

# Exploring the HR Function at Maersk Oil

An Interview with:

**Stina Bjerg Nielsen**  
Senior Vice President, Human Resources  
Maersk Oil



Interviewed by:

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*Stina Bjerg Nielsen is currently the Head of Human Resources for Maersk Oil, part of the A.P. Moller - Maersk Group, one of Denmark's largest companies. Since joining in 2009, Stina has been involved in transforming both the Maersk Oil organization and the strategic direction of the human resources function. In this Queen's IRC interview, Stina candidly talks about her experiences within the human resources profession in Denmark and Europe, and her role at Maersk Oil. She notes that the challenges and opportunities facing Denmark are similar to those facing other countries, and encourages HR professionals to stay connected with the business in which they operate and to develop their own tool kit of competencies and experiences to facilitate success in their roles.*

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**Let's begin by you introducing yourself and telling me a bit about your HR background.**

I have a diverse background that isn't focused solely on human resources. To me, this experience has been important, enabling me to understand an organization as a whole, promote systemic thinking, and look at issues from several angles. Prior to working in HR, I was involved in a variety of back-office functions, including business planning, logistics, and commercials. After 10 years, I moved into my first HR role as Head of HR for Scandinavia. This was a role that allowed me to start working with strategic HR, while learning the dos and don'ts of this functional area. As a next move, I accepted a European HR business partner role, followed by a corporate organizational development role—both at a privately held American company that mainly focused on organic growth, with basically one aligned global HR agenda and consistent ways of working. From there, I became the Senior VP of HR at a Danish-based multinational company, operating in more than 40 countries. This company was the sum of a number of acquisitions. Carefulness had to be applied to ensure that value was created at the Group HR level by setting a common functional direction, aligning key global processes, and supporting the Board. And then, I joined Maersk Oil.

Colleagues characterize me as a change agent; it seems that I am drawn to change. When I first joined Maersk Oil, my role was intended to focus on creating a more effective executive team, while upgrading and building a capable, global HR function. Within six months and with the arrival of a new CEO, the necessity to transform the company became clear, and a structured change program was launched. One year later, 25% of the top leadership group was new to the organization, including the executive team—a team that has been crucial in driving and promoting the change. This is the fourth year where the transformation agenda is alive and the changes will start to be embedded into the way we work. I expect that the transformation will remain a core business priority for the next couple of years, to ensure that the new behaviours stick. Had you asked me four years ago, I would have said that the change would take two years max—I am still learning!

**What led to the organizational and HR transformation at Maersk Oil?**

The oil and gas industry is all about being good at finding oil, extracting it efficiently, and ensuring that oil reserves are replenished in order to build a sustainable business. Maersk Oil has been an extremely successful company,

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having a track record of commercializing oil discoveries where others couldn't, delivering very high return on investments. If you looked at a map back in 2005, you would have seen a company with massive investments in two countries only (Denmark and Qatar), with a focus on development of projects and production of oil and gas—and a predominantly Danish workforce. Five years later, Maersk Oil was investing in more than 10 different countries and operating in the full value chain, from finding oil (exploration) to handling of matured production assets and business development. Along with the expansion, the workforce had become international.

The industry had started to change too. The "easy" oil was disappearing (e.g., shallow water versus deep water), the technology was becoming ever more advanced, and being a trusted partner was more important than ever.

However, at Maersk Oil, the mindset was in many ways still inward-looking and national (Danish). The success of the past was too strong and the need to become a real international player, with a prime focus on forming partnerships in respective countries and leveraging resources globally, was not fully recognized. At the same time, the reserves base had shrunk. The case for change was born.

We have been working on setting the corporate direction and mobilizing the Maersk Oil organization around the change agenda. We needed a strong plan, senior leadership commitment, and a lot of energy and passion to transform the company. A clear strategic direction is a must; the "how" and actually transforming an organization is the real challenging part and HR has been, and remains, a key driver of the change. Key global processes have been developed and are being implemented (what we call "the brain") and "the skeleton" has been created. That is, organizational design with a five-year outlook and governance structure. "The muscles," (i.e., the capacity and capabilities of the organization) have been one of the underlining drivers of the HR agenda. We are working to answer some critical questions. What is it the people demand? What capabilities do we need in order for Maersk Oil to be successful? How do we close the gaps?

There has been a constant focus throughout the transformation on the change in the leadership behaviours. We were used to working in quite a siloed organization and we were now to operate in a matrix set-up. The matrix would allow us to capitalize on our global resources, while staying close to the local customer. As is often the case with matrix organizations, there was a lot of focus (and complaints) about unclear roles and responsibilities, and structures not understood. In our case, it largely came down to leadership and a need for behavioural shifts, with regard to transparency and a strong customer focus. In this context, transparency refers to operating in an open, collaborative way, empowering people closest to the problem to take ownership, and to make decisions.

So, what did this all mean to the HR function? We had to create an HR strategy based on future business demands and shape-up our own capabilities quickly to support the business on this journey. As an outcome, core global HR processes like strategic workforce planning, talent management, and strengthened mobility frameworks are being embedded in the organization and governance is put in

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place. Last year, we added more than 1,000 people to the workforce (an add-on of 25%) and we have implemented HR SAP in parallel. It's a busy time.

**As Head of HR at Maersk Oil, how do you spend your time?**

The transformation of Maersk Oil commenced in late 2009. We spent a great deal of effort on defining the change story, developing the "end-game" and formalizing what success would look like, and getting ready to launch Project Focus, a structured change program addressing key priorities to become a successful international player. The business priorities were ranging from an incident-free leadership safety program to a business performance process linking into people performance management. All priorities supported the behavioural change we wanted at Maersk Oil. At that point in time, 60% to 70% of my time was devoted to driving the organizational change. To be effective, I needed to develop my partnership with the CEO, engage with the executive team, and the senior leadership team, who were to be role models and cascade the change throughout the organization. The rest of my time was spent developing an HR strategy addressing the organizational challenges, and assessing and transforming the HR function. This continues to be an ongoing process, as we focus on building both the Corporate HR function and HR business partners. Today, the majority of my time is spent on leading the function.

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**What types of HR metrics do you have in place in your organization?**

We have a scorecard and associated KPIs with targets confirmed by the executive team. The most business-critical HR KPIs are mandatory for all countries and they are incorporated into the respective country's business performance contracts. These form the basis on which the management teams are rewarded. We measure headcount development versus budget, attrition of high performers, efficiency of vacancy filling, pay-for-performance perception, etc. In particular, we have a core interest in tracking the development of our technical population, which is a crucial people segment for an oil and gas company.

**In what ways does the HR function at Maersk Oil help to support the organization's vision?**

The Maersk Oil vision was created when we entered the transformation phase, based on our future aspirations and competitive advantages. This is a vision that today is known and understood by all employees: Maersk Oil, the natural upstream oil and gas partner; navigating complexity, unlocking potential. Unlocking assets, whether people or reserves, is something we are proud of being good at and we are striving to be great. Human resources is a core enabler to deliver on our vision and strategy and I think the link is quite obvious.

As I mentioned earlier, I was heavily involved in shaping the change agenda of Maersk Oil necessary to deliver the vision—and so is the rest of the HR function today. The HR strategy and our plans are closely tied to the overall Maersk Oil strategy and vision. A huge HR challenge in our industry is the "crew change;" experienced professionals are retiring and there are not enough new candidates to fill the vacancies. In other words, there is a war for talent.

To remain successful, we need to keep being good at attracting and retaining the best technical talent in a truly global industry, where other oil and gas companies are “fishing from the same pond.” Careful understanding of the competencies that the organization requires, and an understanding of the marketplace are essential. So is fulfillment of the value proposition, when newcomers are on-boarded. We have structured development programs that aim to accelerate our employees’ competence building.

**According to material found on Maersk Oil’s website ([www.maerskoil.com](http://www.maerskoil.com)), “The A.P. Moller - Maersk Group is a worldwide conglomerate. We operate in some 130 countries and have a workforce of some 108,000 employees.” What are some of the HR challenges and opportunities associated with working in such a global company?**

I think the challenge we face is striking a balance between where we can add value at a group level—capitalizing on our critical mass and financial strength, addressing a diverse portfolio of businesses—and where we create most value at a business unit level (e.g., Maersk Oil) with its proximity to the customers, the markets, and the industry. Another challenge is, of course, to gain sufficient in-depth understanding of the various countries in which we operate in order to build a successful business model, including local people pipelines.

Given the size of our organization and its global presence, we can often mitigate the entry barriers when investigating new business development opportunities, as the A.P. Moller - Maersk Group might have the infrastructure in place in the country of interest already. Furthermore, we have an opportunity to make diversity a reality.

**In what ways do you think that the HR profession in Denmark is similar to, or different from, global trends?**

Pending business needs and industry, you will adjust your HR strategy and focus areas, but fundamentally HR is a global profession. Compared to the UK and US, and likely Canada as well, I would say that the HR function in Denmark is still lagging behind. In this country, HR has been considered a transactional discipline for far too long. When Ulrich’s work hit the rest of the world, it took a while before its intent was embedded in Denmark. There are still conversations around how HR can get a seat at the executive table, though I also see that the HR profession in Denmark is progressing quite well now.

**According to a survey conducted by the Queen’s IRC in 2011 (Juniper & Hill), Canadian HR professionals perceive succession planning, talent management, employee engagement, change management, and organizational culture creation/maintenance to be critical challenges facing their profession. To what extent do you think that these challenges exist in Denmark?**

These are challenges facing most HR professionals, irrespective of geography. I thought strategic workforce planning would have popped up on your list too. If we don’t understand the supply and demand of people in the longer-term, how can we address the talent gap in a proactively planned way? Most HR strategies evolve from having a thorough understanding of the business needs, translated into capacity and capability challenges, backed by data. At Maersk Oil, we have

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accelerated our understanding of our supply and demand challenges and the capability gaps within the technical functions and leadership—all areas integral to the success of Maersk Oil. Processes like talent management, performance management, and competence mapping are all coming together to define the capability challenge.

In the course of my career, I have completed a lot of succession plans, many of which end up on shelves. A yearly review does not match well with the ad-hoc requests we face as HR professionals to recruit and fill vacancies. Often, the talent has moved on, or the talent was identified for several different positions in the succession planning session, or is not really available after all. We have moved to a pull approach instead. That is, zooming in and spending our time on talent identification, performance, and potential. The selected candidates are forming the talent pools that we, in HR, always introduce in the vacancy-filling conversation with our business leaders to ensure that our critical positions are staffed with the best talent. In this way, we have broadened the leaders' understanding of talent and started to build a more sustainable pipeline. We can still provide the business with a view of the pipeline for critical positions, to facilitate decisions on specific development plans or recruitment strategies.

**As a senior HR professional, what skills and knowledge do you think are essential for HR professionals in today's workforce?**

Well, it starts with the business and it ends with the business. Independent of your role within HR, you need to have a core interest in, and understand the business needs of, the industry in which you work. Whether you are a recruiter, or an HR business partner, business acumen is fundamental for being able to do a great job in HR.

The HR partners need to be able to translate the business needs into people solutions, and understand the capability challenge of their organization. They must also be great at identifying talent and “sizing it up.” Depending on the organizational set-up, most HR partners will be responsible for rigorous deployment of processes, such as performance management and talent management. It also takes a lot of courage to operate as an effective HR partner, facing challenging conversations with line managers on what they want versus what they need. If the HR professional is a leader of others, the ability to create and engage a strong team is essential to be impactful. The same is true for all leaders.

I expect Corporate HR professionals to operate within three areas. They design and develop business and industry relevant processes; they play a governance role in the organization; and lastly, they have in-depth, specific knowledge of functional areas so they can act as subject matter experts. In order to be effective, they do, of course, understand the business requirements and the industry. Their prime customers are the HR business partners.

When the HR function works best, the HR partners and Corporate HR are connected in an almost symbiotic way, melting together as one.

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In a senior HR role, one needs to develop a good working relationship with the CEO and the executive team. Operating as a trusted advisor to the business takes diverse HR experience, HR data and facts, business and industry understanding, and some strong interpersonal skills. Trust is needed in order to initiate, drive, and manage transformational change. Change initiatives require careful planning, sound change management, and a lot of hard work to keep on the right track. In the Maersk Oil case, it might look like it all came together nicely: Vision, change story, structured change program, leadership etc. I wish that had been the case. Sharing and learning from others can help individuals and the HR profession as a whole to accelerate our capability building.

**Based on your own experiences, what advice do you have for individuals considering a career in human resources?**

Some people want to join HR because "they just love working with people." If that is the main incentive, I generally advise them to continue in a line job, where the responsibility of people belongs. HR is a support function and our prime role is to support our managers with great advice, processes, etc., in order for them to deliver effective leadership. Personally, I find HR a fascinating function in which to work because you are at the heart of the organization and you can have a real impact on the success of the company.

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## Stina Bjerg Nielsen

Stina Bjerg Nielsen is the Senior Vice President of Human Resources at Maersk Oil. Prior to joining the organization in 2009, she held several senior roles in a number of organizations. She has earned two Master of Science degrees. One, in Chemical Engineering, from the Technical University of Denmark, and the other in Food and Agriculture Biotechnology, from the University of Reading. Throughout her career, Stina has continued to expand her knowledge of the HR profession by acquiring practical experience and formal education. Stina has also earned a graduate diploma

in Business Administration from Copenhagen Business School.



## Maersk Oil

Maersk Oil is an agile, medium-sized oil company with the financial might and global network of the A.P. Moller - Maersk Group, one of the largest conglomerates in the world. Turning marginal and challenging fields into commercial successes has been a cornerstone of Maersk Oil's business since the company was founded in 1962.

Maersk Oil developed groundbreaking technologies while working with tight chalk reservoirs in the Danish North Sea. It then deployed these technologies abroad to become a truly global player in the upstream business. As an international oil and gas company, Maersk Oil produces about 625,000 barrels of oil equivalent per day in Denmark, Qatar, the UK, Kazakhstan, Brazil and Algeria. Exploration activities are also ongoing in Angola, Norway, the US Gulf of Mexico, and Greenland.

The company continues to focus on pioneering technologies and harnessing talent to ensure that it operates safely and successfully, and creates value for partners and host governments.

[www.maerskoil.com](http://www.maerskoil.com)



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