

Houston energy CEO: 'We don't have the young talent'

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Benjamin Cowart is the CEO and chairman of Vertex Energy Inc., which he founded in 2001.



After years of layoffs, some Houston oil and gas and services companies are having to confront talent shortages, especially among young workers.

Right before the oil downturn, many of **Deloitte** LLP's petroleum clients' biggest concern was a shortage of incoming talent, said **John England**, a partner at Deloitte **who led the firm's oil and gas practice through the down cycle**. Those concerns faded as many large companies went through layoffs as oil prices fell, said England, who was speaking at the Houston Business Journal's Conversation with Houston Energy Leaders panel June 26.

"To some degree, people read the signs and say, 'OK, that's not the issue anymore,'" England said. "But it quickly becomes the issue again."

The question hinges in part on whether those who lost their jobs during the downturn are willing to come back to the energy industry as it expands on more stable prices, England said. On top of that, the industry also needs to find ways to draw in young talent to handle technology shifts, he said.

One of those who had to let talented and experienced workers go during the downturn was **Vertex Energy** Inc. (Nasdaq: VTNR), according to the company's CEO, **Ben Cowart**, who was also speaking on the panel.

"In the downturn, that was probably one of the hardest decisions," Cowart said. "From there, you've got to create the culture to preserve and protect the talent that you have, because they're very difficult to replace."

Vertex has also had trouble finding young people to hire, Cowart said. He runs a specialty business within the energy sector, recycling feedstock like used motor oil into usable products to run through larger refineries.

“We’re an aged industry,” Cowart said. “We don’t have the young talent, and we’re trying to figure out how to bring young professionals into a niche industry.”

It’s something Vertex is working on, he said.

“When I look around at the people that run our company today, they’re not going to be here forever,” Cowart said. “So there’s a gap there, and the challenge is to fill that.”

California-based **Chevron Corp.’s** (NYSE: CVX) venture capital arm has tried to combat this by continuing to hire new graduates even during the downturn, said **Barbara Burger**, president of Houston-based Chevron Technology Ventures.

“We have to constantly be vigilant around engaging the next generation,” Burger said. “The worst thing is to close the doors for a couple of years.”

As a global company, Houston-based **McDermott International Inc.** (NYSE: MDR) has more options, said the company’s corporate development officer, **Scott Munro**. New graduates might not be especially interested in the oil and gas industry in the U.S., but the same isn’t true everywhere McDermott operates, Munro said. In many cases, oil and gas is considered a premium industry for young people, he said.

“So then the key for us is, how do we get knowledge from our more mature colleagues, retain that and make it available for others to use?” Munro said.

McDermott is approaching the problem by using digital technology to make sure employees anywhere in the world can learn from its experts and become the new generation of experts themselves, Munro said.

There’s also a deeper nuance to the issues, Burger said. There are broad shortages, but there are also certain skill sets within the broader labor pool that are more or less difficult to come by, she said.

“There are some very specific disciplines — data engineers, data scientists — that quite honestly they’re tight across the country, and probably across the world,” Burger said. “We have to compete for them as an industry, and we have to compete for them as a city.”

There is also work to be done in changing the way the current workforce thinks about technology and how to engage with it in their existing jobs, Burger said.



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