



DRILLING AHEAD

People: An issue transcending our roller-coaster business cycle

Mike Killalea, Editor & Publisher

OUR INDUSTRY'S FOCUS on personnel recruitment and retention shadows our roller-coaster business cycle. When enjoying strong activity, people issues command all eyes. When the cycle turns down, we scramble to weather the storm, postponing the challenge of long-term succession. But the question of who will be tomorrow's drilling professionals remains.

It's time to look at this lingering and important issue from some fresh perspectives. A panel discussion at Drilling Gulf of Mexico 2001, held in December by IADC and the Offshore Operators Committee, did just that—a sociologist who has undertaken a formal study of how people respond to offshore work and the personality types best- and worst-suited for it; a petroleum engineering professor with pertinent research on the decline of PE enrollment and incisive thoughts on reversing the trend; the Commanding Officer of US Navy recruitment for Houston, the largest in the USA, on how that organization inspires enlistment among the young; and finally, an offshore drilling contractor on how his firm has greatly enhanced retention and with it, safety.

Three of the panelists will speak at our upcoming IADC Directors Conference and General Membership Conference, 24-25 Feb in Dallas. (See www.iadc.org or contact IADC at 1/281 578 7171 or conferences@iadc.org.)

Lynn Charles, Vice President-Human Resources at **Diamond Offshore Drilling**, succinctly summarized the retention problem. For Diamond, he said, "Turnover was occurring in the first 6 months and was the result of false expectations concerning offshore life and work."

Those false expectations generate a host of results that contribute to turnover, said **Carla Norris-Raynbird**, Advisor in the Department of Sociology at **Texas A&M University**. Ms Norris-Raynbird interviewed many offshore hands during a visit to a Gulf of Mexico rig. Problems included inability to detach from family and home

life; difficulty adapting to the onshore-offshore rotation; lack of privacy, noise level; inadequate or even misleading orientation upon hiring; physical and mental exhaustion; limited opportunity to advance or learn new job skills; and fear of layoff.

The oil and gas industry is indeed reputed for frequent layoffs. However, as **Prof Lloyd Heinze**, Associate Professor at **Texas Tech University**, pointed out, many other industries do the same, most recently the telecommunications industry in Dallas, dot-com businesses and aerospace.

"We are not the only hire-and-fire industry," he remarked. "But we get a lot of bad PR."

Retention is also an issue with the US Navy, explained **CDR Jeffery King**, CO of US Navy Recruiting-Houston. His experience is that organizational programs can make a difference in retention—empowering sailors to make informed career decisions; providing for professional development needs of sailors and their families (in the Navy, he explained, whether to reenlist or separate is a *family* decision); and establishing retention teams.

DIAMOND HALVES TURNOVER

Diamond Offshore more than halved turnover by establishing a roustabout school, Mr Charles said. In 1997—a year of haleyon activity, to be sure—turnover on 30 Gulf of Mexico rigs reached 69% for entry-level positions. A company task group formed to study the problem determined that found that some new hires harbored significant false expectations about offshore life and work. In response, Diamond designed a week-long roustabout curriculum aboard the retired Mr Charlie submersible in Morgan City, La. Course work includes Diamond policies and procedures; pay structure and benefits, safe work practices, rig terms and equipment, rig operations; rig hierarchy; duties of a roustabout, and a detailed simulation of life offshore. Training time was half classroom and half on the rig.

The company also established certain hir-



CAPITAL WIRELINES

New Oceans Commission begins series of regional meetings

Brian T Petty, Senior Vice President-Government Affairs

OCEAN COMMISSION MEETINGS SET (WASHINGTON, DC)—The President's Ocean Commission has begun its series of regional meetings to take stock of the nation's constituencies involved in US coastal and territorial sea resources. The 16-member Commission, announced last year by **President Bush**, includes two representatives of the oil and gas industries: **Larry Dickerson** of **Diamond Offshore Drilling** and **Paul Kelly** of **Rowan Companies**.

Messrs Dickerson and Kelly have a heavy workload before them, and will rely principally on IADC, API and NOIA for data and industry logistical support. The three associations have organized an industry taskforce to respond to their needs, and to sound out the entire upstream and downstream sectors for input. The first regional meeting of the Commission was held in Charleston, SC in January, followed by one in February in St. Petersburg, FL.

The main event for the E&P sector will be from 6-8 March in New Orleans. The oil and gas industry will field a panel to discuss a range of issues and concerns, including federal coastal zone management legislation and regulations. The panel will also showcase the benefits that have accrued to the nation since offshore OCS development began, including the invention of technologies for exploration now routinely used by scientists to map the seabed and monitor marine life. All 16 members of the Commission will take a trip to a drilling rig offshore and will visit the Stennis Center on the Mississippi coast, which develops and encourages research on various activities in the Gulf of Mexico, including oil and gas.

The schedule for the remaining regional meetings of the Commission is: Los Angeles in April, Honolulu in May, Seattle in June, Boston in July, Anchorage in August, and Chicago in September. Prior to several of these meetings, members of the Commission will split into smaller groups to have sub-regional meetings to draw more broadly from public input. At the end of the process, the Commission will consolidate, refine and organize the record of these meetings to make formal recommendations to the President and Congress on legislative and regulatory policies involving the future of the nation's offshore resource management. These recommendations will likely establish the foundation for US oceans policy for several decades to come.

201 Steel Investigation (Washington, DC) – The International Trade Commission (ITC) has concluded its investigation into claims of injury by the domestic steel industry resulting from foreign competition. IADC testified last October in support of drillpipe manufacturer Grant Prideco's request that drillpipe be categorically excluded from any penalties or import barriers that might be threatened. While "green tube" was excluded, tool joints were not, because they fall into a separate category including "flanges and fittings" as stipulated by federal government product codes. Thus, the company and IADC have continued their campaign now to exclude tool joints by taking their case to the Trade Policy Staff Committee, which is charged with making direct recommendations to the President on the basis of the ITC hearing records. IADC Senior Vice President—Government Affairs **Brian T Petty** participated in presentations in January at the **Department of Commerce** and **US Trade Representative's** office along with **Grant Prideco** and **Texas Steel Conversion** executives in requesting that tool joints also be excluded from any recommendation to the President for import penalties. The President is expected to make his initial decision and announcement on which steel products will be penalized in late February. ■

ing criteria for roustabouts, Mr Charles said: no previous rig experience; a high-school diploma at minimum; required background checks and company physical. Military or "hard work" experience was counted a plus.

After 18 months, entry-level turnover dropped to 27%, and—tellingly—the entry-level accident rate plummeted 50%. As of December 2001, all Diamond GOM roustabouts are course graduates, and all GOM crane operators have attended a special version of the school. Diamond subsequently established schools in Brazil and the North Sea.

ONSHORE/OFFSHORE CYCLE

Ms Norris-Raynbird observed that an offshore worker passes through 4 distinct stages in any given on-shift/off-shift cycle: being at home, preparing to go offshore, being offshore, and preparing to go home.

The starkly differing cycles have odd results. One man told the Texas A&M researcher that at home, "I don't do much, just sit around and wait to go back offshore." Others are hit with overwhelming family demands upon arriving at home.

Come hear Ms Norris-Raynbird, Mr Charles and Prof Heinze in Dallas at our Directors Conference. Most sessions are open to all, IADC Directors or not.

If industry does not resolve the people conundrum, as Prof Heinze remarked, "We are going to die as an industry. We shouldn't die—but we will." ■

WELCOME JERRY GREENBERG!

For nearly 2 years, DRILLING CONTRACTOR has been blessed with the talents and knowledge of a skillful contributing editor, **John Kennedy**. With this issue we bid a regretful farewell to John, who has departed to pursue other interests.

We welcome an equally skilled contributing editor to DC—Jerry Greenberg. Jerry is a Houston-based journalist with more than 20 years experience reporting on and analyzing activity and technology in the worldwide oil industry. He worked for 10 years as Editor of "Offshore Rig Newsletter". He subsequently served as Manager of Marketing and Public Relations and Director of Corporate Communications for various offshore drilling contractors.

He has been a freelance writer for nearly 5 years, covering worldwide offshore and onshore drilling and production activity and technology.

Jerry's extension is 225; e-mail, jerry.greenberg@iadc.org.

Welcome, Jerry! ■