PerspECCTive

The Future of our Industry
A case for change

Theme:
Win Together to Share Success NOW!

Year: 2019
Date: Aug. 28-31
Location: The Broadmoor, Colorado Springs, CO
Who we are

Moderator
Ralph Rutanhira
Associate Principal

Guest Speakers
Martha Feeback
Senior Director, Corporate Engagement

Glenn Weckerlin
Director, Enterprise Programs & Partnerships
What we want to achieve

Key question
How does our industry attract and retain Millennials and Gen Z’s in the face of stiffening competition from other industries?

Forum objective
By acknowledging Future Leaders’ perspective on the industry, today’s leaders can work now to implement programs that will continue to attract and retain the brightest and best talent.
The future workforce will look vastly different than today's workforce.

**Context**
Over the next 10-15 years, workforce age demographics will shift – with Millennials and Gen Z comprising up to 85% of the future workforce.

**Key Question**
What are the key differences in the characteristics of Millennials and Gen Z's?
### Who are the generations in today’s workforce?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Generational stats and traits</th>
<th>Social media platform</th>
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| GenX (40 – 54 yr. olds) | ▪ 42% have both financially dependent child and older parent  
▪ 86% of married GenX households are dual income  
▪ 75% took a career break after having children  
▪ Tech savvy | ![myspace](image) |
| Millennials (24 – 39 yr. olds) | ▪ By 2025 they will be 75% of all working-age people  
▪ 30% work in “gig” jobs – avg. time in a “gig” is 18-36 months  
▪ 81% are actively searching or are open to new opportunities  
▪ Ubiquitous technology - integral part of living | ![facebook](image) |
| Gen Z (9 – 24 yr. olds) | ▪ By 2020, they will be 36% of the workforce  
▪ 33% of all Gen Z live in underdeveloped countries  
▪ >17% of all US 18-24-year old are foreign born  
▪ Ubiquitous technology – integral part of living | ![instagram](image) |
The US population demographics are dramatically shifting

Current population of US by age group & ethnicity (ACS, 2011-2015)

...and by 2050 (assuming no change in immigration)

Chart source:

The forum seeks to explore three key areas

1. Talent Acquisition & Retention
   - How do companies communicate their purpose, and ensure transparent career progression?

2. Inclusion
   - How do companies ensure new talent feel a sense of “uniqueness and belonging”?

3. Technology & Innovation
   - How do companies ensure that their inclusive teams’ skills keep up with technology change and drive innovation?
Talent Acquisition & Retention
When it comes to attraction, about half of us think Tech industry is more attractive than our industry.

Question: Given similar compensation and location, rank the relative attractiveness of the following industries?

- **Tech**: 47%
- **Engineering & Construction**: 37%
- **Finance**: 10%
- **Manufacturing**: 4%
- **Auto**: 2%

All Future Leader Responses
In terms of retention, better career development opportunities are most important

Question: What is most important to you regarding employee satisfaction?

![Bar chart showing the responses to the question]

- Better career development programs: 42%
- More autonomy to make decisions: 20%
- Better comp ($): 18%
- None of the above: 10%
- Better recognition programs: 8%
- Better technical training programs: 2%
Key research in talent acquisition and retention

- **Work to live, not live to work**
- **Flexible, portable careers**
  - Proponents of *work-life effectiveness*
- **Meaning > money**
  - Effect change in the world, purpose driven
  - Over 70% say they will stay if they understand what company stands for (KPMG Research 2019)
- **Reject hierarchies, rigid structures, traditional workplace cultures**
- **Expect transparency in advancement, fair promotion requirements**
- **Latest tech is important value proposition**
  - 93% agree latest tech deciding factor when choosing workplace ((KPMG Research 2019)
  - 42% will leave if tech is substandard (KPMG 2019)
Today, over 1 billion people worldwide have no electricity. Almost 40 percent of humanity – nearly 3 billion people – still use biomass, animal dung or other fuels that are dangerous for indoor cooking and heating, no different than was done hundreds of years ago.

Every global citizen deserves access to safe, reliable, affordable energy and the human progress it enables. Energy opens the door to education, to sanitation and health care, and to the first steps on an economic pathway to better support families. Helping countries defeat energy poverty strengthens effective governments, spurs economic growth that creates openings for trade, and makes environmental improvement possible.

These principles can guide us toward a more rational conversation about energy. And they can help us unlock the benefits that flow from the availability of reliable, affordable, cleaner energy to eliminate energy poverty and improve lives around the world.

Michael Wirth is chairman and CEO of Chevron
Talent acquisition and retention key takeaways

- Articulate social mission and innovative opportunities
- Redefine core competencies for future job, not past successes
  - Rewrite job description and check for unintentional bias in words/competencies
- Articulate professional development and career opportunities
  - Timely feedback is critical to retention
  - Articulate the “gigs” they can do in your company and how to get there
- Diverse interview panels and standardized interviewing to remove bias
- Hire to fill gap/need/competency on team, and not just “culture fit”
- Develop local relationships with 2- and 4-year colleges
Inclusion
Most people think there is a lack of diversity in the industry

Question: Do you perceive our industry to be more, less or as diverse as other industries (e.g., age, race, gender)?

All Future Leader Responses

- 11%: More diverse
- 35%: As diverse
- 54%: Less diverse

30% of women that graduate with a STEM degree do not enter the industry
Bias and stereotypes create barriers

When employees feel like the “others” in the workplace they tend to have lack of access to informal networks, and lack of role models which prevents diverse talent from:

- Navigating unwritten rules
- Securing sponsors
- Landing “Hot Jobs”
- Maintaining career aspirations
Inclusion creates opportunity

Inclusion leads to innovation and team citizenship

EMPOWERMENT
ACCOUNTABILITY
COURAGE
HUMILITY

SAFETY

BELONGINGNESS
UNIQUENESS

TEAM CITIZENSHIP
INNOVATION

+46%
+42%
Inclusion drives employee satisfaction

- Employees who rated their Supervisor:
  - High on Inclusion = 86% Employee Satisfaction Score
  - Low on Inclusion = 23% Employee Satisfaction Score

PEOPLE LEAVE SUPERVISORS NOT FIRMS
Chevron diversity and inclusion

- The shift in focus from diversity to inclusion
- Increasing retention through inclusion – the importance of “belonging”
- Chevron MARC program – “Men Advocating Real Change”

- 12 networks, ~45% of population
- 20,000+ members and growing

- 75% of population
- 100% of population

**why men?**
Because the majority of senior leaders in today’s business world are men, **men are in the best position to influence cultural and organizational change**.

We need leaders who can create truly inclusive cultures—environments where women and men have equal opportunities to make contributions, drive change, and advance to leadership roles.

**diversity and inclusion agreements**
Inclusion key takeaways

- Diversity does not equal inclusion
- Inclusion is expected – showcase inclusion, not “fixing” exclusion
- Engage men in the conversations for culture change
- Learn personal filters and biases
- Role model inclusive leadership
- Younger generations prefer collaborative efforts and diverse perspectives
Unanimous agreement on the slow adoption of new technology

Question: Which of the following perceptions are true of our industry? (Check all that apply)

- Slow adopter of new technology: 78%
- Hands on, manual, & paper based: 58%
- There is a lack of diversity: 47%
- Environmental sustainability is not prioritized: 30%
Generally not satisfied with training on new technology

- High score for importance of on the job training on new technologies / innovations
- Most are below average satisfaction with training received
Innovation & technology are important to Millennials and Gen Z

25% of millennials said that the main barrier to innovation is the attitude of senior management.

Growing gap to business performance potential

- Mobile, sensors, AI, cognitive computing
- Access to technology by consumers globally
- Technology infiltrates home and political life

(Source: Deloitte University Press)
Chevron technology and innovation

- Digital imperative (accept it)
- Program approach to re-skilling and bringing on new talent

why?
“The skills required to do the work of today are going to be different from the skills needed yesterday.” – Mike Wirth, Shared Energy Town Hall, February 2019

Digital Fluency Learning Levels

- Mastery
- Skilled
- Fundamental
- Awareness

MIT Master’s Degree Program
Equip future leaders with functional skills …

Digital Academy
Create an expectation and an environment where Chevron’s general population keeps pace with the fast-changing digital world
Technology and innovation key takeaways

- **Talk tech and innovation in recruiting**

- **Ongoing tech training - reskilling**
  - Currently people skills are not keeping up with rapid tech advances
  - Reassess core competencies to include tech innovation

- **Assess technology gaps in workplace**
  - Ubiquitous technology - want employer's tech to be on par with tech they use in their personal lives

- **Allow team collaboration/conflict to achieve best innovation**
Final thoughts

- Competencies
- Innovation
- Inclusion
- People
- Enterprise Performance

Better performance