

Competencies a Win-Win for the OilPatch

The management of a successful company requires attention to a complex set of tasks with the bottom line being profitability with an eye toward growth. No more is this evident than in the oil and gas sector, where the volatility of a world market causes fluctuations from boom to bust and back again. For many companies it's a matter of re-inventing themselves whenever the cycle changes.

In order to compete, Canadian service companies have had to be technologically better than their competitors, more aggressive in the securing of contracts and have the demeanor of high stakes poker players when dealing with less than cooperative governments.

A valuable asset in this whole process is the field employee.

Over the years these boom and bust periods have predictably taken their toll on company staffs. In good times we've often found companies scrambling for qualified bodies to fill their crews, while in lean times many people were left without jobs. In addition, there wasn't a recognized career progression system in the service industry (particularly in the smaller companies) that was able to meet the needs and aspirations of workers.

The Petroleum Services Association of Canada (PSAC) has initiated an ambitious program, which points toward addressing the problems of under-qualified staff and staff shortages. The Petroleum Services Competency Program (PSCP) was created in 1995 under the watchful eye of PSAC's President, Roger Soucy. The intent was to create a workforce, which could be universally recognized as being competent at the jobs they do. It was also created to demonstrate to young people that employment in the petroleum services industry could be very rewarding as a career.



According to Soucy, "We wanted to make a career in this industry enticing rather than one in forestry or mining. We also wanted to give people the recognition of their skills and knowledge and make these skills transportable."

Murray Lambkin, President of A.B.C.D. Learning Systems has done most of the behind the scenes work on this project and agrees with Soucy. "The biggest thing is that as this program develops we'll see the most significant value going to the individual."

Lou Doiron, Vice President and COO of Central Production Testing had similar thoughts.

"It gives the individual opportunity to grow in regard to their knowledge and skill. If we're going to attract people into the industry we need to be able to show them a career path."

Oil industry companies know that only qualified personnel will allow them the opportunity to land jobs and complete contracts.



The better and more efficient the crew, the greater the business opportunities. A survey of PSAC members indicated that steps needed to be taken to develop a system where on-the-job expertise could be the measuring stick for determining worker proficiency.

In the petroleum industry new companies come and go quickly as the cycles fluctuate and it's difficult for those who decide on service company contracts to determine the best choice, particularly if they haven't worked with a new outfit before.

Says Pat Dice, General Manager of Drilling for Pan Canadian, "We're very interested in ensuring that there are competent people on-site. We manage money and risk and the people on-site affect those operations."

David Luff, Vice President, Environment and Operations with the Canadian Association of Petroleum Producers (CAPP) was also in agreement that the concept of the program is a good one. "What it means is that a program like this should improve overall performance in the field. This means having the right people, with the right skills and competencies doing the work at a high performance level."

Minimizing human error does a couple of things. It

ensures the job gets done to satisfaction. It also plays a role in such things as insurance where it can be demonstrated that qualified personnel are being used. Training and assessment are effective defenses particularly in an era of litigation frenzy where companies can ill afford to put inadequately trained people out in the field. There is also an administrative cost factor involved with the time taken to sort through and select the best contractor.

What it all boils down to is that an effective program was needed to address the issue of worker competence...hence, the Petroleum Services Competency Program.

According to PSAC, competence is defined as:

"A cluster of knowledge and skills, combined with the ability and desire to apply those skills in an acceptable level of performance over the range of circumstances demanded for a job."

Competence differs from performance. Competence provides the customer with the assurance that the job tasks required will be carried out subject to a pre-defined standard of excellence for that profession. Performance measures the ability of individuals to maintain and exceed those same general expectations and strive for the highest level of perfection.

It's with this frame of mind then, that PSAC's Competency Program looks toward recognition of employees in the service sector as professionals who have been judged by their particular industry assessors as "competent" workers who provide quality and professionalism to their customers.

The establishment of the PSCP means that for the first time job specific occupational standards have been developed by industry people.

The way it works is that each service sector provides people who are experts in their field, to form a team and develop competence standards specific to their own distinct sector occupations. Statements are developed which describe the performance of a specific job and against which, individuals are to be measured during an assessment. These assessments determine the competency levels of employees within their area of responsibility and are used to determine whether

or not training of that individual is needed. The key strength of the PSCP is that assessment of an individual is on-the-job. The PSCP competency assessment measures performance under working conditions with the reality, constraints, and pressures of the working environment.

The whole process is monitored by the Petroleum Services Competency Board (PSCB), which is comprised of representatives of companies that currently have competency standards or standards under development. This board maintains the Competency Standards as well as maintaining the assessment process.

The model was patterned after the British National Vocational Qualification (NVQ) system already in place and the hope is that in time it can become recognized internationally. Says Murray Lambkin, “This particular standard is based on a model in the United Kingdom which is used for offshore drilling. In fact, 95% of all industries there use a competency type of evaluation. It’s a solid model. We would like to think that one day, through globalization, competency based on this model will enable workers to be employed internationally.”

CAPP’s David Luff says, with some caution, “Part of the issue with this program is that it is so new. Directionally it’s a good program but we’ll have to see how it works. It’s important to know who is doing the certification and what the consistency of measurement will be.”

The Petroleum Industry Training Service (PITS) has taken on the responsibility of maintaining the certification database as well as issuing certification to successful candidates. PITS also provides training for Assessors, although a process is in place for other training vendors as well as individual companies to eventually train their own assessors. Auditors will monitor both Assessor proficiency and equity of assessment between companies.

The goal of the assessment process is to minimize the impact for an assessment candidate so that it can be viewed as a way of improving an individual’s ability.

What happens to skilled people already out in the field?

Says Luff, “We need to focus on what we do with people already employed and who already have certification.”

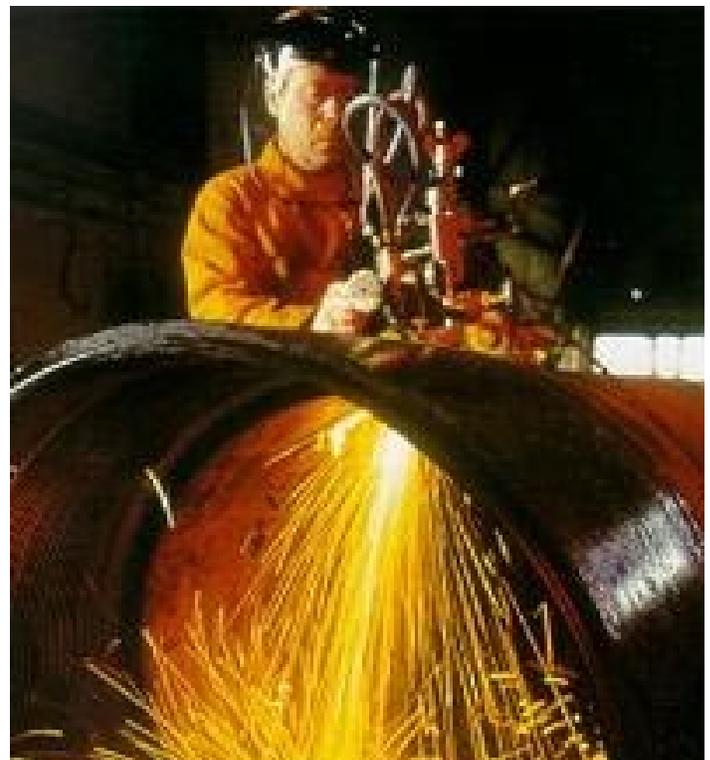
Pat Dice adds, “There are some competent folks out there and we have to allow for entrepreneurs to participate. If this program can be done in such a way as to not preclude competent people, we look upon it favourably.”

In reality, the program has built a process into it whereby the recognition of existing skills can be incorporated.

Roger Soucy had this to say, “There are a number of ways of assessing. Some people will have degrees or certificates, while others have taken courses or have been certified by their managers. If a company has a similar program or process for certification, the Competency Program recognizes those equivalencies.”

In regard to administration, Dice added, “It’s a good initiative with a lot of hard work being done. The screw-up often happens in how to administer it. The motivation for this should be one of developing competent people and not be administrative in nature.”

Though some paperwork will be involved, the process will not be a complicated one. Assessors will have a simple form to fill in with a majority of the questions



being “yes-no” in relation to the individual’s competency in a specific area.

Adds Soucy, “If a no answer is filled in, a company then knows where the holes are and can work toward filling that hole.”

To date 28 occupations have been completed in the areas of Pumping, Wireline, Trucking, Well Testing and Well Site Supervision. In all cases here, there is constant tweaking to the competency standards due to the inevitable technological advancements. This is done through sector representatives who sit on the competency board. They have the responsibility of liaising with other sector companies and ensuring that standards for their sector are sufficient and current.

The Petroleum Services Competency Board (PSCB) has also been discussing the recognition of competencies as Designated Occupations under the Alberta Apprenticeship and Industry Training Act. One of three levels of certification, Designated Occupations are those approved by the Minister of Advanced Education and Career Development on the recommendation of the Alberta Apprenticeship and Industry Training Board and the industry specific to that occupation. A decision by the provincial government to move this category to a competency based system comes after much consultation with all parties involved and the PSCB is just now in the process of submitting a formal application for recognition of the occupations with competency standards.

Participation in this program is voluntary and although a certificate is not required for someone to work in the occupation, they do receive a certificate of recognition. It was felt the Designated Occupations process was better suited to grant certification as it is moving to competency based recognition. The result is that the industry maintains authority and responsibility for their own standards, with minimal government intervention, while adding nationally recognized accreditation to an occupation.

Says Pat Dice, “If we can resolve our issues at the industry level, where we all work together, we’ll get good participation across the board, especially if the solutions solve problems before they become regulations.”

Concerns were initially raised about apprenticeship, certification and unionization, however the PSCP is performance-based with no seniority or timeline used to determine worker competence. The ability of the employee to demonstrate position performance determines that employee’s competence. Wages are not regulated or recommended through this program.

Says Lambkin, “In many cases the fears happen because of unfamiliarity with the program. Because it’s based on ability, it really goes against the ‘seniority’ concept of unions.”

Realistically, some sectors will want it, while some may not.

Adds Doiron, “ There will always be the one or two man show who won’t buy in as well as some producers who don’t see the need. In a lot of cases, the safety associations are driving what we do. Often they are the liaison between management and field people and there are lots of people questioning individuals’ qualifications, especially in sour gas, where we work. “

The potential benefits of the program are recognized by all of the parties involved and it will simply take time for the edges to be smoothed out and the administrative streamlining to take place. Time is also needed to work the concept through various CAPP committees and boards before universal acceptance is given.

Says Murray Lambkin, “We’ve spoken to 50 or 60 oil companies about this and they’ve been supportive all the way up to full buy-in.”

Optimistic, though cautious, David Luff adds, “Any change does take time as all parties have to have a clear understanding of what this is all about.”

PSAC is aiming to have an official launch of the program by late spring and as the target gets closer, more people are understanding the potential impact of this program.

Improving the capabilities and opportunities of workers in Canada’s oilpatch can do nothing but improve the industry overall. What’s left behind after all the sweat is a workforce which is recognized for the good work it does and this in turn pushes the industry toward even more efficiencies.