.
- By company. Each individual company should enhance its own public relations program. The public needs to know the good things it does.

- Cultivate the Campus

- Ongoing communications with faculty and administration
- On-campus "events", e.g., open houses, educational programs,
- scholarships, grants.

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