

SOURCE STUDY TITLE AND AUTHOR

Employee Retention Trends and Challenges in the Oil and Gas Industry, McKinsey & Company, 2024

SUMMARY

The Research: Using Data to Understand and Improve Retention

DESCRIPTION

In a time of workforce volatility and industry change, oil and gas companies are facing rising levels of employee attrition. McKinsey & Company analyzed workforce data across more than 70 organizations in the sector. These included integrated majors, national oil companies, oilfield services, and equipment providers. The analysis uncovered key factors contributing to turnover and revealed that companies with strong Employee Value Propositions (EVPs) are more successful at retaining employees, especially in high-impact roles.

KEY FINDINGS

Core elements to approach analyzing and improving employee retention are outlined below:

- **Collecting and Analyzing Retention Data Provide Powerful Insights:** McKinsey's analysis revealed key considerations, outlined below, that companies can deploy to reduce the likelihood of employee turnover. In doing so, McKinsey demonstrated the power of conducting retention analysis and the opportunity for individual companies to affect employee satisfaction and retention through data collection, analysis, and informed action.
- **EVP as a Strategic Lever:** Organizations that offer clearly defined EVPs, covering areas such as compensation, career development, leadership quality, and organizational purpose, tend to have up to 30 percent lower attrition rates compared to their peers.
- **Leadership and Development Matter:** Two of the most important factors in strong EVPs are effective leadership that communicates direction and values and clear opportunities for

career advancement. Companies that excel in these areas see better employee retention outcomes.

- **Tailored EVP by Workforce Segment:** High-performing companies customize their EVP to fit specific workforce segments. For example, they create distinct development paths and recognition approaches for technical experts, frontline workers, and knowledge workers.
- **Action-Oriented Retention Strategy:** McKinsey emphasizes that companies must translate EVP insights into concrete actions. This includes clearly defining career pathways, implementing structured development programs, improving performance management systems, and strengthening communication between leaders and their teams.

SOURCE STUDY LINK

[Employee Retention Trends](#)