

FUELING INCLUSION

A diversity, equity and inclusion
report on Alberta's energy and
resources industry



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Diversity, equity and inclusion, commonly known as DEI, is a topic that is becoming increasingly important for organizations globally, including those in the energy and resources industry. As Alberta welcomes more diverse newcomers and becomes more inclusive of women in traditionally male-dominated industries, it is becoming apparent that there is a need to focus on and include DEI in corporate strategies.

But what exactly is DEI and why is it important for the energy and resources industry?

In the context of an organizational discipline, DEI refers to the policies and practices companies employ to promote the fair treatment, belonging and equal participation of all employees in the workplace, regardless of backgrounds, beliefs, disabilities, experiences and identities. Specifically:

D

Diversity is about differences. Differences are defined broadly across a wide range of dimensions, such as nationality, language, education, gender and gender identity/expression, sexual orientation, generation, age, socioeconomic background, religious background, abilities and disabilities, as well as identity dimensions defined and constructed by some societies in ethnic, colour, cultural or racial terms. There are also differences according to working and thinking styles, experiences, career paths, technical skills, geography, service line, sector and function.

E

Equity is about recognizing that everyone has different starting points and different needs. Based on individual backgrounds and identities, everyone faces different levels of structural and systemic advantages and disadvantages that impact access to resources, perception and evaluation, and sense of belonging in and out of the workplace. Equity is an organization's commitment to providing the tools, resources and environment that all employees need to be successful and build meaningful careers.

I

Inclusion is about making a workforce's differences work in an environment where everyone experiences a sense of belonging, feels safe to be their authentic selves, is heard when they speak, and brings forward their perspectives and ideas.



For the energy and resources industry, the need to adopt strong DEI policies and practices to attract and retain talent has become increasingly important given the ongoing market and workforce challenges the sector faces. There are three areas of focus.



ATTRACTING TALENT

One such challenge facing the industry is the war for talent. From 2014 to 2022, the percentage Alberta's total energy labour force declined by 20%, with labour in the energy services subsector down 44% in the same period.¹ The cumulative impacts of a multi-year industry downturn, lower demands following the COVID-19 pandemic, and structural shifts in the energy industry resulted in many workers retiring or leaving the sector in search of stability. When looking to expand their workforce, organizations should consider how they can prioritize DEI to both attract and retain talent, adopt inclusive succession planning strategies, achieve gender balance and represent Canada's diverse labour market.

As immigration contributed to 79.9% of Canada's labour force growth from 2016 to 2021,² companies in the energy and resources industry must also consider how to effectively use the skills and talents of immigrants in both field and corporate roles at all levels.



20%

From 2014 to 2022,
Alberta's total energy
labour force declined by

76%

Of millennials would leave
their employer if the
company didn't offer
DEI initiatives



ENHANCING CULTURE

Another aspect to consider in this competitive environment is how the emerging generation of workers prioritizes company culture when job seeking. A recent EY US study shows that 76% of millennial respondents said they would leave their employer if DEI initiatives were not offered at the company.³ In a time when so much opportunity exists for this generation, few other industries offer comparable investment in innovation or technology as energy and resources as it navigates the global energy transition. When considering job opportunities, emerging generations also want to understand how organizations are incorporating DEI initiatives into their purpose, culture, leadership development and strategies.



DRIVING INNOVATION

A diverse workforce can also bring tangible benefits to organizations. New perspectives, lived experiences and an equitable gender balance can contribute to new ideas and spur creativity. In fact, research shows that innovation can increase by 20% by drawing on the experiences and perspectives of individuals from diverse backgrounds.⁴

Additionally, diversity can positively impact financial performance, with studies indicating that sales revenue can increase by nearly 15 times in organizations with higher racial diversity.⁵ Furthermore, safety, a key concern in the energy and resources industry, can be improved by diverse teams identifying and reducing risks up to 30% more than non-diverse teams.⁴

An organizational culture that ingrains DEI across its functions and workforce while creating a sense of belonging has also been found to increase employee productivity and performance by 56%.⁶



More safety risks can be identified by diverse teams



Sales revenue can increase nearly 15 times with higher racial diversity



Increase in employee productivity in organizations with ingrained DEI culture

Despite a strong business case for DEI in the energy and resources industry, there are still challenges in its application in the workplace. Organizational leadership is often still male dominated, which can reduce the prioritization of creating the necessary structures and support systems to accommodate underrepresented groups such as women and newcomers. Data from Careers in Energy shows that in 2022, **only 20.2% of Canada's energy workforce self-identified as female**, compared to an average representation of 47.5% across all other industries.⁷ This gender imbalance has encouraged a culture of hypermasculinity in field work sites as a coping mechanism to handle the physical nature of the job and the long hours worked on shift rotations.⁸

This culture, labeled “hegemonic masculinity,” can alienate women from field positions and discourage them from pursuing opportunities in this environment. This problem is exacerbated by limited access to appropriate facilities and equipment for females, including workplace accommodations and personal protective equipment (PPE). With most PPE designed

to fit the physical attributes of males, women run the risk of increasing their exposure to health and safety hazards, leading to decreased productivity on site.⁹ Furthermore, women face policy gaps such as the availability of child care facilities and inflexible work hours not conducive to primary caregiver roles.⁹

To address these prevalent issues, more women in leadership positions and comprehensive DEI policies and protocols are required. To effectively address the war for talent in the energy and resources industry, it's essential to have authentic leaders who set the tone from the top, lead inclusively and have the capabilities to forge ahead in a disrupted environment. This includes actively seeking out and promoting individuals from diverse backgrounds, including women and equity-deserving groups, to leadership positions. Doing so not only brings balance to the workforce, but also brings valuable skills and attitudes that can help shape the future of the industry.



Survey overview and results

To gain further insight into the state of DEI in the energy and resources industry, in 2022 Careers in Energy conducted an anonymous survey in partnership with EY to identify sector-specific DEI challenges and opportunities. The survey collected information on various dimensions of DEI that contribute to individuals' lived experiences, highlight leading practices and encourage equal access to employment and supports for equitable hiring, training and promotion opportunities.

The survey contained 35 questions and was completed by 261 individuals who work in Alberta's energy and resources industry. Of the 261 respondents, 59% identified as men, 29% identified as women, and the remaining 12% identified as gender diverse (2%), self-described (4%) or chose not to answer (6%). For the purposes of this survey, responses were gathered from those working in exploration and production, oil sands, oil and natural gas services, pipelines, refining/petrochemicals, gas processing plants/liquefied natural gas, cleantech and renewables, with several respondents highlighting their work in other sub-sectors including safety, education and training.

The information collected from this survey was used to inform the findings and recommendations in this report and will also be used as the basis of a DEI-focused micro-credential Careers in Energy is developing for energy and resources workers and organizations.



Survey respondent demographics

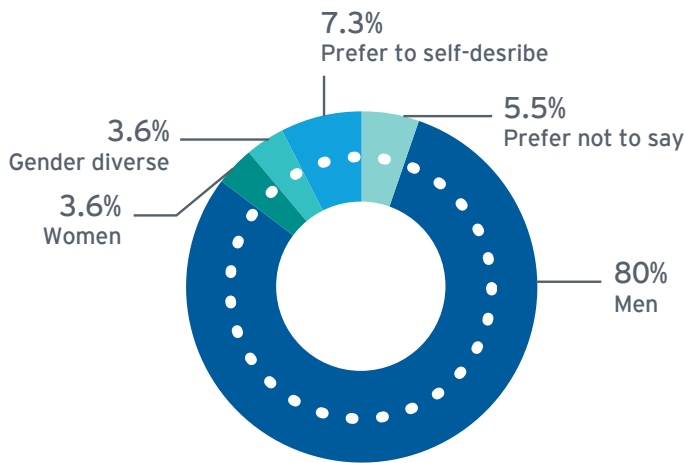


Several interesting findings became apparent from the survey.

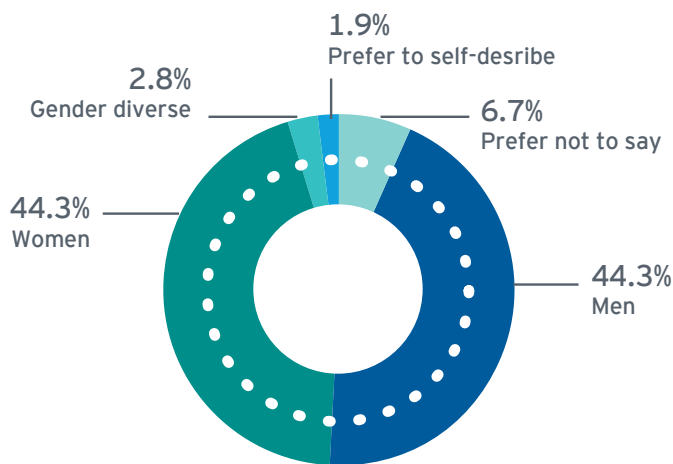
1

Men dominate fieldwork-related positions. The first finding revealed a significant disparity in the representation of women in fieldwork versus office-based roles. Only 3.6% of respondents working primarily in field settings identified as women, while the majority (80%), identified as men. However, when looking at those working primarily in office settings, the gender distribution was more balanced, with an equal number of men and women represented. This highlights the need for further examination of the barriers and challenges that may be preventing women from pursuing field roles.

Demographics of participants who work in the field



Demographics of participants who work in the head office

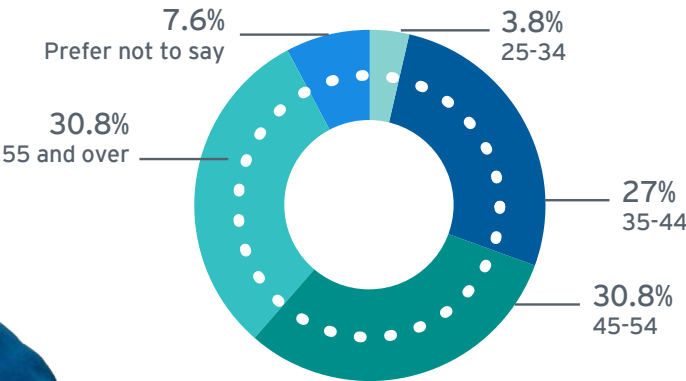




2

Older generations have less DEI awareness. The second key finding from the survey examined the relationship between an employee's age and their knowledge of DEI. The results found that of respondents who rated themselves as "novice" in DEI knowledge, 61.6% self-identified as being 45 years and older. This correlation shows that the older the employee is, the more likely they are to rate themselves as having minimal DEI knowledge. When it comes to culture, belonging and inclusivity, it's crucial for leadership to prioritize field workers, as it is one of the places the foundations for employee satisfaction, belonging and equity are established, and attitudes towards diversity are shaped. While leadership's role is important, it is also recommended to implement DEI strategies from the bottom up by building DEI competency among front-line workers.

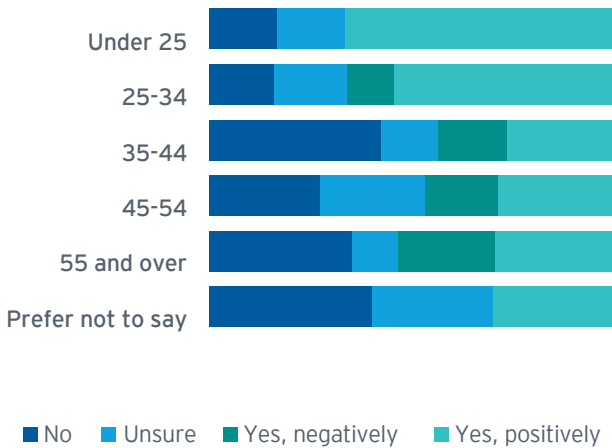
Demographics of participants who identified as a DEI novice



3

Younger generations see DEI as having a positive impact. The third key finding from the survey revealed a correlation between age and perception of the impact of DEI in the workplace. Younger age categories reported feeling the most positively impacted by DEI, with this impact decreasing as respondent age increased. This may be due to a lack of understanding of DEI among older respondents, a lack of lived experiences related to issues of diversity and inclusion such as racism, misogyny or intolerance, or desensitization. Alternatively, older respondents may have less interest in DEI due to a perceived lack of relevance or impact on their lives.

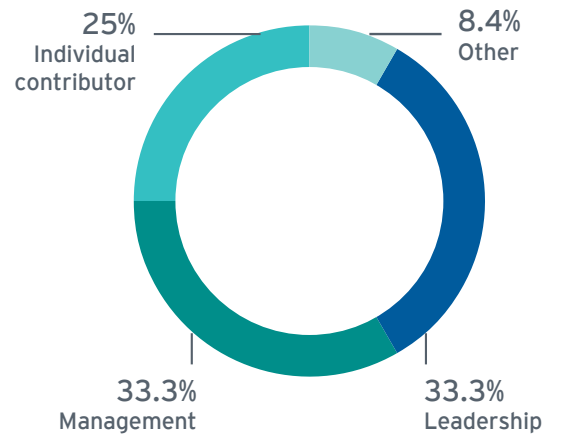
Personal impact of DEI on participants



4

Some leaders believe DEI has a negative impact on business performance. Another key survey result found that 10.5% of respondents believe that DEI has a negative impact on business performance (defined as the ability of employees to complete their roles, the quality of work produced, and an organization’s ability to procure customers and/or vendors), with 66.6% of these respondents representing leadership or management positions. This correlation is noteworthy as those in managerial roles typically have more exposure to or influence on organizational policies, including those related to DEI. This is particularly relevant for the energy and resources industry, as talent attraction, retention and succession planning strategies are often made at higher corporate levels. Without buy-in and commitment to DEI at these levels, policies to attract and retain new generations of skilled employees may be compromised, leading to a high turnover rate, lack of organizational loyalty and perpetuation of discriminatory attitudes or biases.

Percentage of participants who believe DEI has a negative impact on business performance by role



5

There may be invisible barriers to openly discussing DEI.

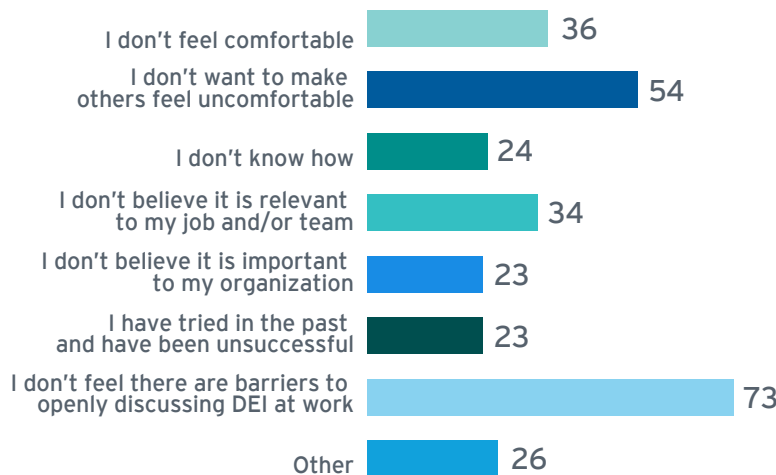
The survey revealed that when asked if barriers exist to discussing DEI at work, the most common result (24%) was that respondents do not feel there are any barriers. For respondents who do perceive barriers to discussion, the most common responses were identified as a fear of making coworkers uncomfortable (18.4%), feeling uncomfortable about discussing the topic themselves (12.3%) and not believing that DEI is relevant to their job and/or team (11.6%). Based on these results, it is important to consider the possibility of invisible barriers that may be impacting these perceptions.

The psychology of the insider-outsider perspective suggests that individuals may review the same policy, attend the same event or participate in the same discussion, but walk away with different conclusions about the topic depending on their personal affiliations, perspectives, values and goals.¹⁰

This could mean that some individuals – outsiders – who do not see DEI as important or do not personally experience its impact may not perceive barriers to discussing it in the workplace. On the other hand, those who identify as a minority – insiders – may be more likely to observe barriers to discussing DEI with their peers.

Additional invisible barriers can include an individual fearing bullying in the workplace based on their beliefs, fearing not being understood by coworkers or fearing being passed up for promotion.

Number of respondent answers on barriers to discussing DEI



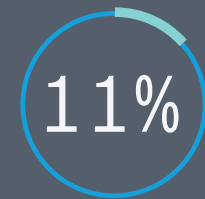
*The question allowed the respondents to select multiple answers



Of respondents working in field settings who identified as men



Of respondents having "novice" DEI knowledge self-identify as being 45 years and older



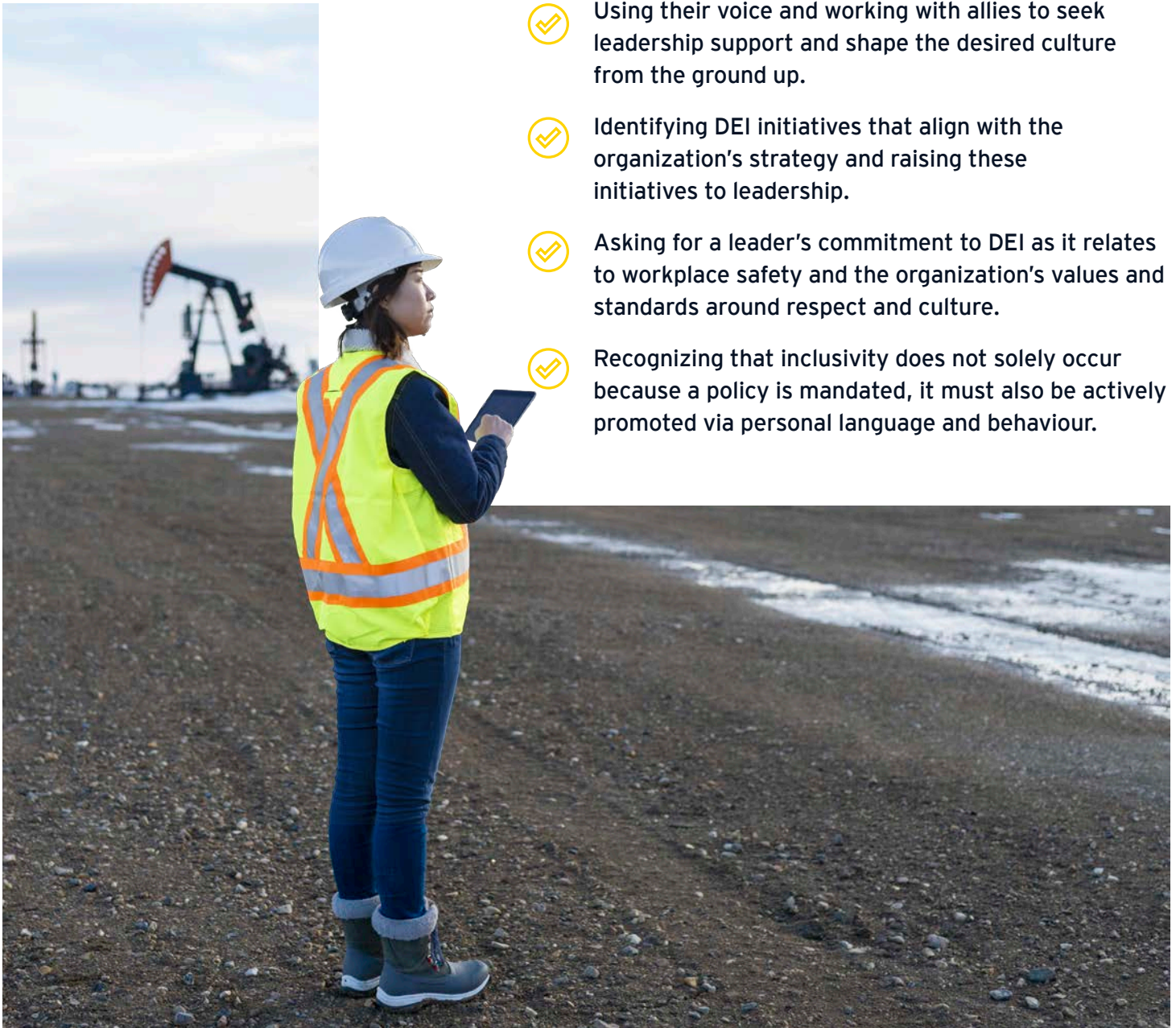
Of respondents believe that DEI has a negative impact on business performance

Key considerations based on the survey data

Creating a culture that prioritizes DEI requires collective effort, support and advocacy at every level of an organization. Based on the survey's key findings, there are several important considerations for the energy and resources industry at the individual, leadership and organizational levels.

To effectively promote DEI in the workplace, individuals can take actions such as:

- ✔ Using their voice and working with allies to seek leadership support and shape the desired culture from the ground up.
- ✔ Identifying DEI initiatives that align with the organization's strategy and raising these initiatives to leadership.
- ✔ Asking for a leader's commitment to DEI as it relates to workplace safety and the organization's values and standards around respect and culture.
- ✔ Recognizing that inclusivity does not solely occur because a policy is mandated, it must also be actively promoted via personal language and behaviour.





Leaders also play a crucial role in fostering a culture of DEI in their organizations. They can take several actions to advance this goal, such as:

- ✓ Regularly soliciting input from staff to ensure intersectional engagement – the active consideration of multiple equity-deserving groups – in an environment that is safe and comfortable to share their lived and witnessed experiences.
- ✓ Expanding knowledge and understanding of DEI both personally and across the organization.
- ✓ Championing DEI efforts through active promotion and leadership and addressing discriminatory behaviors through in-the-moment coaching opportunities.
- ✓ Leading by example in promoting inclusive language and behaviors.

From an organizational perspective, the survey conducted by EY and Careers in Energy found that smaller organizations may find additional DEI resources more beneficial than larger companies, given the current availability of active programs for employees at larger organizations.

However, organizations of all sizes can take action to embrace DEI by:

- ✓ Being transparent about the industry's diversity and inclusion challenges.
- ✓ Reviewing and improving policies and accommodations for underrepresented groups in the workplace.
- ✓ Embedding DEI into their culture to increase diverse thinking and innovation, ultimately differentiating themselves from their competitors.
- ✓ Recognizing the tangible benefits of diversity and equitable representation, such as increased employee productivity, innovation and revenue.
- ✓ Providing effective DEI learning opportunities such as role-based scenarios, case studies and on-the-job training.

Implementing DEI in organizations

When looking to effectively implement DEI, organizations can apply the following process while embracing the inclusion of diverse perspectives from workforce members across underrepresented groups.



STEP 1: PERFORM INITIAL DATA COLLECTION AND ANALYSIS

Gather and analyze data on the current diversity and representation of the workforce across functions and roles in the organization. Collect information on a wide range of dimensions, such as nationality, language, education, gender and gender identity/expression, sexual orientation, age, socioeconomic background, religious background, abilities, and disabilities. Assess the representation of diverse groups, including neurodiversity, in decision-making and field-based roles to identify areas of underrepresentation.



STEP 2: ANALYZE THE CURRENT STATE

Evaluate the current state of DEI in the organization by using tools such as a global equality standard framework, DEI diagnostic survey or culture assessment. Gather feedback through various methods such as interviews, focus groups and surveys, particularly from traditionally marginalized groups, to ensure their perspectives are heard in a safe and inclusive environment. When approaching employee engagement, ensure interactive, two-way discussion and feedback. User-friendly and safe feedback mechanisms must be identified and employees must be adequately trained on them.





STEP 3:

DEVELOP A DEI STRATEGY AND IMPLEMENTATION PLAN

Develop a comprehensive DEI strategy that includes implementation and change management plans and communicate it to leadership and various lines of business to gain support. Develop a training plan to equip leadership and the workforce with the necessary knowledge and skills to effectively implement DEI. Establish clear and measurable success criteria to monitor the progress and effectiveness of the strategy, and address any resistance to its implementation.

The process of developing a DEI strategy is just as critical as the actual strategy. Through thoughtful engagement, mindful consideration of perspectives and maximum opportunities for workforce input, organizations can create a sustainable DEI strategy that's designed from the grassroots up and is endorsed top down.



Conclusion

In summary, the survey's results reveal a variety of perspectives on DEI in the energy and resources industry, indicating that organizations, leaders and individuals are at different stages of the DEI journey and are still figuring out how to effectively incorporate DEI into their operations. As organizations work to establish effective DEI measures in the workplace, there are many important questions to consider. Some of these include:¹¹



What is the compelling reason and goal for implementing DEI in the organization and how can it become everyone's collective mission?



How does DEI align with and support the organization's strategy and divisional plans?



How can the organization regularly evaluate and measure progress in DEI and align it with key performance metrics?



How can the organization effectively engage employees and encourage their participation in DEI policies and practices?



How is the organization's current structure and culture set up to support DEI initiatives? Which existing activities are successful, unsuccessful or not apparent?



What are the current competencies of the organization's leaders in DEI and what upskilling is necessary to better advocate for DEI?



What barriers exist to the implementation of DEI and how can they be addressed?



What can the energy and resources industry learn from other sectors' successes?

An example of an energy organization that is advocating for DEI is Suncor Energy, which in 2022 was recognized as one of Canada's Best Diversity Employers.¹² The company's DEI efforts include hosting 10 inclusion listening labs in 2020 to provide a safe space for employees to share their perspectives on a more inclusive and diverse workplace, running five inclusion networks to connect employees with similar backgrounds, and establishing an Indigenous student program to provide work experience for students.¹³ This case provides only one example of the approaches energy organizations may take to their DEI efforts.

It is obvious that the implementation of robust DEI policies and practices can have significant benefits for organizations, both qualitatively and quantitatively. Strong DEI can help an organization excel and achieve outstanding results, rather than simply meet expectations. It can lead to a more loyal, empowered and growth-oriented workforce, rather than one that is complacent and disengaged.

Additionally, it can support improved retention and reduced turnover, as well as foster innovation and market leadership rather than a conservative and predictable approach. In the energy and resources industry, DEI is not just a desirable aspect, but a necessary one to stand out and be seen as a leader in the field.



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