

This book identifies and analyzes BP's issues in terms of human resource management based on a series of classical and creative theories and then present feasible and practical recommendations to optimize the performance. The book covers five issues of HR practice including talent management; health, safety, and environment; diversity management; expatriate management; project management. Recommendations about how to improve the HRM process for each of the five issues are presented.



Linghan Huang
Xuan Feng

Challenges and Opportunities of Human Resource Management

Study Cases in Finance and Energy Industries



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To readers:

This book mainly studies the Human Resource Management (HRM) challenges faced by two main industries – Finance and Energy – and the relative development suggestions. This book comprises two parts. The first part of this book – contributed by Xuan Feng - focuses on the current human resource management (HRM) challenges faced by investment banks. This study, for the first time, analyzed the four main challenges faced by one of the top investment banks, Goldman Sachs. The four challenges are work-life imbalance, culture crash, high turnover rate, and gender inequality, separately. This study also provides managerial suggestions on how to tackle these challenges efficiently. This study has been indexed in a notable ESCI journal.

The second part is conducted by Linghan Huang. This study is to identify and analyze BP's issues in terms of human resource management based on a series of classical and creative theories and then present feasible and practical recommendations to optimize the performance. The study covers five issues of HR practice including talent management; health, safety, and environment; diversity management; expatriate management; project management.

Part 1 – A case in bank industry

**Evaluate Human Resource Management challenges faced
by Investment Banks: A case study of Goldman Sachs**

Author: Xuan Feng

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Abstract

Very few scholars focus on the current human resource management (HRM) challenges faced by investment banks. This paper, for the first time, analyzed the four main challenges faced by one of the top investment banks, Goldman Sachs. The four challenges are work-life imbalance, culture crash, high turnover rate, and gender inequality, separately. This paper also provides managerial suggestions on how to tackle these challenges efficiently.

Keywords: HRM, Goldman Sachs, Investment bank, work-life balance, gender inequality, culture crash

1. Introduction

Goldman Sachs is a US-based leading global investment banking, securities, and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes individuals, corporations, and governments (Goldman Sachs 2020). The story of Goldman Sachs is a tale of international growth, entering new markets, and advancing economic opportunities for clients and communities around the world (Cohan 2011). Established in 1869, Goldman Sachs took its first step to becoming a global firm with London office opened in 1970. The firm began to open offices in several emerging markets in the 1990s, mirroring the expansion and integration of global financial markets. Officially opened in February of 1994, the firm's Beijing office marks the beginning of a

permanent presence in mainland China (Goldman Sachs 2020). After having experienced various rises and falls and survived through many bad times over one and a half centuries, Goldman Sachs has nowadays become a financial giant on Wall Street and one of the most profitable organizations on this planet, managing 36,600 employees across 84 offices distributed in all major financial centers worldwide (Doyran 2017).

Goldman Sachs' human resource (HR) system can be described as polycentric, as it usually selects graduates from the best local universities for junior and medium positions from analysts to vice-presidents (VPs) and expatriates the best-experienced bankers and economists who have professional experience on Wall Street to their home countries for local senior positions such as managing directors (MDs) and executive directors (EDs). These directors regularly report to regional chairmen who are usually senior American partners (Yao et al. 2003). All Goldman Sachs' employees are extremely well paid and admired; for example, a Chinese VP's salary is nearly 100 times the average salary of Chinese white collars (Endlich 2000).

Although most of its employees are proud to say that 'I used to work at Goldman Sachs!' (Bidwell et al. 2015), Goldman Sachs is facing various challenges when managing its human resources. Following section 2 briefly discusses the methodology used in this research. Then the section 3 elucidates four main issues with relevant recommendations/optimizing plans presented in following section 4. Finally, a general conclusion of this essay is drawn in section 5.

2. Methodology

This research qualitatively analyzes four human-resource-management challenges faced by Goldman Sachs. Following section 3 mainly analyzes the status and /or the potential reasons of these challenges. The first challenge is the work-life imbalance because of long working hours. This paper first describes Goldman Sachs' culture of long working hours and then highlights the importance of achieving the work-life balance. The second challenge is the

culture clash face by Goldman Sachs when entering the China market. This research describes the culture of Goldman Sachs and compares it with the Chinese culture through two theoretical framework – the Hofstede framework and the Trompenaars framework. The third challenge is the low retention and high turnover rate of the Chinese employees. This research first presents this challenging situation and then proposes four potential reasons based on motivation theories. The fourth challenge is the underrepresentation of female employees inside the company. This research first presents current gender structure of Goldman Sachs and then describes what the company has done in order to mitigating the gender inequality. Recommendations to solving these challenges are provided in section 4 separately.

3. HRM Challenges analysis

3.1 Issue-1: Work-life imbalance due to long working hours

3.1.1 The culture of long working hours at Goldman Sachs

Goldman Sachs' employees, especially junior bankers, have long worked nearly 75 hours per week under extreme stress these years – a phenomenon that is ubiquitous in the investment banking industry, as shown in figure 1.

Average working hours by bank	2017	2018	2019	Percentage change
VTB	83	85	68	-18%
Moelis	83	84	81	-3%
Evercore	81	81	80	-1%
Perella Weinberg Partners	79	80	82	3%
Jefferies	78	79	78	0%
Rothschild	78	78	78	0%
Lazard	80	78	78	-3%
Credit Suisse	74	76	76	2%
Morgan Stanley	72	76	73	2%
Greenhill	74	75	76	3%
RBC Capital Markets	75	75	71	-6%
Goldman Sachs	72	75	75	4%
PJT Partners	73	75	75	2%
Deutsche Bank	73	74	73	0%
Macquarie	75	74	74	-1%
Centerview Partners	75	74	79	5%
BAML	73	73	75	3%
UBS	73	73	73	0%
Barclays investment bank	72	73	72	1%
HSBC	73	73	74	1%

Source: Wall Street Oasis • Get the data • Embed



Figure 1: Average working hours by banks (EFC 2020)

The situation was worse seven years ago – a ‘100 hours per week’ working culture is prevalent in Goldman Sachs (Daily Beast 2015). After a 21-year-old Merrill-Lynch intern in London died of an epileptic seizure after working 72 hours straight in 2013, Goldman Sachs began to pay attention to employees’ work-life balance – require all analysts and associates ‘go home before midnight, don’t come back before 7am, and to be out of the office on Saturdays (The Guardian 2015). Despite these efforts, Goldman Sachs’ current working pace – 75 hours per week – is significantly higher than the average working hours in any country, even tougher than the Chinese ‘996’ model, as shown in figure 2 below.

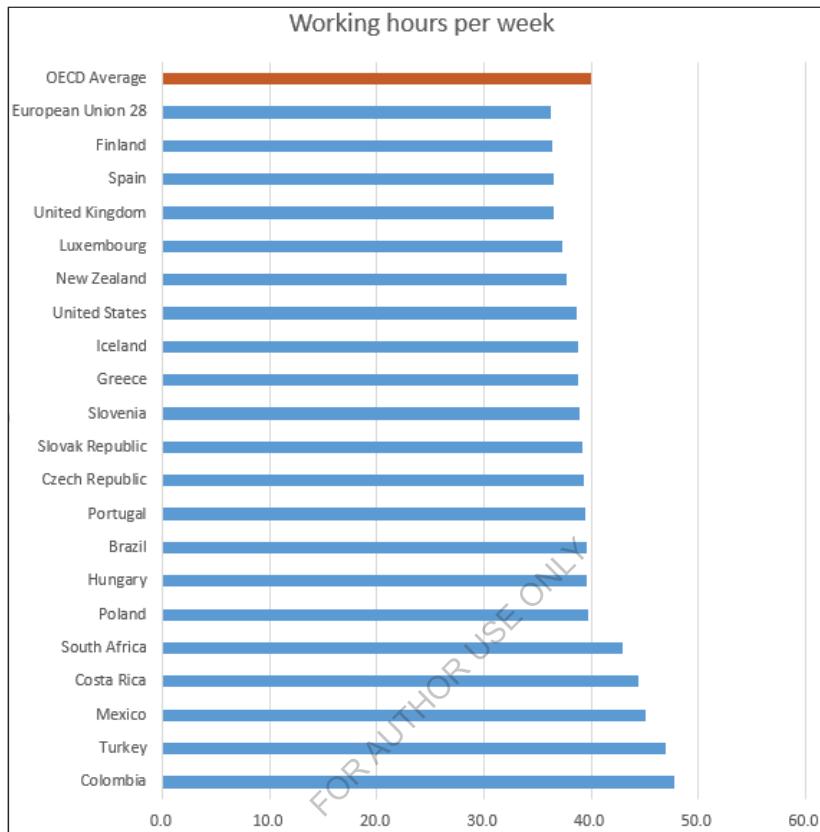


Figure 2: Average working hours per week by countries (EFC 2020)

The terrible work-life imbalance is causing exhaustion, sleeplessness, irregular diets, drug-addiction, mental problems, and even several deaths of these young employees barely in their twenties or thirties (Independent 2015). Although time is money in the investment banks, the unbearable 100-hours-a-week long working schedules, round-the-clock exhaustion, as well as mental and emotional diseases have started taking a veritable toll on this so-called tireless heart of this industry (DailyO 2015).

3.1.2 *The importance of work-life balance*

Ensuring employees' work-life balance is critical for Goldman Sachs to remain competitive

and attract more talents because the high pressure and subsequent mental or physical illnesses are causing absenteeism, high turnover, reduced motivation, and lower productivity (Wilkinson et al. 2017). In recent years, more and more talents leave Wall Street and choose to work at companies such as Google and Apple, where fertility treatments, on-site medical clinics, and health-tracking bracelets are offered as standard benefits (GOR 2018). Besides, work-life balance is becoming increasingly important as changes in the demographic structure have been significant, especially the greater participation of women in the labor market and the ageing of the population (Kodz et al. 2002). Furthermore, many governments have introduced a set of initiatives, policies, and laws to promote work-life balance (Kodz et al. 2002).

Despite the importance of work-life balance, Goldman Sachs is reluctant to go further to deal with this issue. The firm only made a weak attempt in 2013 to institute a new policy encouraging junior employees to leave the office by midnight and not to return until 7 am while also taking Saturdays off (The Guardian 2015). Employees at Goldman Sachs usually see themselves as ‘slaves’ of money, and the firm prefers to motivate and attract talents mainly by extremely higher pay, while this method is not always as efficient as it is thought to be (Gordon 2015).

3.2 Issue-2: The imminent culture clash in China

3.2.1 The culture clash faced by Goldman Sachs in China

Goldman Sachs is a multinational corporation with employees increasingly comprised of various cultures and subcultures including diverse populations by nationality, religion, gender, age, etc. (Goldman Sachs 2019)). Goldman Sachs usually sends very senior American partners to be Chairmen in different continents as expatriates. But for senior positions under Chairman, Goldman Sachs usually recruits the third-country nationals (TCNs) or host country nationals (HCNs) who have work experience at Wall Street or London City (Endlich 2000). Although the HCNs are usually less expensive and more familiar with the social-economic, political and legal environment as well as business practices in the host country, they usually have communication difficulties in dealing with home-office personnel and lack opportunities

to gain promotion to headquarters. The TCNs are the best compromise between securing needed technical and managerial expertise and adapting to a foreign socio-economic and cultural environment as they are usually professional international business managers, but using TCNs is subject to the host country's sensitivity with respect to nationals of specific countries (Pinnington and Harzing 2015).

For the Chinese market, Goldman Sachs often recruits expatriates from the best Chinese investment bankers available in America; these expatriates usually graduated from a prestigious American university and have many-years of professional experience in global capital markets. However, most these expatriates are born in China and influenced profoundly by the Chinese working culture which is different from that in western countries. The culture clash is mainly caused by following three reasons (Yao et al. 2003):

- (1) The degree of shared beliefs, values, and norms are low.
- (2) The shared beliefs, values, and norms are highly localized within Goldman Sachs.
- (3) The shared beliefs, values, and norms lack a clear ordering.

These cultural differences are causing tensions, misunderstandings, and misinterpretations, which are harmful to Goldman Sachs and its relationship with China (Hodgetts and Luthans 2000). Therefore, one of the main challenges Goldman Sachs faces is how to keep its business going fluently in this non-English speaking and socialist country.

3.2.2 An overview of the corporate culture in Goldman Sachs

The corporate culture is a set of shared values and beliefs that organization members have regarding the functioning and existence of their organization (Tushman and O'Reilly 1996). It is Goldman Sachs's superb corporate culture that sets the company apart from other rivals, attracts the best employees and clients, and creates a legend on Wall Street (Endlich 2000). Goldman Sachs's commitment to its clients, teamwork, professional excellence, integrity, and entrepreneurial spirits has its beginning in 1869 with the founder Marcus Goldman (Cohan 2011). Over 150 years, employees at Goldman Sachs have long take honesty and their

responsibilities to the communities where they live and work very seriously (Mandis 2013). Additionally, Goldman Sachs's culture continues to evolve, and the '14 business principles' were introduced in the 1980s. As shown in figure 5 below, the fourteen principles comprehensively elucidate Goldman Sachs's corporate culture and work as a consistent measure for evaluating recruitment employees' performance (Goldman Sachs 2020).

1. **Our clients' interests always come first.** Our experience shows that if we serve our clients well, our own success will follow.
2. **Our assets are our people, capital and reputation.** If any of these is ever diminished, the last is the most difficult to restore. We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unwavering adherence to this standard.
3. **Our goal is to provide superior returns to our shareholders.** Profitability is critical to achieving superior returns, building our capital, and attracting and keeping our best people. Significant employee stock ownership aligns the interests of our employees and our shareholders.
4. **We take great pride in the professional quality of our work.** We have an uncompromising determination to achieve excellence in everything we undertake. Though we may be involved in a wide variety and heavy volume of activity, we would, if it came to a choice, rather be best than biggest.
5. **We stress creativity and imagination in everything we do.** While recognizing that the old way may still be the best way, we constantly strive to find a better solution to a client's problems. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.
6. **We make an unusual effort to identify and recruit the very best person for every job.** Although our activities are measured in billions of dollars, we select our people one by one. In a service business, we know that without the best people, we cannot be the best firm.
7. **We offer our people the opportunity to move ahead more rapidly than is possible at most other places.** Advancement depends on merit and we have yet to find the limits to the responsibility our best people are able to assume. For us to be successful, our men and women must reflect the diversity of the communities and cultures in which we operate. That means we must attract, retain and motivate people from many backgrounds and perspectives. Being diverse is not optional; it is what we must be.
8. **We stress teamwork in everything we do.** While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the firm and its clients.
9. **The dedication of our people to the firm and the intense effort they give their jobs** are greater than one finds in most other organizations. We think that this is an important part of our success.
10. **We consider our size an asset that we try hard to preserve.** We want to be big enough to undertake the largest project that any of our clients could contemplate, yet small enough to maintain the loyalty, the intimacy and the esprit de corps that we all treasure and that contribute greatly to our success.
11. **We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs.** We know that the world of finance will not stand still and that complacency can lead to extinction.
12. **We regularly receive confidential information as part of our normal client relationships.** To breach a confidence or to use confidential information improperly or carelessly would be unthinkable.
13. **Our business is highly competitive, and we aggressively seek to expand our client relationships.** However, we must always be fair competitors and must never denigrate other firms.
14. **Integrity and honesty are at the heart of our business.** We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.

Figure 5: 14 Business principles of Goldman Sachs (Goldman Sachs 2020)

3.2.3 Comparison of Goldman Sachs' corporate culture with the Chinese culture

Two frameworks – Hofstede's and Trompenaars' culture dimensions – are conducive to analyzing the corporate culture of Goldman Sachs. The corporate culture of Goldman Sachs is different from the Chinese culture according to following dimensions:

(1) Hofstede framework



Figure 6: Culture comparison by countries (Hofstede 2020)

1. Power Distance

Power distance in Goldman Sachs is low because it is a typical company based in America where the power distance is low as shown in above figure 6. Goldman Sachs is devoted to create a family-feeling and collegial atmosphere for employees (Mandis 2013). The low power distance is also reflected in Goldman Sachs' 8th principle presented in figure 5 – extremely emphasize on the group work in every task.

However, the power distance is large in China. The Chinese accept inequalities but feel that power should be moderated by obligations (Hofstede Insight 2020). Besides, the titles and the seniority are important in China. The Chinese employees will hesitate follow an expatriate expert's order if the expatriate is younger and has lower status than the Chinese staffs (Tong 2016).

2. Uncertainty Avoidance

According to the 5th and 8th principles of Goldman Sachs, the company is highly risk-averse, because its employees are expected to use traditional and standard techniques and practices to handle clients' problems and it is unacceptable to put personal interest ahead of the interest of group or firm. Goldman Sachs' negative attitude towards risk and uncertainty can also attributes to the huge risk inherent in

the investment-banking business per se.

However, the Chinese are comfortable with ambiguity; the Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. Furthermore, the Chinese are adaptable and entrepreneurial; since the reform and opening-up in 1978, there are more and more small-medium enterprises (SMEs) making their business successful, to a large extent, thanks to the uncertainty of economic development (Hofstede Insight 2020).

3. Collectivism-Individualism

Although America is an individualism-oriented country, Goldman Sachs is opposite. Referring to the 8th and 9th principles in figure 5, Goldman Sachs is a collectivist organization that encourages teamwork in all business activities. In Goldman Sachs, there is no place show personal glory and employees are encouraged to say ‘we’ instead of ‘I’ (Endlich 2000).

The Chinese culture is also collectivistic, but it is total different from the Goldman Sachs’ culture. The westerners use conflict as a way of solving conflicts, but the Chinese usually do not openly criticize a colleague or manager in order to protect his or her ‘face’ (Bond 1986). In China, Employee commitment to the organization is low, while they are cooperative in a small group and are cold even hostile to those out of the group (Hofstede Insight 2020). Therefore, the collectivism of Goldman Sachs embodies that employees work together towards the company’s benefit, but most Chinese prioritize interests of their small group, not the whole company.

4. Masculinity-Femininity

In line with the America culture, Goldman Sachs’ culture is very masculine. Most of its 14 principles in figure 5 emphasize achievement, success, profitability, and leadership in business. In Goldman Sachs, employees are encouraged to put intense effort for becoming the best (Goldman 2019). Just as a former HR vice-president said, ‘Goldman Sachs demands that you be a contributor. No one can survive as just an employee’ (Endlich 2000).

China is also a masculine society – success oriented and driven (Hofstede Insight

2020). Many Chinese sacrifice family and leisure priorities to work in pursuit of business success (Li 2019). Therefore, the culture of Goldman Sachs and the Chinese culture is somehow similar in this dimension; the similarity is conducive to Goldman Sachs' business development in China.

5. Long-term/Short-term thinking

Although America ranks low in the long-term oriented dimension, Goldman Sachs is an exception. The success of Goldman Sachs can be ascribed to the firm's dual strategy – focusing on both clients' short term demands and the future (Endlich 2000). A former senior partner Gus Levy created a legendary term to describe the Goldman Sachs' culture – 'Greedy but long-term greedy' (Levitt 2005).

China has a 'Confucian' culture and is a long-term oriented society where people believe that truth depends very much on situation, context and time (Lee et al. 2018). But the Chinese long-term thinking is more intuitive and synthetic – put things together to form a whole picture – than western thinking that is usually based on analysis (Biao 2002). Goldman Sachs may face conflicts when the firm wants to make a long-term plan to develop a valuable business in china at any cost, because most Chinese executives only focus on short-term profits and interests within their tenures (Yao et al. 2003).

(2) Trompenaars framework

1. Universalism-Particularism

As embodied in the 4th, 5th, 12th, and 14th principles in figure 5, Goldman Sachs is universalism-oriented, i.e., focusing on formal rules, contracts, and their enforcement rather than individual circumstances (Trompenaars 2004). Inversely, the Chinese culture is particularism-oriented and high-context, i.e., emphasizing on the relationships and trust to the individual (Kim 1998). In china, benefits are mainly distributed base on employees' social ranking and seniority in a group, but in Goldman Sachs benefits are distributed according to the performance of the team without considering social status (Yao et al. 2003). Thus the Goldman Sachs' style may cause distributing a benefit to a wrong person and damaging the

Chinese employees' motivation as well as the firm's relation with local officers. However, Goldman Sachs has boomed its business in China and generated stable profits since 2000 (Goldman Sachs 2019). These achievements shows that Goldman Sachs is managing the culture differences successfully and has created its own esoteric way to build good relationships with Chinese officers without devastating its corporate culture – high-standard professional integrity and requirements on ethics with zero-tolerance on corruption and bribery.

2. Communitarism-Individualism

As analyzed before in Hofstede's framework, the Chinese culture is communitarism, and Goldman Sachs is opposite to the American individualism-oriented culture because the firm highly emphasize on team work. But culture clash still exists because Chinese employees focus more on the interest of small groups instead of the whole company.

3. Natural-Emotional

This dimension refers to how the emotions are expressed. In Goldman Sachs, employees are free to express their opinions and ideas to stimulate innovation. But in China, employees are reluctant to express their opinions and criticize their superiors due to the respect and loyalty to their leaders (Tong 2016).

4. Specific-Diffuse

China is a country with diffuse culture – there is no specific distinction between work and life (Pun 2000). Many Chinese have a '996' work schedule, i.e., 9am to 9pm, six days a week, and cannot clearly distinguish their work and life. Similarly, the corporate culture of Goldman Sachs is also diffuse – high workload, average 14 hours' working hours per day, and embedding social activities for its employees, and is different from the traditional work culture of America where most people distinguish their work and life specifically (Endlich 2000).

5. Achievement-Ascription

As mentioned before, Goldman Sachs is an achievement-based company where individuals are measured and ranked by their performance, but the Chinese culture is ascription-oriented – status and benefit is given based on employees' durable

characteristics such as age, gender, and kinship (Yao et al. 2003).

3.3 Issue-3: Low retention and high turnover rate of the Chinese employees

3.3.1 Who left and where they went

Compared with their local peers, the Chinese employees at Goldman Sachs are extremely highly paid. In essence, the annual salary is over 1 million USD for EDs, 200,000 USD for VPs and associates, and around 60,000 USD for junior analysts (Yao et al. 2003). So the hygiene factors (Herzberg et al. 1959) and the physical, safety, and social needs of them have already been satisfied, and their demands are now at the fourth stage, i.e., the need of esteem, according to Maslow's hierarchy of needs as shown in figure 7.



Figure 7: Maslow's hierarchy of needs (Maslow 1943)

However, many Chinese at senior positions such as executive director (ED) in Goldman Sachs left the company and got promoted as partner-level executives in large state-owned banks. Their demission usually makes Goldman Sachs take at least half a year to find other suitable candidates and to rebuild its client-network in China (Yao et al. 2003). For medium level managers such as VPs who are usually Chinese MBA educated in top American business schools and recruited on Wall Street, most of them leave Goldman Sachs after

working four to five years with few promotion opportunities and launch private investment companies or work as managing directors in second-tier local players (Mandis 2013). For low-tier analysts in China who are graduated from the top 4 Chinese universities, they usually leave the company after three years to pursue an MBA degree as a professional break and promotion springboard (Financial Times 2015).

3.3.2 The reason analysis based on motivation theories

The low retention rate of Chinese employees in Goldman Sachs can be attributed to seeking for higher-level esteem and lacking motivation towards current positions. These are caused by the following four reasons:

(1) Glass ceiling

In Goldman Sachs, only senior partners above EDs have the right to develop new business directly with clients. The China EDs/MDs, through sounds prestigious, virtually is merely a task carrier or a relationship keeper, and their work experience in the China capital market is not sufficient to help them be promoted to be board members (Mandis 2013). Therefore, after decades of work at Goldman Sachs, the Chinese executives have already accumulated enough wealth and are no longer satisfied with the relatively low-esteem status. Most of them choose to be entrepreneurs or be promoted and assigned more responsibilities in local highly-recognized institutions where they can fulfill the authority needs - to be influential, useful, and make a difference (McClelland 1958).

(2) Seeking social status and political interests

It is natural for any person to assume senior social responsibilities when rich enough. In recent years, the Chinese government welcomes senior bankers from American big-names and recruits them as prestigious officials for the Chinese emerging capital market (Yao et al. 2003). These methods stimulate the Chinese EDs/MDs of Goldman Sachs to resign in pursue of higher social status to realize self-actualization, i.e., achieving their full potential.

(3) Health and family issues

Firstly, the Chinese traditionally cherish family relations. The Chinese managers usually need to focus more on their families after entering into their 30s when their children are born, and their parents are retired and need more care (Zhang et al. 2018). Besides, managers over 35 become relatively economic independence and pay more attention to hygiene factors such as health and work-life balance, rather than continue working in the Goldman Sachs' way – 14 hours a day, one-third of a year in the air (Mandis 2013).

(4) Weak professional perspective as a repatriate back to America

Jewish white males dominate the upper-echelon on Wall Street, and few Chinese can be renowned. Besides, because China is an emerging and immature capital market, the professional experience in China is not as recognized as those work in America, Japan, and Japan (Doyran 2017). This phenomenon makes it hard for Chinese expatriates to be recognized by colleagues or headhunters in America after their repatriation (Yao et al. 2003). Therefore, they leave Goldman Sachs and switch to organizations where they can fulfill their esteem and self-actualization needs.

3.4 Issue-4: The underrepresentation of female employees

3.4.1 Male-dominated situation and the consequences

One main challenge that Goldman Sachs faces is the gender gap, i.e., the proportion of female employees is lower in senior and management roles but higher in junior positions than male employees (Powell and Graves 2003). In figure 8, the employees of two main entities of Goldman Sachs – Goldman Sachs International (GSI) and Goldman Sachs (UK) SVC Limited (GSUL) – are divided into four equally sized quartiles according to the position level from 1 (highest position) to 4 (lowest position) (Goldman Sachs 2019).

	GSI		GSUL	
	Women	Men	Women	Men
Quartile 4 (lowest)	57.1%	42.9%	52.1%	47.9%
Quartile 3	40.5%	59.5%	37.7%	62.3%
Quartile 2	30.0%	70.0%	34.7%	65.3%
Quartile 1 (highest)	18.1%	81.9%	22.4%	77.6%

Figure 8: Percentage of Women and Men in Different Position Levels at GSI and GSUL (Goldman Sachs 2019)

The figure was snapshotted on 5th April 2018 and shows that women are disproportionately underrepresented in senior positions than men. Although female employees occupy half of the medium-level positions, they have fewer development opportunities at work than do male colleagues (Northouse 2015). Moreover, the pay gap between women and men also exists in Goldman Sachs, as shown in figure 9, which demonstrates the mean and median gender pay gap, at the snapshot date of 5th April 2018, and bonus gap, in the 12 month reference period to 5th April 2018, for employees in GSI and GSUL (Goldman Sachs 2019).

	GSI		GSUL	
	Mean	Median	Mean	Median
Hourly Pay	50.6%	35.5%	17.9%	19.5%
Bonus Pay	66.7%	68.9%	40.7%	35.8%

Figure 9: The Mean and Median Gender Pay Gap and Bonus Gap (Goldman Sachs 2019)

The gender gap is detrimental to Goldman Sachs. Firstly, due to the gender gap, Goldman Sachs has a lower proportion of women than men in senior and management positions but a higher number of women than men in more junior roles (Goldman Sachs 2019). This issue leads to larger pay and bonus gap, strengthens the stereotype that women take care and men take charge (Hoyt and Chemers 2008), and causes the prejudice that women are less fit for the leadership positions. These gender biases are detrimental in the decision-making

processes for selecting elite leaders. Because not only are the decision-makers influenced by the stereotypes that disadvantage women in the leading roles but also they may succumb to homosocial reproduction – a tendency for the whole company to repeat and enhance the prejudice (Kanter 1977). Besides, the gender gap can also directly affect women themselves – making women under significant pressure and be more aware of their gender and the accompanying stereotypes (Sekaquaptewa and Thompson 2003).

3.4.2 What Goldman Sachs have done to promote female status through HRM

Goldman Sachs is devoted to mitigating the gender gap, eliminate gender discrimination, and improve the status of female employees. Firstly and most importantly, Goldman Sachs is trying to increase the representation of women at senior levels where the real imbalance lies, with particular focus on attracting more women to the finance industry at the earliest recruitment and selection process and ensuring the female employees receive fair development opportunities as they progress through their career (Goldman Sachs 2019). For example, Goldman Sachs launches the annual Women's Leadership Camp – a multi-day camp targeting penultimate-year female students who are interested in financial services, introducing them to the vast opportunities at Goldman Sachs, and navigating them to finish the summer-intern recruiting process, to participate in career workshops, and to meet with members of Goldman Sachs's women network (Goldman Sachs 2020).

Secondly, to mitigate the gender pay gap, Goldman Sachs insists on paying female and male employees in similar roles with similar performance equally, i.e., the compensation and benefits are set by performance and merit, not by gender (Financial Times 2019). Figure 10 and 11 below present the proportion of employees at GSI and GSUL that received a bonus in 2017 and 2018 by gender (Goldman Sachs 2019). The outcome shows that, compared with men, women have equal opportunity to gain the bonus at Goldman Sachs.

GSI		GSUL	
Women	Men	Women	Men
94.6%	93.9%	90.1%	89.5%

Figure 10: The Percentage of Employees at GSI and GSUL that Received a Bonus in 2018 (Goldman Sachs 2019)

GSI		GSUL	
Women	Men	Women	Men
95.8%	95.1%	94.7%	95.1%

Figure 11: The Percentage of Employees at GSI and GSUL that Received a Bonus in 2017 (Goldman Sachs 2019)

Moreover, Goldman Sachs is always committed to creating a comfortable and decent working environment to ensure that female employees can achieve their full potential and advance to the most senior positions in the firm (Goldman Sachs 2019). Finally, Goldman Sachs highlights the work-life balance and well-being of female employees, for example, providing training on managing parental leave and the availability of breast milk shipping for working mothers (Goldman Sachs 2019).

4. Recommendations for solving HRM challenges

This section provides feasible methods that be adopted by Goldman Sachs in order to solve the four HRM challenges defined in the last section.

4.1 Recommendations for improving work-life balance

To improve the level of work-life balance at Goldman Sachs, a work-life balance model can be introduced in figure 3. This model is based on the real-life good practices of successful

organizations; these practices are grouped in the same tried and tested four principles framework of the Investors in People Standard, which has been used by thousands of organizations to improve their performance (IIP 2003).

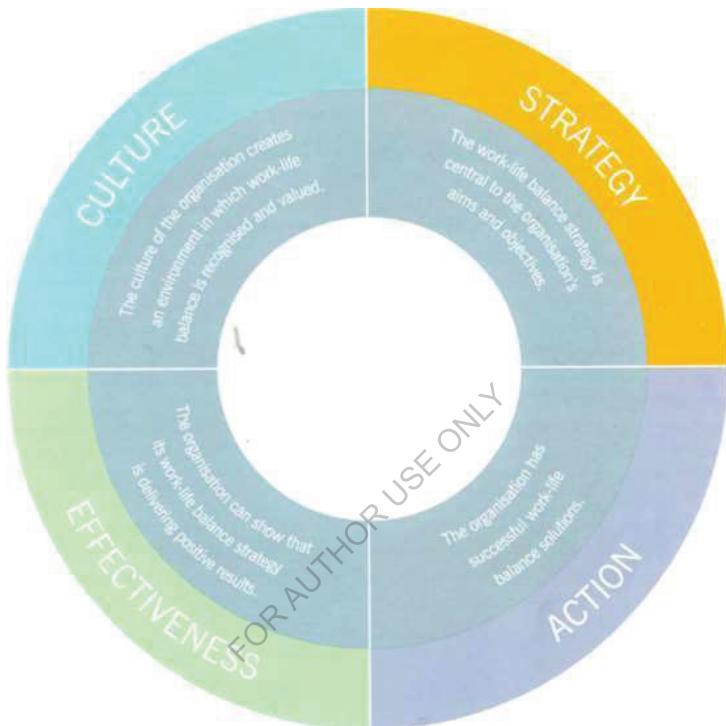


Figure 3: Work-life balance model (IIP 2003)

Referring to the four aspects in this model, the following recommendations can be adopted to address the work-life balance issue at Goldman Sachs.

(1) Culture

Goldman Sachs' corporate value needs to incorporate work-life balance, which should be emphasized in global career fairs during recruitment and selection and be included in induction training.

(2) Strategy

The work-life balance should be integrated into the firm's HR strategy and corporate strategy. It is essential to take account of all relevant parties when making these strategies and to ensure that the strategies reflect the different needs of employees across the company (IIP 2003). Only with the work flexibly available to everyone could the work-life balance become more than just rhetoric. In a survey conducted by IES, as shown in figure 4, most interviewees believe that work flexibility should be available to all employees rather than only to those with caring responsibilities such as working mothers and that work flexibility is conducive to improving the work productivity and the loyalty to employers (Kodz et al. 2002).

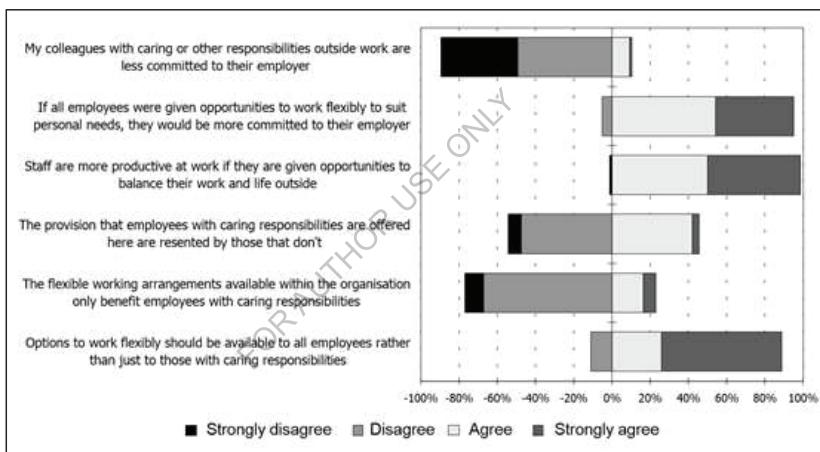


Figure 4: Views about employees taking up work-life balance and flexible working options

(Kodz et al. 2002)

(3) Action

Goldman Sachs' HR department should provide sufficient training and guidance to line managers who are responsible for allocating workload to junior analysts and associates. A team's work-life balance level can be included in the performance-assessment system when appraising the line managers' performance (Kodz et al. 2002).

(4) Effectiveness

For maximizing the effectiveness of the work-life balance strategy, it is necessary to regularly monitor, evaluate, and adjust the selection, training, performance assessment, and compensation processes due to the possibility of unintended consequences when adding the complexity of the firm's HR system by including the work-life balance dimension (Werner et al. 2016).

4.2 Recommendations for culture integration

Goldman Sachs can try to mitigate the negative influence caused by culture shock through careful selecting expatriates and provide targeted training. For selection, the firm should focus on those who have a good understanding of China and are good at developing close personal relationships with various partners. These characteristics should also be included in the performance assessment of these expatriates. Besides, Goldman Sachs is responsible for providing expatriates to China with training including knowledge of the norms and values in China, the necessary Chinese language in business, the concept of 'face' culture, etc. (Yao et al. 2003).

4.3 Recommendations for motivating Chinese employees

To motivate more Chinese employees to stay at and contribute more to the company, Goldman Sachs need to provide them and their families with more support beyond the high salary – for example, maternity and paternity leave, access to international schools for their children, high-quality nursing home care for the old, etc. (Hollinshead 2010). Besides, a diverse and inclusive appraisal system should be established to create opportunities for senior executives from emerging markets to be promoted to Goldman Sachs' headquarter in America.

4.4 Recommendations for mitigating gender inequality

Although Goldman Sachs has made considerable achievements in mitigating the gender gap and inequality, more methods can be introduced to deal with the issue.

Firstly, the firm should systematically detect the root reasons for the existing gender gap. A

shown in figure 12 below, the Oaxaca Decomposition (Oaxaca 1973) can be used for detecting whether discrimination or skills gap exists.

Definition of parameters:

w_M, w_W : Male wage and female wage separately

s_M, s_W : School level of men and women separately

α_M, α_W : The intercept – wage for men and women with zero years of schooling separately

β_M, β_W : Coefficient of schooling – the change of wage for increasing a unit period of schooling

$\Delta\bar{w}$: The raw mean wage differential for similar positions

w_w^* : Wage of women if they were equally treated 'like a man'

Functions:

Male earnings function: $w_M = \alpha_M + \beta_M * s_M$ (1)

Female earnings function: $w_W = \alpha_W + \beta_W * s_W$ (2)

$$(1) - (2): \Delta\bar{w} = \bar{w}_M - \bar{w}_W = (\underbrace{\alpha_M - \alpha_W}_{(4)}) + (\underbrace{\beta_M - \beta_W}_{(5)} * \bar{s}_W + \beta_M * (\bar{s}_M - \bar{s}_W)) \quad (3)$$

(4)

(5)

(4): Differential due to discrimination

(5): Differential due to differences in skills

Diagram of the Oaxaca Decomposition:

Figure 12: Oaxaca decomposition (Oaxaca 1973)

Based on the decomposition function, the average wage of different positions at Goldman Sachs can be calculated. If $w_w^* \neq \bar{w}_W$, i.e., women gain less than men for similar jobs, the discrimination exists, and this can be solved by insisting the performance-based compensation system, setting clear policies, practices, and procedures to inform all employees about gender equity, handling complaints from female employees, and punishing violation behaviors when necessary (Werner et al. 2016). The difference $(\bar{w}_M - w_w^*)$ is attributable to the skill differences between men and women, and this can be addressed by providing additional training for female employees, especially on leadership and

management.

Besides, a mentorship program can be introduced to reduce the gender gap by assigning more women to senior positions and developing supportive mentor relationships with those in junior positions (Ensher and Murphy 2005). Recent studies have found that firms developing mentorship programs led by women can attract more female graduates (Gulf Intelligence 2014), and that most female employees believe that having a senior female mentor is conducive to career success.

Furthermore, the company needs to provide professional training on enhancing women's negotiation power and restructuring negotiations to female advantage. At work, women should be trained to proactively negotiate for valued positions, bonus/benefits, resources, experiences, and job-protected maternity leaves. Additionally, training on how to negotiate for at-home issues is also necessary. Female employees need these skills to negotiate workload with husbands, team up with family members and friends, and even hire help when necessary (Bowles and McGinn 2005). To further balance the female gender role and the leadership role of women employees, training on building 'transformational leadership style' can be introduced for female employees. Because this style is not a markedly masculine style and links the leadership effectiveness with traditional feminine characteristics such as being supportive and considerable (Northouse 2015).

Finally, to help more female entrepreneurs, especially those who do not satisfy the investment requirements of Goldman Sachs, Goldman Sachs can help them to contact suitable external investment actively. When these businesses get external financing and grow large enough, Goldman Sachs can reinvest them to benefit both itself and the entrepreneurs (WEOF 2019).

5. Conclusion

Overall, Goldman Sachs is facing several HR challenges, which include but are not limited to the work-life imbalance, the underrepresentation of female employees, the culture conflicted when sending expatriates to China, and the high turnover rate of Chinese employees. All the four issues discussed above are presented as discrete areas with defined focuses, while, in

practice, they overlap and interact in ways that cannot be detailed. For example, the underrepresentation of women reflects the company's corporate culture, and the low retention rate is partly caused by the work-life imbalance. To optimize the firm's HR management and to attract more global talents, Goldman Sachs needs to focus more on employees' work-life balance, to provide sufficient training on host countries' culture, and to create relatively fair opportunities for promotion towards employees from emerging markets and women. Besides, it is indispensable to integrate the HR strategy into the firm's corporate strategy to maximize the effectiveness of main HR activities such as staffing, training, performance management, as well as compensation and benefits management. Furthermore, continually monitoring and evaluating these activities and the outcomes, for example, the percentage of women in the recruitment, will go a long way in improving the HRM system so that it is as effective as it is designed, as long as reasonable adjustments are made based on the evaluations.

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Part 2: A case in oil and gas industry

Improvement in Human Resource Management Process: A case study in BP

Author: Linghan Huang, Email: huanglinghan0@gmail.com

Abstract:

The objective of this study is to identify and analyze BP's issues in terms of human resource management based on a series of classical and creative theories and then present feasible and practical recommendations to optimize the performance. The study covers five issues of HR practice including talent management; health, safety, and environment; diversity management; expatriate management; project management.

To achieve the goal, the study starts with the introduction to BP, which is followed by the first issue-talent management. After the issue identification and analysis of talent management, BP's most serious challenge is retaining talent. Several potential solutions in terms of reward and culture are put forward. The coming section is about HSE management in BP. Through the data, BP did not perform very well in personal safety; hence, some recommendations through safety culture and training are mentioned to improve its HSE management. The third issue of BP, which is diversity management, is compared with another oil giant - CNPC. It seems that BP has relatively good strategies but there is still a space to advance. Expatriate management is discussed in the fourth issue. Limited problems are found because BP has a long history of sending expats. However, some innovative ways are introduced for BP to make the expatriate management better. Through the five issues demonstration, the structure of each issue is made up of three parts, which are literature review, discussion and analysis, and recommendation.

The following section is the conclusion that summarizes the study as a whole. The key weakness of each issue that BP faces are emphasized. A reference list is the last part of the study.

1. Introduction

BP, an energy multinational, operates businesses in Asia, Europe, Australasia, Africa, South and North America. From wholesale to retail, from the desert to the ocean, BP supplies heat, light, chemical products and services worldwide (BP 2020). BP explores and yields petroleum and natural gas, refining products, and provides petroleum related products, transmits solar energy and petrochemicals. BP's chemicals covers ethylene, acetic acid, acrylonitrile and polyethylene (Bloomberg 2020).

BP's mission is seeking to conduct successive, basic qualities in their activities - namely, integrity, honest, striving for mutual advantage, treating people with respect, and dedicating to human progress (Comparably 2020). BP's vision states that it puts efforts in the optimum competitive operation, financial and commercial performance. Keep improving, inclusive, diverse and accessible (Comparably 2020).

BP is the sixth-largest oil and gas giant globally in terms of total market value and it employs approximately 73,000 people worldwide (Statista 2019). BP focuses on its human resource practices for the goal to retain its potential and talented staff and also to attract new workers. Although BP has conducted a series of relatively successful HRM strategies, there is still a space for introducing innovation and making change for further improvement.

2. Literature Review

2.1 Talent Management

Zhou (2018) argues that the modern work environment is made up of outsourcing, increasing mobility, looser psychological contracts between companies and their staff, less foreseeable and more smooth career paths and more concentration on self-directed learning. From the organizational perspective, the work environment characteristics result in new challenges to the retention of unique and valuable employees. This correlates with the fact that talent scarcity and competition for proficient workers is increasing and this trend is estimated continuous (Zhou 2018). With the theoretical limitations, Thunnissen et al. (2013) allege that

the present talent management literature overemphasizes the importance of human capital or talents and does not pay enough attention to other elements and resources that impact the company's performance. Effective talent management (ETM), however, needs expertise, mechanism, and skills that exceed traditional human resource management and influences the enterprise as a whole.

A survey, conducted by Tennant (2012), found that almost 9 out of 10 upstream workers are likely to remain within the energy sector, but only 6 out of 10 believe that they are likely to remain with their current organization. This survey also found that only one-third of upstream workers thought that their organization used programs or incentives to retain productive workers. Moreover, a global oil and gas survey (SPE research 2012) signifies that more than 50% of the interviewees believe that the scarcity of training and career development would lead them to consider leaving their employers. Therefore, compensation and development should be the pillars of any retention strategy. However, other factors matter too such as benefit, flexibility, organization structure, career planning, promotion, opportunities to work abroad, and support and recognition from managers. For example, according to Maslow's Hierarchy of Needs (see figure 1) originally conducted by Maslow (1943), recognition from managers can be thought of as achievement, which is in the fourth level - namely, self-esteem.

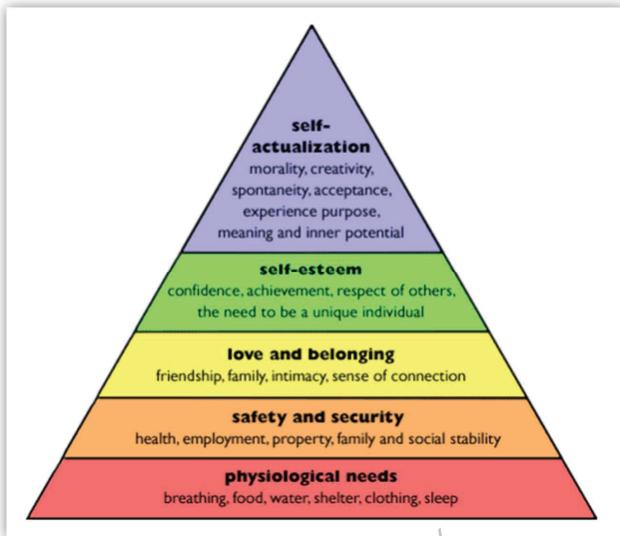


Figure 1. Malsow's Hierarchy of Needs model (Pichère, 2015)

2.2 Health, Safety and Environment

There is no more valuable resource or asset than human resource. Maintaining and protecting human resource is therefore of paramount importance. All organizations in the energy sector-including BP-are concerned with the health, safety, and welfare of the people engaged in their global workplaces. The stakeholders of health and safety in BP's business include employees, family members, customers, suppliers, and communities (Werner, Inkpen and Moffett 2016:127). There are many safety risks across the energy industry, from the risk of falling objects on a drilling rig to a potential explosion at a petrochemical plant to malaria threats in Sub-Saharan Africa (Werner, Inkpen and Moffett 2016). Furthermore, in the global gas and oil industry, a firm's health, safety, and environmental (HSE) reputation and record are essential to its license to operate.

2.3 Diversity management

Davis et al. (2016) contend that diversity management is the course and programs that managers make workers more cognitive and sensitive to the needs and differences of others.

Zalis (Forbes 2017) supposes that diversity is more successful when it is everyone's responsibility rather than certain groups of employees'. Meanwhile, a study (Dizikes 2014) from MIT found that diverse teams beat homogenous teams every time in work performance. Another research (Hunt et al. 2015) from McKinsey concludes that firms with more diverse staff perform better financially.

Zhou (2018) believes that the dominantly white managerial workforce and male managerial workforce in the past have given way to a multiethnic, gender-balanced workforce. For instance, merely 29.6 percent of the American labor force was women in 1950, but females comprised 47 percent by 2014 (Toossi 2002). Zojceska (2018) comes up with the top 10 advantages of diversity (see figure 4) in a work context. Hence, it is necessary to improve diversity management in an organization.



Figure 2. Benefits of diversity in the workplace (Zojceska 2018)

2.3 Expatriate Management

In the contemporary world economy, having a diverse workforce is a competitive advantage. Nearly 80% of midsize and large companies periodically send workers abroad and 45% of the

companies will increase this number (Harvard Business Review 1999). Sending staff to work overseas for operational and strategic reasons is becoming a common action. PwC anticipates a 50% rise in global mobility in 2020 (Allianzcare 2020).

2.4 Project Management

Project management (APM 2019) is the application of experience, skills, measures, expertise and processes to achieve targeted project goals following the project acceptance criteria on the agreed scale. Project management has eventual deliverables that are restricted to a finite budget and timescale. Wilton (2013) argues that human resource management (HRM or simply HR) is all the activities in an organization related to job design, appraisal and reward, training and development, recruitment and selection, staff motivation and control. In a different light, HRM signifies the outline of practices, policies, philosophies and procedures for relationship management, a relationship between employees and an employer. Moreover, Brewster (2012) contends that international human resource management refers to how multinationals manage the requirement that the firm has an international coherence and cost-effective way to manage workers in all the countries it covers while ensuring that it actively responds to the differences from one place to another. It can be seen that human resource management has a series of impacts on project management in light of definitions.

3. Empirical Study – Talent Management

3.1 Discussion & Analysis

Talent management is thought of as identifying, attracting, engaging, developing, deploying and retaining employees who are assessed particularly valuable to an organization. Talent management should adapt to business objectives and organizational goals. By managing talents properly, organizations are able to establish a high-performance workplace, promote a ‘learning’ organization, boom employer brand, and facilitate diversity management. As a result, HR professionals regard talent management as their crucial priorities (CIPD 2020).

As for Retention, BP ranks in the Bottom 25% of similar-sized companies in the US through the interview on employees about their pay, coworker quality and so forth (Comparably 2020). In addition, BP staff confirmed that BP was cutting employee's pension by up to 75% in early 2014, and therefore some long-standing staff resigned (Pomeroy 2015). BP claims that it has a worker turnover rate of 12%, which might be low compared to the average in the UK. Nonetheless, this figure is unsatisfactory when compared to the average of oil and gas industry, with the fact that workers would like to have a longer tenure in the domain (Pulsetip 2017). The turnover expenditure, on annual salary and on average, is 40% for mid-range positions. This shows replacing staff could create more losses for a company. In light of calculations, if BP invests in employees' engagement that would, in turn, dwindle turnover rate by 25%, the €91 million savings would be expected to BP (Pulsetip 2017). Hence, based on the data and theories above, it seems that BP needs to improve its talent management and that reducing employee turnover is significantly indispensable.

3.2 Recommendation

There are three pieces of advises could be adopted to tackle BP's talent management issue especially in terms of retaining talent for BP.

-Tailor rewards and retention strategies to individual employees' needs. For instance, cultural differences are likely to change the factors that are important for retention. Thus, BP should use different retention strategies in different places.

-BP should make plans in place that will motivate valued employees to delay retirement. These plans could include elastic work arrangements, additional bonuses, work status change - for example, part-time, consultant, contractor, etc. Besides, giving the opportunity to mentor others has been found to persuade employees to delay retirement in the gas and oil sector (Deloitte 2012). Thereby, BP could build a sound talent mentor system to retain them.

-Hofstede's organizational culture theory (Hofstede Insights 2020) third dimension - strict work discipline versus easygoing work discipline - indicates the internal structure. According to this theory, an easygoing internal structure would be more attractive to talents because they usually perform excellent independently and strict discipline is a limitation for them.

Accordingly, BP should build an easygoing work discipline for talent retention.

4. Empirical Study - Health, Safety and Environment

4.1 Discussion & Analysis

BP has serious issues in terms of HSE. For example, in 2005, BP's Texas City, Tex., refinery exploded and fifteen employees die in this accident. The coming year, when an exceedingly bad maintained crude pipeline ruptured and 200,000 gallons of crude oil were spilled through Alaska's North Slope, BP was facing an unprecedented challenge once again (The New York Times 2010). Despite repetitive commitments to reform, BP remains to lag other energy organizations regarding safety, according to American federal officials and energy analysts. Many issues still retard its businesses in Alaska and Texas (The New York Times 2010). Moreover, On April 20, 2010, BP's crude drilling rig Deepwater Horizon, which was operating in the Macondo Prospect in the Gulf of Mexico, exploded and eleven staff died. This accident is the largest oil spill in the marine oil drilling practices history. Four million barrels of crude oil flowed from the broken Macondo well over 87 days, prior to it was finally fixed on July 15, 2010 (EPA 2017).

Moreover, statistic (see figure 3) from 2019 BP annual study shows BP has nonnegligible safety events and oil spill record. Overall, BP has a significant issue concerning safety and the environment.

	2019	2018	2017
Tier 1 and tier 2 process safety events ^{a,b}	98	72	79
Oil spills – number ^b	152	124	139
Oil spills contained	90	63	81
Oil spills reaching land and water	58	57	58
Oil spilled – volume (thousand litres)	710	538	886
Oil unrecovered (thousand litres)	300	131	265

Figure 3. BP safety events and oil spill data (BP annual study 2019)

Werner et al. (2016) suppose that the large incidences resulting in significant fatalities were largely the result of a lack of emphasis and investment on personal safety, which focuses on preventing slips, trips, and falls and encouraging driving safety as well as safety in other

personal activities that could cause injury. The emphasis is on personal safety issues and personal or individual behavior.

Cummins and Herrick (2005) argue that the failure of managers to conduct proper leadership and the failure of staff to conform safety procedures are the primary reasons why the Texas refinery accident happened. Furthermore, the 2011 national commission concluded that most of the missteps and oversights in the Mexico gulf accident can be attributed to a single overriding fault - namely, a management failure (National Commission 2011). Table 1 lists the identification of BP practices that were contributing causes to the Mexico gulf accident conducted by the 2011 National Commission.

Identification of BP practices in Mexico gulf accident
• Workers fail to cease working on the Deepwater Horizon when facing a set of dangers and notices.
• BP fails to wholly evaluate the risks concerning a series of practice decisions lead to the explosion.
• BP's cost-saving and time-saving policies without giving way to emergencies and mitigating measures.
• BP fails to make sure that all the hazards related to works on the Deepwater Horizon are as low as acceptable.
• BP fails to enough supervise the activities relevant to the Deepwater Horizon.
• BP fails to evaluate, approve, record, and communicate changes related to Deepwater Horizon workers and practices.
• BP and Transocean fail (Transocean is the largest offshore drilling contractor in the world that provided the rig and crew for BP) to make sure they had common, integrated measures to control the situation.
• BP fails to identify workers who need to be trained in well control practices.

Table 1. Identification of BP practices in the disaster (National Commission 2011)

Based on this theory and according to the two cases (Texas refinery incident and Mexico Gulf

disaster) mentioned above, BP has severe health and safety issues.

4.2 Recommendation

To address the HSE issues that BP faces, there are several solutions could be considered in terms of safety culture, staffing, training, performance management, and compensation.

Cooper (2000) believes that the importance of safety in the energy sector necessitates building a safety culture in organizations. Accordingly, BP could consider the following suggestions to achieve a safety culture.

Suggestions to build a safety culture
-First, practices have to be put in place that is consistent with a strong safety culture. These include extensive health and safety programs and HR practices that strongly support safe behaviors and safety-focused decisions.
-Second, management's attitudes and behaviors must show support for a strong safety culture. Because Murugeson and Chelliah (2012) posit that the introduction of extensive health and safety programs and HR practices that support safety lead employees to conclude that management has a strong commitment toward safety.
-Finally, safety officers and safety committees should be given high status through rewards, recognition, and access to resources (Clarke 1999). Consequently, HR practices are critical to the maintenance and development of a safety culture.

Table 2. How to build a safety culture for BP

Based on the safety culture, BP should avoid hiring employees who have a tendency to take health- and safety-related risks. The following two measures could be considered.

-Recruit applicants who tend to not take safety-related risks. For example, making sure that BP's job announcements and advertisements highlight the importance of safety on this job.

-Select applicants who tend to not take safety-related risks. Vredenburgh (2002) concludes

that selecting employees based on the safety records of their previous jobs was one of the strongest predictors of having low employee injury rates. Accordingly, BP could identify candidate's past safety- and health-related indicators-such as driving records and work records-when recruiting.

5. Diversity management

5.1 Discussion & Analysis

A survey (Catalyst 2019) shows that fewer females in the energy industry than almost any other major industry, that female makes up roughly 22% of workers in the oil and gas sector and that gender diversity dropped with seniority. All over the world, women take up:

- 27% of junior positions (requiring bachelor degrees)
- 25% of mid-career roles
- 17% of senior/executive-level roles
- 1% of CEOs

Further, figure 5 depicts the women workforce share in energy-related industries in 2018.

Women's Share of the Workforce in Energy-Related Industries in 2018	
Mining, quarrying, and oil and gas extraction	13.8%
Oil and gas extraction	19.1%
Coal mining	6.2%
Nonmetallic mineral mining and quarrying	12.4%
Support activities for mining	14.8%
Petroleum and coal products manufacturing	16.0%
Utilities	21.4%

Figure 5. Proportion of women workforce in energy field (Catalyst 2018)

Based on the data, although the percentage of the female workforce is improving, it still has a

long way to go.

When it comes to BP, in 2000, the rate of woman team leaders at BP was 9%. That rose to 17% in 2012, and BP set a goal of 25% by 2021 (Tennant 2012). BP believes that having an inclusive culture will contribute to attracting the most diverse employees (BP 2020). In order to show the diversity management performance of BP, a comparison between BP and CNPC is carried out (see figure 6), CNPC is China National Petroleum Corp, the state-owned corporation of the second-largest oil producer in China (Fortune 2020).



Figure 6. Comparison of actions for diversity management

From the comparison, it can be seen that the most significant difference between the two oil giants is BP focuses more on gender balance while CNPC thinks of localization as its priority. This phenomenon could be explained with the individualism versus collectivism dimension of national culture theory (Hofstede insights 2020). As a UK company, the individual is

emphasized to be protected well. For example, if a female is rejected because of gender by a firm in the UK, this company could suffer a serious penalty. While in China, most oil companies would overlook this gender issue because they regard collective profit as a priority.

5.2 Recommendation

There are some more measures could contribute to diversity management for BP including:

- Require managers to learn the statute of equal work opportunities.
- Provide training for managers on the benefits of diverse manpower, which can serve various markets of customers.
- Build individual development practices that generate and advance their skills and ability.

6. Expatriate Management

6.1 Discussion & Analysis

Werner et al. (2016) found that in the oil and gas industry upstream, which is about the exploration, development, and production of the base hydrocarbon, rotators are a common type of expatriate. As the upstream operator says, “You go where the oil is”. Rotational staff are workers who regularly move to a work site on a stable schedule, such as 28 days work and 28 days rest, or 28/28 (which is the most common; others include 35/35 and 21/21 days).

Figure 7 shows the number of rotators worldwide.

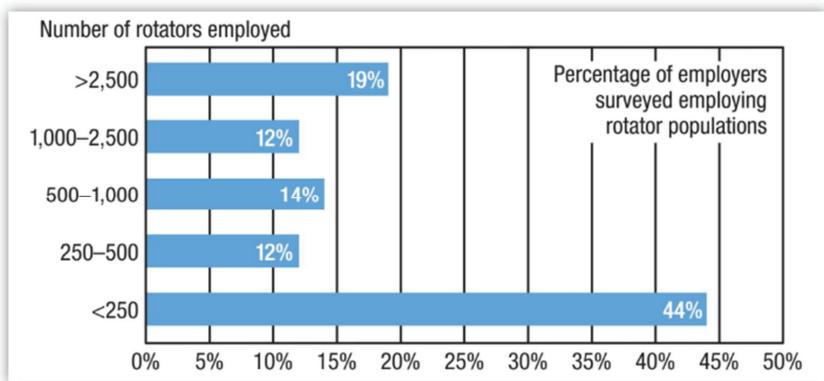


Figure 7. Number of rotators worldwide (Deloitee 2013)

McNulty (2013) supports that expatriate management includes many details such as its commercial objective, its relationship between business strategy and human resource management, selection issues, occupational development, compensation, and family members of an expatriate who require a distinctive, customized practice of expatriate management.

BP has thousands of expatriates in more than 60 countries including 55 different home countries. BP takes a two-way movement transfer strategy. For instance, in Angola, BP tries to be regarded as an Angolan company with Angolan staff but there are temporarily not enough engineering graduates in Angola (last 15 years) so BP has to send in expatriates from other countries (Employee Benefits 2008). However, BP also sends Angolan branch workers as expats to elsewhere to further develop their skills and abilities and then take back to Angola. BP's fundamental reward mechanism follows a balance sheet process and differentiates pay distribution to performance. However, assignment terms stay unchanged for workers on the same level and do not accord with performance (Employee Benefits 2008).

6.2 Recommendation

Although it seems that BP hasn't done anything significantly wrong, there is a space to improve its expatriate management. The following suggestions in terms of performance

management could be adopted to advance BP's expatriate management.

-While supervisors are normally believed to be the most proper source in assessing the performance of employees, for expatriates in remote locations, supervisors may be a continent way. Thus, greater reliance may need to be given on assessment from colleagues and non-line managers because they work with the expatriate closely so that they could know the expatriate's performance better.

-BP should build clear performance appraisal standards for expatriates and define the expatriates' performance using these standards. These standards should be informed and explained to expats before sending out.

Moreover, there are two recommendations through training could be considered to improve BP's expatriate management.

-BP should be mindful that training should be tailored to the individuals being trained. For example, younger workers may be far more comfortable than older workers with training software based on mobile devices.

-Remote locations may make monitoring and evaluation of training and its transfer to the workplace more difficult. Thus, BP should make sure that feedback loops are in place in these contexts.

-Other oil giants tried to apply advanced technology to support their training and other works. For example, Shell tries to exploring the use of artificial intelligence software to determine training needs while Baker Hughes is using artificial intelligence software to monitor rigs and write some safety studys (Financial Times 2014). BP should try to introduce these high-tech measures to enhance its programs on expatriates. For example, BP could build a database containing culture, security, regulation, expertise and so forth of their operation counties for expatriates. This could be more convenient for expats to learn.

7. Project Management

7.1 Discussion & Analysis

The projects in the oil and gas industry are now bigger, more complex, and riskier than ever before and thereby create increasingly difficult challenges including technical, managerial, and human resource challenges (Badiru & Osisanya 2013).

Project management is crucial to an organization in the oil and gas industry. For instance, a study of mega oil sands projects in northern Alberta concludes that many projects suffered from remarkable cost overruns. The reasons for the cost overruns include many HR issues regarding the labor workforce, labor productivity, shortage of skilled labor, and high labor turnover. Thus, human resource management is exceedingly important to project management.

BP operates oil and gas projects in the exploration, refining, production, trading and distribution globally. To achieve excellent project management, BP made much effort. For example, BP set up a Major Projects Group to manage the various project activities (Dick-Peddle 1995). In the projects of BP, project managers take the lead at all stages of the project lifecycle, the stages include planning, design, procurement, construction, and commissioning (BP 2020). This simplified project organizational structure could be seen as delicacy management, which is relatively efficient for project management. In addition, this project structure could benefit talent retention. Overall, BP has relatively good project management because BP has a long history of project operation.

7.2 Recommendation

Some extra potential ways could be added to better project management for BP in terms of human resource management.

-BP should try to hire external candidates for projects because having no internal ties can make a worker more impartial in their decisions.

-Recruiting for long-term employees with core skills frequently involves the use of

headhunters, personal contacts, and the grapevine, as well as a relationship with professors and administrators at universities and technical schools (Keegan & Turner 2003). Hence, BP's recruiting process tends to be more interpersonal and less formal.

-Recruiting project manager. Project managers are important to the success of projects. To recruit effective project managers, it is necessary to know what skills are needed to do the job (Fabi & Pettersen 1992). Fisher (2011) believes these skills tend to be categorized as interpersonal, managerial, and technical skills. Interpersonal skills include communication, motivation, leadership, and negotiation. Managerial skills cover planning, organizing, problem-solving, goal setting, and analyzing. Technical skills include expertise in the content area, the technology used, computer technology, and project processes (Kerzner 2013). Also, surveys conducted by El-Sabaa (2001) and Pettersen (1991) show that interpersonal skills are most important, followed by managerial and technical skills. Therefore, BP should follow the standards and skill requirements when recruiting project managers.

8. Conclusion

In order to achieve the goal of this study, five human resource issues of BP are chosen to discuss and analyze, with a series of analytical theories.

According to the analysis of BP's talent management, BP has a relatively high turnover rate. This study provides three internal and external methods to address this problem.

For health, safety and environment management, BP has serious accident records in safety and health. The three recommendations for this issue focus on building a safety culture.

Diversity management of BP is not so urgent that a long-term improvement strategy would be reasonable.

BP has accumulated much expatriate management experience in the long period of international business. This study provides several innovative expatriate management measures, such as hi-tech training for expats, to advance its expatriate management.

Project management is important for this project-oriented company and HR management is

the key to project management. Although BP has a long history in project management, this study supposes that BP should keep improving HR practice to support its projects. Three recommendations that concentrate on recruiting project managers and employees are mentioned.

The advice are based on BP human resource performance. However, some recommended solutions are not flawless such as considerations that cannot benefits every aspect of the company. For example, the recommendation of building a hi-tech training system could cause high financial pressure and could be ineffective to those staff who are unwilling to receive a new type of training. Therefore, some suggestions mentioned in this study should be critically reviewed from a macroscopic perspective before implementation.

9. Special Finding

Since the world health organization (WHO) was informed of Corona Virus (COVID-19) detected in Wuhan, Hubei Province, China On 31 December 2019, there are 2,564,515 confirmed cases all over the world by the end of 22 April 2020 (Johns Hopkins University 2020). In order to reduce the pressure, physically and psychologically suffered by students, from this pandemic, many UK universities-such as Coventry University (Coventry University 2020)-have adopted no detriment policy to make students away from disadvantaged in terms of academic performance. Figure 9 shows randomly positive praise from students for this policy.



Figure 9. Appreciation from students for no detriment policy

Therefore, no detriment policy could be a good way for BP to support their HR management. For example, BP could apply no detriment policy on performance appraisal of its employees to keep their staff away from the pressure of this pandemic. Besides, this policy could contribute to talent retention of BP. Because such empathetic policy would increase employees' appreciation for the company.

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