



Oil and Gas Leadership: The Framework for Moving from Disrupted to Disruptor Adamantine Foundations 1

by Tisha Schuller

The oil and gas industry is at a crossroads. There is massive disruption underway, accelerated by the pandemic and its legacy. How we choose to handle this disruption will decide not only our future, but the future of energy. When we take the path of least resistance, we continue to maintain (and even fight for) the energy status quo. When we take the path of the disruptor, we seize the opening that today's disruption offers us to meet the public's desperate desire for energy leadership. It is only as disruptors that we will lead the way into the energy future.

As part of an Adamantine Foundations series, I begin here making the case for why our current strategies of "educate and engage" no longer work, and why we must shift our mindset to engage proactively and constructively with the disruptions underway. The first three parts in this ongoing series lay the scaffolding for game-changing leaders to understand how Adamantine works with our clients and partners to help them pivot from disrupted to disruptor to build the energy future.

Why We Must Seize the Energy Future

Plenty of people will object to my central thesis that we in the oil and gas industry must urgently propel ourselves into creating the energy future. After all, many of the disruptors that I will describe in Adamantine Foundations 2 are founded in the shifting public opinion that foreshadows the end of oil and gas. If I were a fossil fuel opponent, I would see this line of thinking as an aggressive attack on the undeniable march to a fossil-free future.

But if I were a fossil fuel opponent, I would be wrong. There is a vital leadership role for the oil and gas industry to envision, lead, and help build the energy future — for all of us.

But before we are ready to transform the world's energy system (!), we must understand that in energy — as elsewhere — two opposing ideas often are both true.

It is true that we in the oil and gas industry can no longer ignore a public who increasingly does not like us, trust us, or value the critical work we do. The turning tide of public opinion has morphed into an existential threat that cannot be ignored.

It is simultaneously true that we — the oil and gas industry — can invest, accelerate, create, and execute on the decarbonized energy future faster, better, and cheaper than any existing agency, organization, or system.

We can't run away from these dueling mindsets. Both are true; both are powerful. And both form the new world that we must accept — not educate -- and lead.

Two Energy Mindsets

We have done such a good job of creating abundant, affordable, always available energy that the world, including the people around us every day, takes it for granted. Universally, our neighbors, supporters,

and critics share the expectations that their heat will kick in when they adjust the thermostat, gas stations will have fuel when they pull into the pump, and the office lights will never flicker. And all of this will happen at a predictable, affordable price.

Around the world, billions of people are coming to have and expect a middle-class quality of life and its requisite — available, affordable, reliable energy. Energy is, in fact, the requisite resource that developing economies need to emerge into the middle class — making possible the education and employment that transforms villages, cities, and entire economies.

None of this demand is going away soon. Which brings us back to the idea that two opposing ideas can be true at the same time. In our reality as leaders of the oil and gas industry, both of these things are true:

- The world requires abundant energy — well into the future — more than ever before.
- There is growing opposition against oil and gas development and operation in all its forms.

Why is there a disconnect between wanting reliable energy and not wanting the product that provides us with said energy? Let's look at the two mindsets driving this thinking.

The first mindset — the *energy as lifeblood mindset* — was dominant for decades. In brief: Energy is the lifeblood of our lives and the global economy. We in oil and gas have done such a good job at producing energy that the public no longer has tolerance for any type of energy disruption or price increases. Oil and gas provide feedstock for all kinds of life-critical things. And we know that the world is going to need more energy — and a lot of it. The most important thing we can do to raise people out of poverty and improve the economies of developing countries is provide energy.

The other — growing — perspective is *the fossil-free mindset*. We cannot dismiss this perspective or educate people out of it; this mindset is rapidly becoming our biggest risk. This view argues that climate change presents a moral obligation to stop using fossil fuels. With this mindset, a conversation about energy and the environment quickly moves from a discussion about science and facts into a conversation fueled by political identity. From this perspective, it is fine that we need to get off fossil fuels, because we should already be there.

This mindset has arguably become today's dominant mindset, which is why it has become our biggest risk. The fossil-free mindset has grown from a grassroots movement to one which dominates investor briefings, boardrooms, strategy sessions, and state legislatures (both red and blue).

We can no longer dismiss or lecture those who hold these beliefs — those days are behind us. We do not have to agree with this perspective, but we do need to understand it as part of the backdrop of disruption.

Stop Educating. Instead, Seek to Understand

“Educate and engage” is still the first line of defense for our industry in the face of opposition. I have had extensive firsthand experience in conducting education and outreach campaigns on behalf of the oil and gas industry. When I first joined COGA, I too thought, *if only they knew what we know!* (And, p.s.: Who better to tell them than me?!) My first hire at COGA was a researcher, and that first year we made

dozens of fact sheets. I hit the road constantly providing educational briefings and science-based narratives around safety, environmental protection, and the importance and complexity of the energy system.

It took years for me to see that education plays a limited role. The science of behavioral economics finally helped me reckon with a public not only dismissive of my presentations but often enraged by them, not calmed. In our polarized world, education is only effective once trust and relationship are established.

I realized that our linear path — to educate and engage the public about the importance of oil and gas in order to promote acceptance—would no longer suffice. So then what?

We find ourselves at a tipping point for oil and gas social risk. When I refer to social risk, I mean the political, regulatory, and community risk that could delay or threaten your company's project or operations. We have increasingly seen how the public's anger toward oil and gas materially impedes everything from pipeline construction to utility pipe replacement.

We begin with the recognition that a new dichotomy demands a new conversation. The oil and gas industry must increasingly engage with skeptical (or even hostile) individuals who hold decision-making authority. These individuals are looking to a different energy future — one that is high tech, decarbonized, and environmentally sustainable. We cannot meaningfully influence these conversations if we are not participating in them.

As with all mind-bending problems, our approach must be — *seek first to understand*. We must become students of the dueling mindset, studying it with dispassion and curiosity. Then we can become inquisitors of the disruptors — which are explored in *Adamantine Foundations 2*. Ultimately, we must use these insights to drive game-changing disruptions ourselves (*Foundations 3*).

If you're interested in a deeper dive into all of this material, check out my latest book, [*The Gamechanger's Playbook*](#).