OPERATIONAL EXCELLENCE IN OIL AND GAS

Case Study:

Understanding SLB's Culture Evolution, Innovation and Leadership Strategies

*In conversation with **Carlos Sarmiento**, Diversity & Inclusion Director and **Philip Irele Evbomoen**, Global Talent Manager at **SLB***

Schlumberger to SLB, A New Focus

In October 2022, Schlumberger announced its new name – SLB – and its transition from the world's largest oilfield services company to a global technology company focused on driving energy innovation for a balanced planet. This new identity and position reflect SLB's ambition to accelerate the energy transition by developing and scaling new energy systems, innovating in oil & gas and reducing emissions to meet the world's growing energy demand, safely and sustainably.

As they became SLB, the need to evolve the company culture arose to support the new positioning effectively and enable them to deliver on their strategic goals. The program to support that cultural evolution – known internally as 'Living our Culture' – became part of the new brand realignment, with the name 'Living Our Culture' stemming from the desire for culture not to be merely discussed but actively embraced.

Ahead of our upcoming **Operational Excellence in Oil and Gas Summit** in **Houston**, from **November 5-7**, we sat down with **Carlos Sarmiento, Diversity & Inclusion Director** and **Philip Irele Evbomoen, HR Director, Digital & Integration Division** at **SLB,** to better understand the program's implementation, successes, and challenges. Read as we delve into the intricacies of the **'Living our Culture'** framework and how diversity and most particularly inclusion lead to further innovation and performance within the organization.

"We aim to emphasize that Living our Culture is not just a statement; it is an imperative for our company. Our focus is set on ensuring that all stakeholders understand the significance of actively modelling our culture and behaviors." - **Philip Evbomoen**, Global Talent Manager at **SLB.**

Maryam Irfan, Oil & Gas IQ: How did you implement the 'Living Our Culture Program' across various departments within SLB?

Carlos Sarmiento: The reflection for evolving our culture started in 2020 as a worldwide approach with external support and a dedicated team responsible for the implementation, spanning various functions, departments, and divisions. After we launched our evolved culture in 2022, 'Champions' were selected globally, and each assigned distinct responsibilities to understand all the key elements of the culture and learn how to convey the message to different parts of the organization, based on their location. Throughout the year, we conducted numerous planning sessions with the Champions network to ensure a unified and inspiring message was communicated throughout the organization.

We also introduced a framework with specific training sessions and assessments for different teams. Initially, this was conducted individually by peers and managers to understand how individuals within different teams were adapting to the culture evolution. Additionally, individual sessions for feedback and coaching were provided in alignment with these assessments.

Alongside this evolution, we leveraged internal flagship events, such as our annual People Week, to highlight the program's value. We also introduced a talk show, called the Culture Lounge, to give people an informal setting and platform to discuss and share their thoughts with us.

Philip Irele Evbomoen: Following the program's launch in 2022, we defined our culture plan, which is the driving force behind the implementation across the organization and different departments. In the plan, we have outlined the key elements that we aim to implement, promote, or impact to drive a culture evolution.

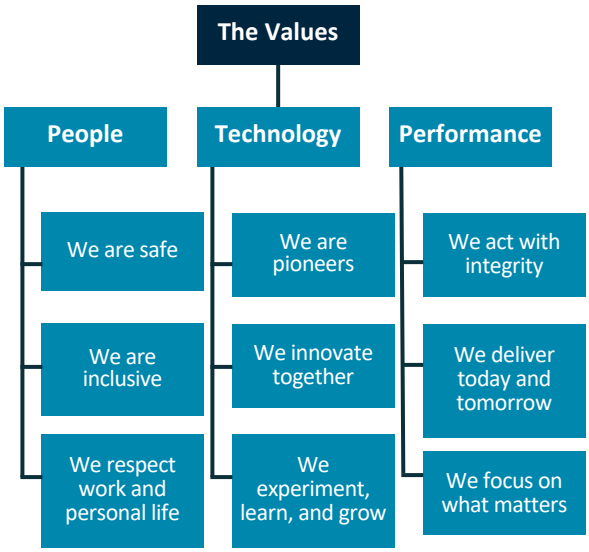
In general, culture is influenced by systems, symbols, and behaviors. Therefore, we have put effort into examining them within the company.

As part of the implementation, we have articulated nine specific behaviors that we want to promote, in line with our values. Simultaneously, we identified certain systems, symbols, and events (such as employee events) that we can rally around to reinforce elements of our culture.

However, it's important to note that we haven't covered all grounds yet. Since 2022, we have managed to deploy, or evolve, new symbols and systems, with others still in process. We're currently reimagining a key system: our performance management process, to elevate it to a more holistic view. We no longer only wish to look at what our people deliver, but also how. The backdrop for this new approach is to embed and reward how well our people embrace and model our culture and behaviors.

The Values: People, Technology and Performance

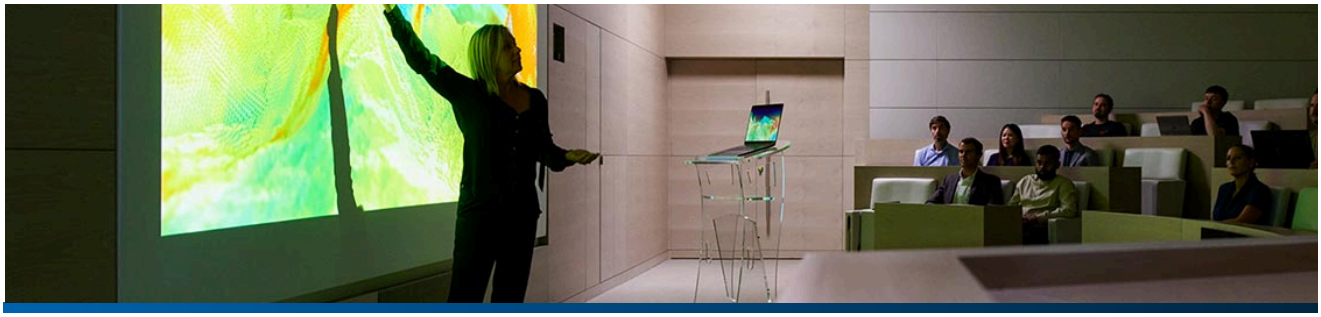
Before 2022, Schlumberger focused on 'People, Technology and Profit' as their driving values. Since the transformation from Schlumberger to SLB, the company aligns with 'People, Technology and Performance' as the core values driving their culture program.



Under each value, SLB has identified three behaviors that they aim to keep excelling at, embrace further and put increased focus on. Under the People value, safety comes first, emphasizing both physical and psychological safety. Inclusivity reflects the company's commitment to creating a workplace where everyone can be themselves, while 'We respect work and personal life' signals an increased focus on empowering teams to define greater balance between professional responsibilities and personal well-being.

For Technology, the first behavior celebrates SLB's pioneering legacy and leadership, while the second highlights knowledge sharing and collaboration. The third, 'We experiment, learn, and grow,' fosters a culture of experimentation, highly critical to a company seeking to drive continuous innovation in the energy sector.

Within the Performance pillar, integrity is self-explanatory, the second behavior showcases a focus on both short-term and long-term outcomes rooted in SLB's mission, while the third emphasizes prioritization and simplification.



Maryam Irfan, Oil & Gas IQ: How do you ensure alignment and buy-in from employees at all levels?

Philip Irele Evbomoen: If you want people to buy into the culture evolution, and be aligned with it, it begins with the construct: it needs to be simple in its structure, relatable, and understandable. Following that, you need to be able to articulate clearly what's in it for your people.

Within our own behavior structure, you can see that it's simple, relatable, and connected. One thing we're doing is that we are really pushing and trying to make people understand the value proposition in the culture by demonstrating how this will benefit them, not just for the company. If we are safe, it's not just good for the company; it's first and foremost for your own good, as an employee. The same goes for inclusivity and so on. We're linking narratives to our employee value proposition in order to enable people to easily comprehend the value proposition of our new culture framework.

Maryam Irfan, Oil & Gas IQ: How do you measure success and identify what is working vs. what is not working?

Carlos Sarmiento: Cultural evolution is a journey that can only fully come to fruition over time. For that reason, the elements that we monitor and measure vary as we progress on the journey. Where we currently stand in the journey, our focus is put on educating and training the layers of the organization that will help us reach the tipping point, to trigger at scale behavior evolution.

As we do so, we also measure our progress through the feedback of the people we train in how they action and implement change within their own teams. We also leverage our employee feedback survey which gives us a perspective on the evolution of our key drivers of engagement, and how our Living our Culture program influences these drivers.

To ensure that this engagement translates into tangible outcomes involves assessing different levels of the organization and identifying areas where we may not be progressing as quickly as we should.

3 Lessons Learnt from the 'Living our Culture' Implementation

1. Cultural evolution is a marathon, not a sprint.
For most businesses, even more so in the service industry, we are accustomed to turning things around quickly, and delivering fast results. When it comes to culture change, we have to remain humble and understand that successfully evolving behaviors and mindsets is a longer process. Culture change experts say that effective change takes between three to five years. So patience is key.

2. You have to bring people along.
The purpose and benefits of launching a culture program can be very clear to certain layers of the organization, especially leadership. However, as you navigate through the layers of the organization it may not appear so evident, so the ability to clearly present the value for all is highly critical. You must consider the 'What's in it for me?', from the point of view of employees, and expose it pragmatically so that people better understand what's expected of them and how they can contribute.

3. Identify the levers that will make the biggest impact.
When defining a culture plan, it's easy to fall into the trap of using all the levers and systems at your disposal. However, the real value lies in thinking impact first rather than quantity. When defining the culture plan at SLB, Philip found that even though they initially started with a large and comprehensive plan, the value lay in being strategically intentional in selecting our key levers, to reach the most relevant people who will lead and inspire change, with the least effort possible.

Navigating these phases requires practicing patience by educating senior stakeholders about the pace of change around culture evolution. Setting realistic expectations for employees and helping them understand the value and why it's important to them is critical. Lastly, narrowing down the levers with the biggest impact was the first point of call within the overall implementation plan.

Maryam Irfan, Oil & Gas IQ: When it comes to encouraging a culture of sustainable growth and development, how do you identify and nurture potential leaders within the organization?

Philip Irele Evbomoen: I'd like to start this by asking: 'Who is a leader?'.
You could consider the concept of leadership as a noun or a verb. As a noun, it's a title – positional, chief, manager, lead, head. As a verb, it's an action word, meaning someone who can inspire and has influence. When you go in that direction, you find that everyone can be a leader.

So, how can you position people to enable sustainable growth and development?

As the talent manager of the company, I keep asking myself: 'How can I help more of our employees and managers become leaders?' Not just people who are here to do and deliver something but to sustain growth and development for the longer term, and to inspire the next generation as well. It's a multi-million-dollar question because I don't think there's a magic wand; at least I haven't found it, but there are some steps that one can take.

First, help them understand what leadership is. When you ask people, without a title, they don't feel like leaders, and they don't feel responsible for sustainable growth and development. So, the first thing is to change the narrative, educate around the fact that each one of us has a stake and is a leader in our own right, making a change, making a difference.

Second, start identifying people who have an inclination toward promoting sustainable growth, change and development.

For example, as part of the culture evolution, we are evolving our performance management system. One element we've introduced is a growth plan to assess people based on whether they are growing themselves, growing their teams, and growing people outside their teams.

There are people who care about that, who are doing it already – mentoring, coaching, developing themselves, and others. These are individuals who have embodied what we call the growth mindset. They need to be identified, recognized, and, dare I say, promoted because, when you do that, it puts emphasis on the mindsets and behaviors that constitute a leader, which ultimately create role models that inspire and grow others around them. As you do so, others begin to recognize and adopt these values and mindsets.

Carlos Sarmiento: Additionally, we conduct self-assessments and team assessments to understand how individuals are evolving in relation to the behaviors and values that define our culture. This approach is gaining recognition, becoming the lens through which we evaluate leaders within the organization, shaping the way we perceive the performance and development of our people.

The behaviors tied to the culture and the values associated with it play a pivotal role in our evaluation of individuals. It's not just about what they deliver; we also consider how they deliver and the extent to which they comprehend the 'why' behind what they deliver.

Maryam Irfan, Oil & Gas IQ: How do you incorporate a culture of diversity and inclusion within the organization and how does that lead to increased innovation?

Carlos Sarmiento: Diversity and inclusion have always made us who we are as a company and are ingrained in our DNA, setting us apart from many companies.

Our understanding of diversity and inclusion defines a very distinctive aspect of SLB's culture. One of the behaviors reflecting our commitment to these values is inclusivity, emphasized as part of our people value. This behavior makes it clear that we prioritize inclusivity everywhere we work, for everyone.

We believe that this commitment has contributed to our past success as an innovation company and will continue to drive our success in the future.

While acknowledging the increasing complexity, volatility, and uncertainty of the world today, we are committed to adapting to new challenges moving forward.

Philip Irele Evbomoen: Let's look at one of the behaviors under the Technology value: 'We experiment, learn and grow'. Experimentation is the heartbeat of innovation, which breeds pioneering. However, it takes an inclusive environment for people to be able to share diverse ideas that could be experimental and might not work at first, but they can fail fast, learn, and deliver the next game changing solution or technology that will make a positive difference in the world. If there is fear of rejection or people feel psychologically unsafe, those great ideas will never come to light and innovation will be stifled. As we have pivoted to become a tech company innovating in the oil and gas space, promoting and delivering on our evolved culture is sure to support the success of the organization going forward.

How do we incorporate the culture of Diversity and Inclusion (DNI)?

To start, it is important to say that this must be done with authenticity and reflect in the company's values. Diversity and inclusion are not buzzwords or concepts to be used as marketing instruments. If used as such, I believe companies will miss out on important performance gains and depreciate their long-term competitiveness. At SLB, People always has been our first value, and within our people policy, we have always been clear that a diverse and inclusive team is essential for our growth.

Secondly, you must ensure that you are promoting both diversity and inclusion equally.

Additionally, reinforcement and equipping people through training is a top priority.
We design training programs using new methods rather than the traditional text-based training, like virtual reality-based training. This allows us to immerse people in realistic simulations and real-life scenarios. Because diversity and inclusion challenges differ in various regions; there are tribal challenges in some places, for example, so we tailor trainings and situations to locations. For us, education is a powerful tool in addressing biases, which are the most common root cause of the challenges around inclusion.

If we can bring everybody to understand that we all have biases, no matter who you are, and actively work towards addressing them, it's a step in the right direction.

Maryam Irfan, Oil & Gas IQ: How does this contribute to the overall success of the organization?

Philip Irele Evbomoen: The science is clear: diverse teams perform better than less diverse ones.

However, diversity has various dimensions, including nationality, cultural diversity, gender diversity, diversity of thought, beliefs and so on, with gender and nationality being among the more popular ones. Study after study has shown that a diverse team tends to perform better, providing multiple dimensions and perspectives that enable success. The secret sauce though is inclusion. The value and impact of a diverse team is unleashed in an inclusive and psychologically safe environment where everyone can perform at their best, despite differences.

Maryam Irfan, Oil & Gas IQ: As a speaker at our upcoming event, what are you most looking forward to at this year's Transformation in Energy Summit?

Carlos Sarmiento: What I am looking for is to learn from others and to be able to convey these important messages. Within my role, I aim to highlight the fact that Diversity and Inclusion (DNI) is crucial for organizations, especially if it is done properly and is connected to the business. It's not just about creating awareness; it's about building acceptance simultaneously because mere awareness will not lead to real inclusion.

Philip Evbomoen: I'm Canadian so I'm looking forward to going back to Canada and engaging with leaders across different organizations around energy transformation, which is the topic of today. I think it will be very interesting to contribute my piece and learn from others. I'm really looking forward to the knowledge exchange in an environment where I can learn, grow and give back as well.

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