



**PETROLEUM
CORPORATION
OF JAMAICA**

HR EXPERIENCES OF A NATIONAL OIL COMPANY

WINSTON WATSON
GROUP MANAGING DIRECTOR (ACTING)

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THE PCJ GROUP: JAMAICA'S NATIONAL ENERGY SOLUTIONS PROVIDER

PCJ HEAD OFFICE

- National energy authority mandated to manage energy security
- Leaders in energy research & development
- Oil & Gas exploration
- Spearheading national energy project implementation



PETROJAM REFINERY

- Refinery Type: Hydroskimming
- Rated Capacity: 36,000 bbls/day
- Production Capacity: 28-30,000 bbls/day
- Products: LPG, E10 gasoline, automotive diesel, jetfuel, kerosene, HFO, asphalt and marine fuels



WIGTON WINDFARM

- Largest wind energy facility in the English-speaking Caribbean
- 38.7 MW capacity
- 24 MW to be added by 2015
- Jamaica's first Clean Development Mechanism (CDM) project



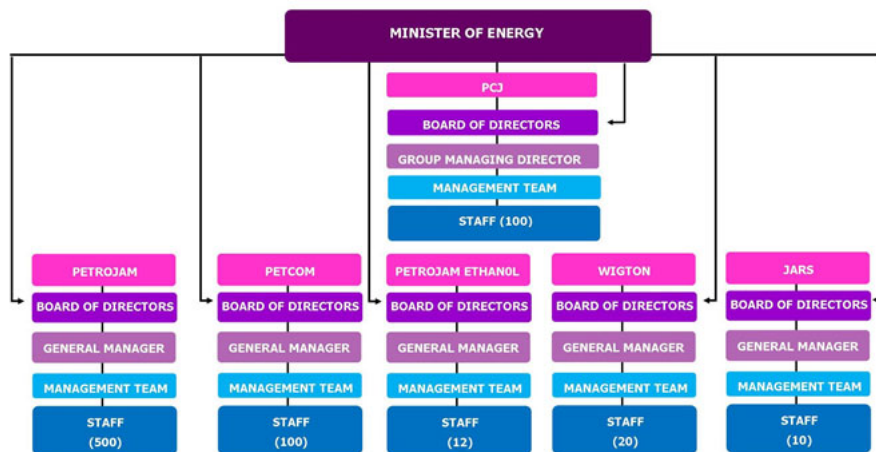
PETCOM

- The retail arm of the group
- Countrywide service station network
- Network of LPG filling plants
- Marketing & sale of petrol, lubricants, LPG, industrial and fuels



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THE PCJ GROUP: ORGANIZATIONAL STRUCTURE



THE PCJ GROUP: COMPLEX HIGH LEVEL OBJECTIVES

Strategic Priorities 2014-17 include:

- Execution of Group Transformation plan
- Implementation of major national energy projects
- Refinery Expansion
- Facilitation of increased use of renewable energy generation for the national grid
- Secure PSAs for Oil and Gas Exploration

THE PCJ GROUP: AN ADVANTAGEOUS WORK ENVIRONMENT

- A highly skilled employee body
- Competitive salary packages
- A resource-rich organisation
- Attractive perks and benefits
- Numerous opportunities to gain extensive work experience
- Stable work environment
- Job security



IN THEORY: AN IDEAL EMPLOYER

- Among Jamaica's most profitable corporations
- One of the Government's largest revenue earners
- Integrated energy solutions company
- Entities in critical areas of the energy industry



IN REALITY: CHALLENGES OF AN NOC vs IOC

IOC

- Greater autonomy
- Streamlined decision-making process
- Profit-driven processes
- More attractive compensation packages

NOC

- Constrained by government policy
- Bureaucratic decision-making process
- Political, civic, national considerations/motivations

IN REALITY: HR OPERATIONS CONSTRAINED BY GOVT POLICY

CONSTRAINTS

- Wage freeze for over 6 years
- Need approval from Finance Ministry to recruit and compensate
- Need prior approval for all overseas travel and training
- Strict salary/wage guidelines

IMPACT

- High staff turnover with 64% of separations due to resignation
- High resignation rate among engineers and highly skilled staff
- Brain drain/migration of skills
- Loss of institutional knowledge
- Inability to quickly fill vacancies
- Low staff morale and motivation

STRATEGIC RESPONSE: RECRUITMENT & RETENTION CONSTRAINTS

THE CHALLENGE

- High staff turnover and impediments to recruitment

THE SOLUTION



- High potential employees incorporated into succession planning programmes
- Potential successors receive acting assignments periodically
- Internal candidates sought to fill vacancies
- Career ladders developed for positions at all levels
- Retain outgoing staff on 2 year consulting contracts to retain institutional knowledge

STRATEGIC RESPONSE: COMPENSATION

THE CHALLENGE

- Public Sector wage freeze/declining value in salary packages due to currency devaluation & inflation

THE SOLUTION

- Increase of non-cash incentives
- Increased benefits for staff e.g. gasoline subsidy
- Staff loans for personal use



STRATEGIC RESPONSE: EMPLOYEE DISENGAGEMENT

THE CHALLENGE

- Low staff morale and lack of motivation

THE SOLUTION

- A structured employee engagement programme
- Quarterly interactive staff meetings hosted by the General Manager
- Regular Department meetings
- Established staff-led committees to drive **health and wellness** initiatives, community outreach & social activities
- Recognition of birthdays, monthly birthday parties
- Recognition of tenure
- Annual fun-day for staff and family
- Annual Christmas treat for employee's children



STRATEGIC RESPONSE: IMPEDIMENTS TO PROVIDING TRAINING

THE CHALLENGE

- Difficulty accessing overseas training opportunities

THE SOLUTION



- Institution of in-house knowledge management programmes
- Roll out of BizLibrary training software suite
- Training delivered through webinars
- Subject matter experts brought in to deliver in-house training
- Employees can access online training material and video tutorials at work/home

LESSONS LEARNED

FOR NATIONAL OIL COMPANIES:

- People management programmes are often impacted by overarching Government policy.
- Earning power/profitability isn't necessarily reflected in compensation.
- Strategies must be employed to ensure human resource development is not hampered by government's fiscal policies.
- In times of fiscal restraint creative approaches must be devised to attract and retain talent and boost morale and motivation.
- Consistently manage the ever present demand for financial assistance, expertise and other forms of support from external stakeholders who view the company as resource-rich



THANK YOU

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