

# With few female execs, oil, gas industry faces 'long road' to C-suite diversity EXCLUSIVE

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"I'm going to be a CEO," Andrea Passman says.

"A lot of times when I say that it turns people off," the vice president of engineering and development for shale driller [CNX Resources Corp. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4072680\)](#) added, but "I know I would love to run a company and I think a company could gain a lot from me being in there."

To climb that ladder, Passman will have to navigate an industry whose C-suites are even more male-dominated than others. Only two CEOs at the top 100 U.S. oil and gas companies are women.

But as industries from entertainment to banking re-evaluate the gender gap amid a push by institutional investors such as [State Street Global Advisors Inc. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=110652\)](#) and [BlackRock Inc. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4048287\)](#) to get more women on corporate boards, parts of the energy industry are taking a look in the mirror to see what they can do to address the stark lack of female leadership in the sector.

S&P Global Market Intelligence interviewed more than a dozen past and present female executives, senior leaders, academics and C-suite recruiters to talk about why so few women rise to the top ranks of oil and gas companies.

They painted a picture of an industry that is growing more welcoming to female employees' success but still lacks a clear and well-traveled path to the top.

## 'A vast chasm'

Roughly a year ago, [Occidental Petroleum Corp. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4010841\)](#), CEO Vicki Hollub and [Tellurian Inc. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4462210\)](#), CEO Meg Gentle sat down to brainstorm ways to help women like Passman get to positions like theirs. As the only female CEOs at the biggest U.S. oil and gas companies, they felt that they needed to be part of the conversation: "How can we do better to make oil and gas jobs more interesting,

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Oil, gas and the gender gap

Part 1: A long road to C-suite diversity

Part 2: [Voices from the top \(/web/client?auth=inherit#news/article?KeyProductLinkType=2&id=43973225\)](#)

Sidebar: [Investors' influence \(/web/client?auth=inherit#news/article?KeyProductLinkType=2&id=43990787\)](#)

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## CEOs of the TOP 100 US oil and gas companies



comfortable, flexible to keep women?" Gentle said, recalling the conversation. "Because I think studies have shown that although it's not 50/50 equal, there are more women that come into the lower ranks ... but just don't stay."

One of those studies is a 2017 report by Boston Consulting Group and the World Petroleum Council, which found that the oil and gas industry ranked among the lowest across the globe in terms of gender diversity at companies' top positions. While 25% of employees in middle management are women, that falls to just 17% at the senior leadership level, according to the report.

When it comes to the C-suite, women hold just over 5% of the 261 CEO, CFO and COO positions at the 100 largest U.S. oil and gas companies by market cap, data compiled by S&P Global Market Intelligence during the first quarter show. Among CEOs, the 2% representation at big oil and gas companies lags the 5.2% of female-led companies in the S&P 500 index.

What really astounded Boston Consulting Group's Katharina Rick, a co-author of the report, was how men and women interpret the gender gap differently.

"What probably did surprise me most of all the findings ... was the major discrepancy between men and women around the question of why there are not more women," Rick said in an interview. "Some men think there's not enough qualified women ... and women think it's because they do not get any support from their male superiors, and this is a vast chasm between the two."

How to bridge the gap to get more female employees into leadership positions is less clear. "We have searched high and low for a silver bullet or a panacea, and there is no such thing," Rick said.

### 'Old-school, "Mad Men" way'

The majority of female executives interviewed said they have had generally positive experiences. They pointed to male and female mentors who vouched for them when they became eligible for promotions, as well as their own thick skin that allowed them to look past condescending or inappropriate comments from male colleagues. Some even said being a woman opened doors for them.

But the road to oil and gas leadership did not come without its bumps. Gentle was once given business guests' coffee order. While traveling overseas, Diane Leopold, CEO of [Dominion Energy Inc.](http://web/client?auth=inherit#company/profile?) ([/web/client?auth=inherit#company/profile?](http://web/client?auth=inherit#company/profile?))



[KeyProductLinkType=2&id=4001616](#))'s gas infrastructure group, was told that she did not belong at a power station she was touring because she was a woman.



Kathleen Eisbrenner, chairman and former CEO of liquefied natural gas export hopeful [NextDecade Corp. \(/web/client?auth=inherit#company/profile?](#)

[KeyProductLinkType=2&id=4571228](#)), said she "could go on for hours" about the negative experiences she faced as a woman in the oil and gas industry, particularly a few decades ago.



"I've been taken to a nudist colony for lunch and told, 'This is what we're going to do for lunch.' And I'm like, 'I'm not going in there.' And he said, 'Well you don't have to take off your clothes,'" Eisbrenner recounted. "On Friday, the lunches were called 'lingerie lunches,' so we'd go to restaurants where the waitresses would basically have on lingerie with price tags, in theory so the guys could choose what to buy their wives," she said.



"We've made a lot of improvement from that standpoint."

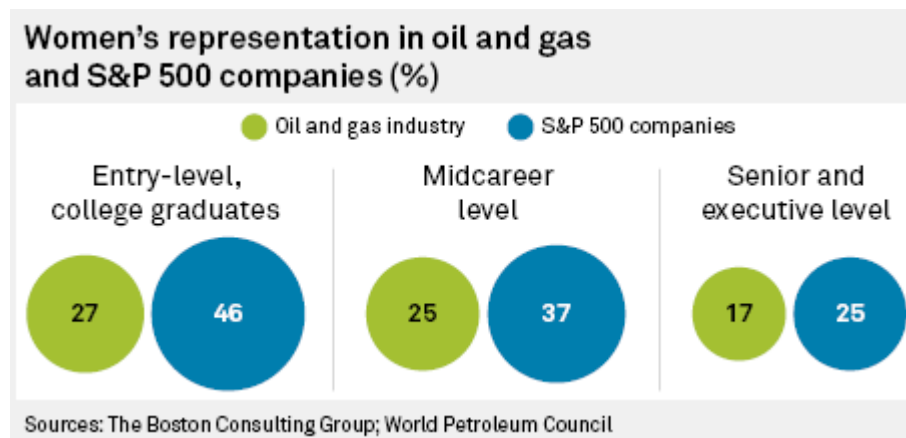
In most instances, the challenges women in the industry must overcome today are more subtle.

[Diamondback Energy Inc. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4337452\)](#) CFO Tracy Dick talked about "microaggressions" — cases where stereotypes are subtly or even unintentionally reinforced. "The first thing is, 'Are you the CEO's assistant?'" Dick said. "It's just assumed. It's the old-school, 'Mad Men' way."

Emma Cochrane, a senior vice president at [Exxon Mobil Corp. \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=3007562\)](#), recently told a gathering for women in energy about a breakfast she attended that morning with U.S. Sen. Daniel Sullivan, R-Alaska, and a handful of other guests — all of whom were men.

"When I arrived, the senator wasn't there yet, and these little clusters formed [with] everybody kind of getting together chatting, and I'm standing on the outside," Cochrane said at an industry event in Houston. "This is 2018, for crying out loud. We need to do better than that. We need to make sure that people don't feel in 2018 that you've got to really fight to be included."

As of Jan. 29, 2018.  
Source: S&P Global Market Intelligence  
Credit: Cat Weeks



## STEM stereotypes

When asked what the industry can do to bring more gender diversity to its executive offices, almost every woman interviewed pointed to programs meant to grow the number of girls and young women in science, technology, engineering and math — or STEM — education programs. Encouraging girls to study in that space is a frequent push by the American Petroleum Institute and major energy companies, which say they need more qualified female engineers to increase the number of women they hire.

"For an executive leadership role in oil and gas, since their business fundamentally has so much engineering to it at the operations level, that engineering background is such a value-add," said Donna Cates Sphar, founder and CEO of CSI Executive Search, a "headhunting" firm based in Austin, Texas. "Even if they haven't done that technical-level engineering hands-on for many years, they have the fundamental education and background. That's a differentiating value proposition for a candidate."

At the five schools that grant the most undergraduate degrees in petroleum engineering, more than 80% of those degrees went to men in 2015, according to U.S. Department of Education data compiled by Data USA. At Texas A&M University, which graduated the most petroleum engineers that year, 241 degrees were granted to men, compared to 52 that were awarded to women. The gender gap was similar for petroleum engineering programs at the Colorado School of Mines, Pennsylvania State University, the University of Texas at Austin and Louisiana State University.

Part of the challenge in inspiring girls to pursue an education in engineering is rooted in stereotypes about the jobs that require those backgrounds, said Tricia Berry, director of the Women in Engineering Program at the University of Texas' Cockrell School of Engineering in Austin.

"Students and parents and teachers still have this sense that engineering is this isolated experience when you get out in the working world, or that you are working on projects or problems that don't really have a big societal impact," Berry said. Combating that stereotype can attract those female students who see themselves working in a more collaborative environment, she said.

Berry's program partners with oil and gas companies including [Chevron Corp.](#) ([/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4004170](#)), [ConocoPhillips](#) ([/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4980342](#)), [Phillips 66](#) ([/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4095021](#)), [Royal Dutch Shell PLC](#) ([/web/client?](#)

[auth=inherit#company/profile?KeyProductLinkType=2&id=4011025](#)), Exxon Mobil and [Total SA \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4011129\)](#), a sign, she says, of the industry's interest in building a pool of female engineers from which to recruit.

"I think if the demand wasn't there for female engineers, we wouldn't have those companies investing their time or their funding resources with us," Berry said.

### Good for business

"For profitable firms, a move from no female leaders to 30 percent representation is associated with a 15 percent increase in the net revenue margin."  
-Peterson Institute for International Economics

Female executives interviewed also said they often felt that being a woman helped them stand out in conversations where they wanted their company to be remembered. Peggy Montana, who served as CEO of [Shell Midstream Partners LP \(/web/client?auth=inherit#company/profile?KeyProductLinkType=2&id=4545164\)](#), when the company went public in 2014, said male colleagues were supportive of the three-woman team that led the IPO roadshow.

"I distinctly remember ... that one of my colleagues who was head of M&A at the time — somebody said to him on a roadshow, 'You know, it's pretty interesting you've got three women here. It's kind of surprising,'" Montana said. "And he said, 'Well, it wasn't a fluke; they were actually the best people for the job.'"

For CNX's Passman, a combination of in-the-field work and an engineering degree helped pave her path toward leadership. Passman worked in an Alaskan goldmine as a teenager, earned a petroleum engineering degree from the Colorado School of Mines and has held roles in the oil and gas industry around the world.

"I come from a background where I worked all over the world and I had very diverse teams, and what I saw was the innovation coming out of those teams was much better than where everybody looked the same," she said.

Companies' efforts to ramp up their hiring and promotion of women come alongside mounting research that suggests that gender diversity is good for business. A 2016 working paper by the Washington, D.C.-based Peterson Institute for International Economics surveyed 21,980 firms from 91 countries and found a strong and repeated correlation between the presence of women in the C-suite and companies' performance and profitability. Increasing female leadership from 0% to 30%, according to the study, is "associated" with a net revenue margin increase of 15%.

"No matter what, a diverse workforce, a diverse viewpoint benefits business. It just does," Dominion's Leopold said. "Better decision-making happens when you're looking at issues and opportunities with different viewpoints, different perspectives, different talents. I just think you're overall a better and more well-rounded organization."

And though oil and gas companies appear to be coming around to the idea that they need more female leaders, women in the industry said they are not naive about the path ahead.

"This is a journey. We're not done," Cochrane, the Exxon vice president, said in early March. "We are making progress, things are improving, but we have a long road to travel."

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