

Attraction & Retention: THE NEW REALITY OF LEADERSHIP

CONROY  ROSS PARTNERS
LEADERSHIP + GROWTH

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Leadership Panel



ALBERT ELLIOTT, MBA. Vice President, Human Resources, Communications & Administration
Mr. Elliott is Vice President, Human Resources, Communications & Administration at Total E&P Canada. Albert is responsible for the human resources and communications strategies that will lead Total through the growth and development of its five major oil sands projects. Mr. Elliott joined Total E&P Canada in 2006 and brings over 20 years HR experience. During this time he has held progressively senior roles at the Bank of Montreal, EnSource Energy, and Talisman Energy Inc. Mr. Elliott has significant experience supporting international expatriate operations in Indonesia, Aberdeen and Sudan, among others



BRIEN PERRY, MBA. Vice President Human Resources
Mr. Perry oversees Human Resources at Enerplus in both Canada and the U.S. He joined Enerplus as Manager of Compensation, Benefits and Human Resources Information Systems in June 2007 and most recently held the role of Manager of HR Programs and Services. Prior to joining Enerplus, Mr. Perry was Human Resources Manager at ConocoPhillips Canada. Before shifting his career into the oil patch in 1990, he was a coach with the Canadian National Ski Team and shared in the successes at the 1988 Winter Olympics in Calgary.



MONA JASINSKI, MBA., CHRP. Executive Vice President People
Ms. Jasinski has more than 21 years of human resources and organizational effectiveness experience, primarily in the Oil and Gas Industry including operations and mergers & acquisitions. Prior to Vermilion, Mona was the HR Manager for Shell Onshore Production, North America. Previous experience includes Management Consulting, Learning and Development and HR Generalist roles, which encompasses areas such as HR People / Strategy, Workforce Planning, Succession Planning, Leadership Effectiveness, Recruiting and Policy Development.

Moderator



ROSS MARTIN, CPOCC. Partner
Mr. Martin is the Calgary partner for Black Tusk Leadership Inc. His own leadership was built on a successful track record of 20 years experience in senior leadership positions in large multinational and small local companies. Ross' work over the last 10 years has focused in two main areas: one-on-one executive coaching and the coaching and development of leadership teams and Boards of Directors. The goal in both cases is to support the development of leadership excellence and the creation of work environments that enable and encourage excellence from everyone in the organization. Ross has worked with "C" level leaders from a wide range of businesses and locations around North America.

Thank you for attending the event.

Congratulations to our charity draw winner Kentaro Yokoto. Conroy Ross Partners has donated \$250 to the Children's Hospital on his behalf.

Conroy Ross Partners is proud to be a Distinguished Partner Sponsor for the upcoming event: *Leader Excellence featuring Patrick Lencioni* presented by Obair Leadership on April 18.

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Q & A Summary

- 1. On a company-wide basis, you have employees of all ages, ranging from those in their twenties to those in their fifties. Given this demographic, how do you deal with the age gap that exists among your employees?**

When looking at the age gap, the differences between people are much more important than differences between demographics. While some disparity does exist, there are core values that are held across generations. A good example to use when looking at this topic is work/life balance. Both ends of the spectrum are worried about having a flexible work schedule, but for various reasons. Some employees want work life balance to spend more time at home with their families, while others want it in order to have more personal time. It is quite possible that both a twenty-five year old and fifty-five year old employee may desire work life balance for the same reason. It is not dependant on the generation, rather the individual person.

The one issue that needs to be kept in mind when dealing with the age gap is the transfer of knowledge. Businesses need to ensure that they are building bridges between these groups through mentoring. The key to this is educating senior workers to share their information with younger colleagues.

- 2. When looking at mergers and acquisitions, do you feel there are any precautions we need to take or pitfalls to be avoided when bringing together two different cultures?**

The most important consideration in avoiding pitfalls is ensuring that you are communicating frequently and through various means. When going through the process of a merger or acquisition, leaders will have to communicate through more channels and with more frequency than they ever have before. It will require group meetings, one-on-one discussions, emails and memos. This piece is critical because not all employees will hear the same message through the same medium.

The second key to success is moving quickly. Senior management must be decisive and can't waiver on decisions. They need to persuade the employees of the merit of the transaction and must move quickly to remove those individuals who want nothing to do with it as they will poison the environment. The leaders of the company must determine what type of culture they want and then accept a process to make it happen. Finally, and very importantly, everything must be done with an understanding that it won't be perfect.

- 3. How have your processes for incorporating immigrant workers into your corporate culture changed over time? What challenges and successes are you experiencing?**

This depends on the scope and size of the company. For businesses that operate in multiple locations around the world, they need to work on determining what works for that location. While there are common themes, different countries come with various mindsets, cultures and management styles. Leaders need to be careful not to assume that the "Canadian way" is the best way.

For some local companies, this is still a bit of an issue, as they are hung up on hiring the same old profile types. They need to get better at diversifying and determining how to meet the needs of all individual employees.

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4. The results from Conroy Ross's talent survey indicate that a key factor in attraction and retention is offering development opportunities for employees. Can you tell us a little bit about what development offerings and methods your company is using?

Tailoring development to the person is critical. The assumption that everyone needs to take the same courses and corporate programs needs to be corrected and deliberate thought needs to be made around how development opportunities can be more targeted and technical. One unique concept our company has implemented is "Discipline Chiefs." These are individuals that look after specific lines of our business such as "Geologist Chief" and their job is to look at whether or not the employees in their function are developing, and getting the right opportunities.

Another important method is ensuring that both the individuals and managers are accountable for development. One way an organization can achieve this, is by focusing on a model of performance management that incorporates a culture of leadership development from the top down. When using this method, it is important to pay attention to high performers and put money behind those that want progress in their career by lifting the level of training and learning opportunities.

5. Have you seen any initiatives that effectively manage demographic knowledge transfer?

Demographic knowledge transfer needs to be tied together with retirement programs and the retention of our senior workers. In Calgary, the average retirement age is 58. Given this fact, organizations need to provide a bridge so that they do not lose their senior employees too young. Strategies need to be implemented in order to offer consulting or contracting agreements to this group so that they can remain in the business for another five years. This is very important as there is a significant difference between tacit and written knowledge. Tacit knowledge is greatly deeper than any document left behind and more time needs to be spent focusing on this as the return on investment is substantial.

A technique being used to enhance the transfer of tactic knowledge is hosting an annual technical forum. The forum gives employees an opportunity to present some of their work or an innovation to a group. It is a great way for young people to present new ideas and for seasoned employees to share some of their knowledge.

6. When recruiting a new leader for your organization, what type of individual is being sought after?

It is very important that a leader has a good balance of hard and soft skills. Clearly an individual needs technical competencies, however equally important are behavioral skills such as strong listening skills, coaching skills, ability to deal with issues, etc.

Another important characteristic is having an interest in learning new things. Leaders should be able to talk about what they recently learned and should have a passion of being on the edge of what they know technically. Cover letters are reviewed to see if a person has recently attended a conference, course or seminar that is outside of their technical discipline.

Our organization has created four leadership roles: technical leaders, strategic leaders, business leaders and people leaders. While there are different amounts of each role required for different levels of the organization, we constantly remind our leaders that they need to have all 4 of the roles to be successful in their role.

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7. What factor is social media playing in your recruiting strategies?

Our first concern with social media is that we know that we are not doing enough of it yet. Traditional media is not cutting it with the younger generation. When talking with individuals in the 25-35 age range, they are not looking in a newspaper ad to find a job; they are going through multiple online sources. If our organization does not have a presence, we are missing out on that entire group. Whether it is LinkedIn or other social media sites, we are finding that online recruiting is becoming a key part of the process.

Something interesting that our company learned this year is that the number one search tool for finding jobs is Google. Given this, we are now making sure that our postings have the right bells and whistles so that they pop to the top of Google search. Social media is an innovate tool, but it all depends on how you use it.

8. Given the importance of long term incentive and compensation, do you think other programs can make up for underwater options?

Long term incentive is still an important reality in Calgary; however, other offerings can make people think twice. We are seeing more RSU's versus options and packages that have some sort of guarantee element. In the current market, organizations must get creative and need to offer a blend; there needs to be enough cash in the package for the short term and equity as a retention tool in the long term. Compensation always needs to be paid attention to and other factors do not make up for a loss in compensation.

Comment on the question – What about culture? You can replicate long term incentive but you can't replicate culture.

When you look at the Conroy Ross talent survey, it is a balancing act. One factor will not solve the problem; it is a combination of them all and companies need to try and find the right formula that works for them.

It is a matter of "you can't buy me love." All things being equal, the corporate culture has to align with the individual's culture or there will not be a chance for a long term relationship. In this case, actions speak louder than words.

9. When looking at HR planning from a holistic perspective, what is the most pressing issue that you currently face or that you will in the near future?

It is very important to have a long term plan and stick to it, and it needs to be focused around both succession planning and long term planning. It is about building a strategic plan and sticking with it. If an issue of the moment (or of the year) is not dealt with, it becomes a cycle. Leaders need to be more proactive in their approaches and should be thinking about things in advance.

We need to be ready for the looming change of how work gets done and how people lead work. The whole idea of working from home, being more flexible and learning to gauge what is the work I am expecting in a given circumstance. Just because someone it is at work in a chair, does not mean they are accomplishing more or doing better work.

Alberta's Energy Leaders: THE NEW REALITY

Alberta's energy industry is facing a leadership talent crunch. It is no longer enough to simply market your organization as a top employer or to promise shiny employee programs. Conquering today's battle for top senior management and executive talent requires companies to exceed the expectations of today's leaders. Given this new reality, Conroy Ross Partners recently surveyed both industry leaders and human resource professionals to determine what considerations are critical to attracting, developing and retaining leadership talent in Alberta's energy industry.

ATTRACTING LEADERSHIP TALENT

When contemplating joining one of Alberta's energy organizations, leaders reported focusing upon the potential employer's social characteristics and ability to provide rewards over the long term. All surveyed leaders weighted corporate culture, the collective values and demonstrated behaviors within an

organization, as their primary attractor. They also place a great deal of value on the opportunity to advance their careers within an organization and the potential future rewards for their loyalty. Accordingly, long term incentives and career and succession planning are the number two and three key attractors for leaders in the industry.

When asked "Which factors do you take into consideration when joining an organization?" respondents reported the following*:



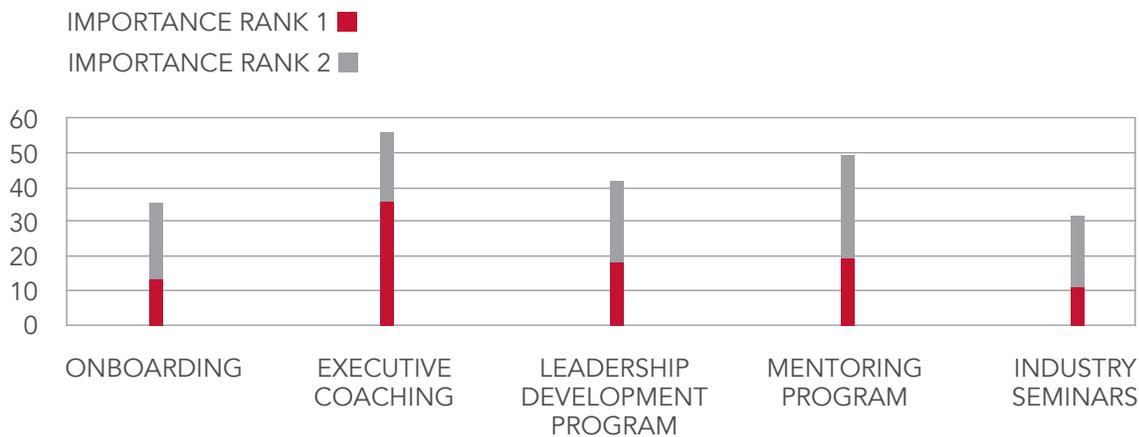
Our survey of human resource professionals asked what they highlight when trying to attract leadership talent. They responded the same way leaders did, indicating that corporate culture, career and succession planning and long term incentives are their top three attractors. When it comes to attracting top talent, organizations and potential leaders seem to agree; a pleasant work environment, where leaders feel valued, are rewarded and have room for growth, is what appeals the most.

DEVELOPING LEADERSHIP TALENT

The attraction phase is just the beginning. Organizations must then demonstrate that they understand individual employee expectations by offering the right tools and development programs. Survey results reveal that these training and development opportunities are best focused on the individual's leadership related goals, through programs such as executive coaching. Leaders are looking for individualized training and development tools to

increase their success. In fact, these tools are most relevant for over 56% of all surveyed leaders. Almost 50% of all survey respondents indicate that mentoring, a regular exchange with a more experienced person that focuses on personal development, would enable them to be more successful. More structured and generic tools, such as onboarding and industry seminars, are ranked as less important.

When asked "Which training and development tools would be, or would have been, necessary for you to be more successful in your current role?" respondents said:*



*Note: Percentage of respondents ranking each training and development tool as either 1 (= most important) or 2 (=important)

Current human resources strategies show that employers in the energy industry are less focused on individualized training and development tools. Survey results reveal that companies rely primarily on traditional training and development tools like onboarding and industry seminars. Executive coaching is currently offered by only 35% of all surveyed companies and mentoring plays an additionally reduced role in developing talent, offered by only one out of five companies. Looking forward, companies articulated their support in offering individualized training and development tools. Between 30% and 40% of all surveyed companies state that they are planning to introduce Executive Coaching and Mentoring programs in the future.

Our survey results suggest that there is an opportunity for organizations to differentiate themselves in the competition for leadership talent, by offering individualized training and development tools and programs, focused upon leadership.

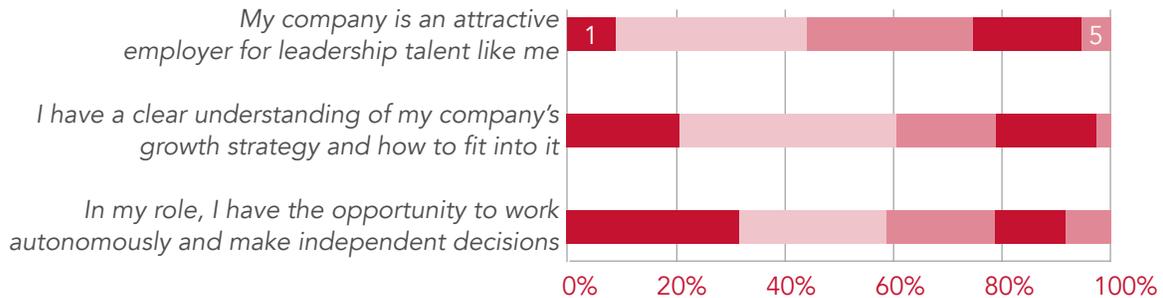
RETAINING LEADERSHIP TALENT

Surveyed employers are confident about their ability to engage and retain leaders. Results show that over 90% of all surveyed companies believe that they are an attractive employer for leaders, clearly communicate their growth strategy and offer an autonomous and independent work environment.

Only after joining an organization can leaders see behind the curtain and evaluate fit. Our survey results indicate that, contrary to the employer's view, leaders do not always perceive their current employer as positively as they might think. In fact, over 20% of all surveyed leaders disagree that their company is

an attractive employer for leadership talent. Similar amounts of survey respondents felt that they were not part of their company's growth plans, or that they did not have the opportunity to work autonomously and make independent decisions. The result? One out of five leaders in the industry reported dissatisfaction with their current employment situation. This would suggest that they may be more willing to consider opportunities with other employers. For employers, delivering on the promises they made in the attraction phase is critical to having engaged and satisfied leaders with a greater propensity to remain with the organization for the long term.

When asked to "Provide your level of agreement or disagreement to the following statements" survey respondents answered*:



*Note: Percentage of respondents for every score of a Likert scale ranging from 1 (= strongly agree) to 5 (= strongly disagree)

ABOUT THE LEADERSHIP TALENT SURVEY

In May and June 2012, Conroy Ross Partners administered two unique surveys to industry leaders and human resources professionals in Alberta's energy industry. Data was collected from 112 leaders and 42 human resources professionals. Both surveys were focused on the employee life cycle of attracting, developing and retaining talent. Every level of a company's management structure from the Manager to the C-Suite level were represented within the survey respondents, as were all sub industries in Alberta's energy industry from exploration and production to power generation.

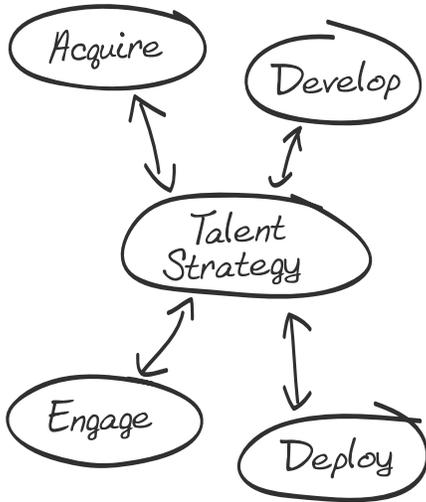
ABOUT CONROY ROSS PARTNERS

Conroy Ross Partners is a leading Business Advisory and Retained Search firm serving clients across North America from our offices in Calgary, Edmonton and Regina. We help our clients achieve their goals by selecting the right leaders, building effective teams, and enabling growth.

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Talent Management Assessment



Are you focusing on the “right things” when it comes to your talent?

As a leader in your organization you know that acquiring, managing, and retaining talent is a key challenge in today’s environment. Strategic talent management is becoming part of every organizations’ leadership agenda as the talent market becomes increasingly more competitive and offers up a host of new challenges for you to deal with, such as:

- Increased cultural and demographic diversity in the workforce;
- Leadership gaps as baby boomer retire;
- Proliferation of recruitment networking and applicant tracking tools;
- A multitude of training and development solutions all claiming “to be the best”;
- Increasing demands in regards to total compensation and rewards; and,
- Changes in technology that support alternative workforce deployment models.

To address these challenges, would it be valuable to know how your talent management practices compare to:

- 1) *Industry leading practices; and,*
- 2) *Your competitors?*

What is your organization’s grade when it comes to talent management?

Understanding your organization’s strengths - and opportunities for improvement in regards to your talent management practices could set you apart from your competition.

We can help you assess how you are performing against both industry leading practices and your competitors across the four dimensions we believe encompass a talent management strategy: (1) *Acquisition;* (2) *Development;* (3) *Deployment;* and, (4) *Engagement.*

The outcome from this assessment will help you identify gaps in performance, and identify where you should focus on your talent management practices.

For more information please contact:

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Our promise to you.

1. In three-to-four weeks we will complete a scorecard of your organization’s “talent management practices”.
2. Your existing talent management practices will be compared relative to industry leading practices and your competitors to identify “gaps” in existing performance.
3. Targeted recommendations identifying where investments should be made in order to have the greatest impact on your talent management practices.