



Deloitte 2024 Human Capital Trends

Energy, Resources & Industrials Industry Companion Report

Introducing the 2024 Global Human Capital Trends

Human Sustainability



For true human sustainability, organizations need to create value for all people connected to them.

Digital Playground



A mindset and an approach in which technologies are curated with intention and opportunities to use them are democratized; a safe space for workers to build confidence, learn new skills, and hone their human capabilities.

Beyond Productivity



New sources of data and artificial intelligence can help organizations shift from measuring only what they can to what they should.

Workplace Microcultures



Subtle variations in how work gets done in different teams, functions, and geographies while aligning to global values.

Transparency Paradox



Technology can make almost everything and everyone in an organization transparent based on data from sensors, software, and systems.

Boundaryless HR



The shift of HR from a specialized function that owns most workforce responsibility to a boundaryless discipline, cocreated and integrated with the people, business, and community it serves.

Imagination Deficit



Scaling human capabilities like curiosity and empathy can help organizations ensure an ample supply.

Leadership



Leaders have an opportunity and a responsibility to help their organizations create new paradigms geared toward human performance.

Energy & Chemicals (E&C)



ER&I | Energy & Chemicals

Quantitative and qualitative insights indicated that there were three trends of particular importance to organizations in the E&C sector.



Human Sustainability



Beyond Productivity



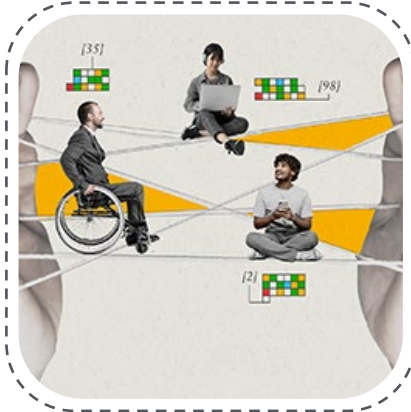
Transparency Paradox



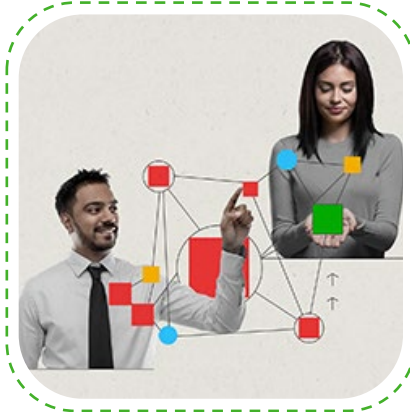
Imagination Deficit



Digital Playground



Workplace Microcultures



Boundaryless HR



Leadership

Executive Summary

Demographics | 2.7% of total survey respondents (n=234) were from E&C sector, representing 44 countries

Key Finding 1:

Trust & Transparency

Key Takeaway

- E&C respondents indicated the most important issue to their **organizations' success was an increasing focus on trust and transparency** in the relationships between workers and the organization.
- E&C organizations should look to their leaders to build **cultures of trust and transparency** within the organization. Only when there is internal trust can there be more widespread trust in society, especially as it relates to the **larger theme of environmental, social and governance (ESG)** that is top of mind for many supermajors.

Key Finding 2:

HR as a Cross-functional Discipline

Key Takeaway

- When compared to global respondents, E&C respondents indicated that their organizations have been taking **significantly more strides** to shift **HR from an operations function to a cross-functional** discipline (+10.5%).
- Additionally, E&C respondents self-reportedly **struggle more** than global respondents when it comes to **effectively leveraging the full digital footprints of the workforce** to create value for internal and external stakeholders (10%).
- As HR continues to become more cross-functional, HR strategies must align with an organization's larger strategy to create value.

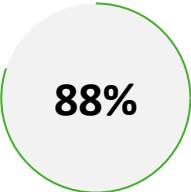
Key Finding 3:

Gaps in Perception

Key Takeaway

- **Global executives** view their organization's **financial results more** favorably than E&C executives. However, E&C nonexecutives view their organizations' financial results more favorably than global nonexecutives.
- **E&C executives believe their organizations create broader value** for their customers, communities, and society, beyond financial returns, significantly more than E&C nonexecutives.
- **Global executives** view their organizations' ability to **provide meaningful work for their workers more favorably than E&C executives**. However, both global and E&C nonexecutives tend to disagree that their organizations provide meaningful work for their workers.

Transparency Paradox



of E&C Respondents

What the data shows...

say that an **increased focus on trust and transparency between workers and the broader organization** is very or critically important to their success

Top identified **barriers** to increasing the trust and transparency across the organization:

- **Internal Constraints**
51% of E&C Respondents

- **Lack of Leadership Alignment or Commitment**
43% of E&C Respondents

Why this is happening...

Due to the **unique challenges of the E&C sector**, it can be difficult to tell a story that highlights how an organization makes a positive impact on every person it touches, so there is an understanding that it will require more effort to create and reinforce a **purpose-driven narrative with action and impact**. As E&C organizations adopt new workplace practices and technology, they also recognize that there needs to be a **cultural evolution and a developmental shift within their leadership cohort** to effectively evolve the workplace culture to amplify trust and transparency.

The implications

To amplify trust and transparency in an organization’s culture, E&C respondents need to invest time and energy into **telling the stories around the positive impacts** they make across all relevant stakeholder groups, while also **preparing their leaders for a time of significant technological and workforce change**.

Boundaryless HR

52%

of E&C Respondents
10% higher than other industries

What the data shows...

said their organizations are “Expanding” or “Leading” in their journey to **shift HR from an operations function to a cross-functional discipline of orchestrating work**

Why this is happening...

E&C organizations understand that the HR function needs to become more than just an operations function as they look to execute digital transformation initiatives, embrace GenAI, and experiment with emerging digital capabilities. They, however, need to define what will be measured to track and report the impact of a cross-functional HR discipline has on key business metrics, like top-line growth, profitability, or productivity.

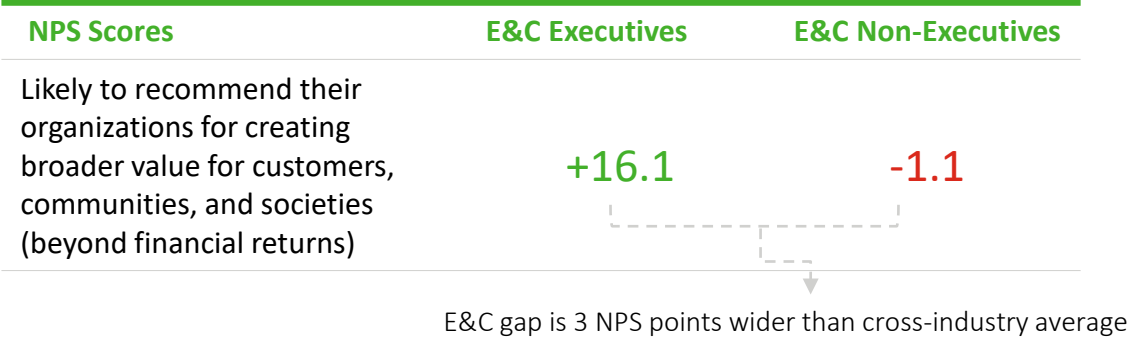
- However, E&C respondents indicated that this shift will have the **least impact on their organizations’ success** over the next three years. While E&C organizations are making this shift, they believe the expected impact and value may not be recognized by other organizational stakeholder groups outside of HR.

The implications

To demonstrate the value and impact of shifting HR to a cross-functional discipline, E&C organizations should **define the metrics** that they expect the organizational shift to drive for the business, and then put the right **structure, technology, incentives, and processes in place** to ensure that the HR function can deliver the expected value. Establishing the HR function as a cross-functional discipline will enable HR to have a leading role to drive broader organizational readiness for emerging digital, workforce, and workplace changes in the coming years.

Human Sustainability

What the data shows...



- E&C executives were significantly more likely than non-executives to recommend their organization for creating value for their customers, communities, and society, beyond financial returns

Why this is happening...

Given the scrutiny that is on E&C sector coming from an increased focus on sustainability, climate, and equity impacts of all organizations, executives are feeling the pressure to deliver both strong financial results and significant value across their stakeholder ecosystem. Middle management and staff within E&C organizations clearly view their organization’s financial results as the key indicator of performance, meaning there is a misalignment between executives and the rest of the organization around what is important to communicate when discussing organizational value delivered. This is likely because executives feel as though it is important to share the whole value delivery picture, not just financial performance.

The implications

Misalignment between executives and the rest of the organization can lead to prioritization of the wrong initiatives/investments, a disengaged workforce as they discover that financial performance is not the sole indicator of organizational performance in their leaders’ eyes. It will be critical for E&C organizations to ensure that leadership is **clearly articulating the goals of the organization (financial and non-financial)** to the middle management and staff. This will help to not only ensure that effort and investment are placed in the right areas but also drive **employee engagement and buy-in** as they live and work through change.



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