

# Improving human capital: public and private sectors

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It's an honour to be here and to be invited to speak at the Iraq British Business Council among such distinguished guests. Special thanks to Baroness Nicholson for both chairing this conference and indeed for being an inspiration for many of us who work in Southern Iraq.

I'd like to make just a few remarks in the allotted time that I've been given to discuss what a company such as BP can do and indeed does do to build human capital in Iraq. I base my comments on my ~3 years of experience in Iraq, the first year or so up in Kirkuk in Northern Iraq and the past ~2 years in Basra in Southern Iraq.

My first insight is that for a company like BP, developing human capital, both in Iraq and around the world, isn't optional, it's essential. It is part of our license to operate. It is what governments, national oil companies and the public rightly expect from a large multinational oil company that is given the opportunity to work in their country. I think we take our responsibility very seriously. The first thing we did when we re-entered Kirkuk in 2013 was to send Kirkuk Oil Company employees on training - from international subsurface Petex training, to bringing in English language instructors to work directly in the Kirkuk Oil Company facilities. The point of this training was to open up to the skilled and talented workforce of Kirkuk Oil Company modern techniques and opportunities.

Our scale of operations in Southern Iraq is much larger and correspondingly so has been our impact on developing human capability and technical expertise of the workforce. In Southern Iraq, BP is lead partner in Rumaila, one of the world's largest oil fields which has over 7,000 people working on it full time and an additional 22,000 largely Iraqi contractors supporting it. From the outset, a Rumaila Operating Organisation partnership was set up made up of senior managers from BP, the Southern Oil Company of Iraq and PetroChina. Together we developed a strategy built around three pillars - "Production, People and Iraq". We called it Building Futures.

I'd just like to mention a few of the things that we have accomplished over the past few years in the area of human capability development:

- We have delivered well over 2 million man hours of training to the ~7,000+ Rumaila staff. To put that in context, that's approximately 150 people attending training every week over the past 5 years. Or put it differently, if any of you were to attend all this training, it would take you over 1,000 years.

- Just last year, in 2015, we conducted 470,000 hours of training in Iraq with over 66,000 course places filled. Courses delivered ranged from technical skills training for technicians and engineers to business skills courses for office staff. A heavy emphasis was also placed on safety training, leadership training and language skills.
- We have also established the Rumaila Education Fund primarily targeted at developing staff capability within the Ministry of Oil and its affiliates. Through this fund we have sent over 135 delegates on training courses in overseas universities and provided training to around 450 Ministry of Oil and affiliated staff. We also run a scholarship program which is providing 28 promising Iraqi Ministry of Oil staff with postgraduate Masters and Doctoral degrees in UK universities.
- Of course attending training is only part of the answer - building lasting capability and facilitating real change in Iraq is our objective - whether that be a change in behaviour, in technology or in specific skills. This leads to measurable change on the ground, reflected in specific improvements like a dramatic increase in safety performance at our operational facilities, or the significant increase in production at Rumaila from under 1 million barrels of oil per day to over 1.4 million barrels of oil per day. Much of our people development occurs on the ground, in daily interactions with our Iraqi colleagues, giving them the belief that they can take action for which they are responsible and accountable and enabling implementation by the workforce of the skills conveyed by the formal training.

My second main insight from my experience working in Iraq is that for a company like BP, we need (and frankly, want) to make a positive impact on the communities where we operate by improving wider human capital. Rumaila would not operate if it was not for the support it receives from the Basra government and the local community. Indeed, for many in our workforce, seeing our work make a visible positive impact on local communities is core to them - “good citizens make good neighbours”. Over the past six years, we, often in partnership with the AMAR Charitable Foundation, have run numerous programs for the people from communities around us. Let me mention just a few of the things that we have done:

- We have set-up vocational training centres where over 400 women from the surrounding areas received training in literacy, computer skills, handicrafts, hairdressing and sewing;

- We have provided almost 50 young unemployed men with vocational training in construction, welding and electrical work;
- We have started kindergartens and provided children with special educational needs with appropriate opportunities;
- We have sent over 40 students and staff from Basra University to the University of Oregon in the US to complete an English language “study abroad programs”;
- This is to say nothing of the large-scale infrastructure projects we do in our local communities, many of which are historically impoverished, including by building roads, hospitals and clinics.

The final thought I want to leave you with is that the best way to improve human capital is when the private sector and the public sector in Iraq work together. A company like BP is large and has significant resources at its disposal, but can only deploy those resources where there is alignment, close coordination and support by both the federal and local governments as well as our national oil company partner. A lot has been accomplished over the past few years - much, unfortunately untold - but we should be under no illusions about the challenges of what is yet to be done in this area. We hope to be part of that journey with you in the years to come.