INTRODUCTION

Energy is an essential input for economic development. It has become a lever for economic development and for industrialisation of the economy. Today energy is considered as a factor of production, viz., land, labour and capital. Without energy production is not possible. Energy is derived mainly from two basic sources: commercial sources and non-commercial sources. The commercial sources are oil, coal, gas, nuclear energy and hydro-energy. The non-commercial sources of energy are firewood, cowdung and vegetable wastes. In India, the consumption of commercial energy has been going up by about 7% per annum.\(^1\) It is now the backbone of the industry. Its domestic consumption is an indicator of the level of industrialisation in the country. The commercial energy sources (coal, oil, gas, hydro and nuclear power) account for about 60 percent of its supply in India, with the remaining 40 percent supply from non-commercial sources (firewood, agricultural and animal wastes)\(^2\). Although Non-commercial energy is declining as a percentage of the total consumption in the country.

Among the commercial energy sources, oil occupies an important place. In India when there is one percent growth in national income, petroleum products consumption increases by 1.8 percent.\(^3\) In fact, the per capita consumption of energy is now one of the important

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1. Dr. (Mrs.) Sneh Gupta, Energy Consumption in India, New Delhi, Yojana, March 1-15, 1990, p. 6.


3. Ibid.
indicators of economic development. India's per capita consumption of commercial energy is only 1/8th of the world average.¹

The increasing importance of commercial energy for rapid industrialisation and faster economic growth made the Government realise the importance of the development of indigenous oil industry, specially in the public sector. Moreover, the increased demand for petroleum products was accompanied by the rapid rise in oil imports, with a subsequent negative impact on India's balance of payments. In 1954 India imported $ 200 million worth of oil which accounted for 15 percent of her import bill.² The soaring demand for energy was the major cause of the Government's closer scrutiny of its energy policy. One option was to utilise the expertise and facilities of the multinational companies and encourage them to construct local refineries. However, such dependence on foreign oil companies was politically unfavourable. The second option was to encourage local development, particularly, of crude oil exploration. Initially both these options were pursued.

Keshav Dev Malaviya joined on 11th August, 1952, as Deputy Minister for Natural Resources and Scientific Research, Later in 1955 when he became a Minister for Natural Resources Fund, he visited U.S.S.R., U.K., Netherlands, Switzerland, Rumania, France and West Germany to know the process and status of oil industry in these countries. Soon

1. Dr. (Mrs) Sneh Gupta, Energy Consumption in India, New Delhi, Yojana, March, 1-15, 1990, P. 7
after it, Malaviya announced that oil exploration will be launched by the Government of India. Oil exploration then was not an easy task as it is today, because leading foreign geological experts and other experts of oil industry had warned India against the decision to set up oil industry. Foreign geological experts believed that India had no hydrocarbons of oil but the Malaviyaji was not the man to be deterred by this view of foreign experts, although he was not sure of success in setting up oil industry in the country. At the time of independence, the country produced only 0.25 million tonne of oil per year from its field at Digboi in Assam.\(^1\) More than 90% of petroleum products requirement were imported.\(^2\) It was only in August 14, 1956 that the oil and Natural Gas Directorate under the Geological survey of India was raised to the status of a commission which was made a statutory organisation on 15th October, 1959. Initially, the Oil and Natural Gas Commission (O.N.G.C.) was formed to accomplish the task of exploring, drilling, assessment and production of oil and natural gas. Today, 32 million tonnes per annum of crude oil is being produced in the country from various oil fields of Assam, Gujarat and Bombay. Today high offshore fields and Gandhar oil field (Gujarat) are meeting nearly two third of the country requirements.\(^3\) The Commission's contribution was 29.64 million tonnes of crude oil during 1988-89.\(^4\)

Today O.N.G.C. has acquired a dominant position in the oil industry as an integrated public sector unit. It has reached the enviable

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2. Ibid.
3. Ibid.
4. Ibid.
position of a mother industry in the economic structure of India. It is providing fuel and feeds stock to power plants, mills, refineries, fertilisers, petro-chemical other petroleum based industries, besides domestic gas and LPG supply. It has started a new industrial activity, in the construction offshore platforms, manufacture of rigs, pumps and hosts of other engineering equipments in addition to promoting offshore oil services and consultancy in the developing countries of Asia.

The corporate structure of O.N.G.C. is a top heavy management structure. Its manpower shot up from 26,374 to 44,000 during the period from 1981 to 1988.¹ Expenditure on employees went up during this period from about Rs. 54 crores to Rs. 227.72 crores.² The average annual expenditure per employee is now about Rs. 51,000.³

With this dominant position achieved by O.N.G.C. in the energy sector as well as in the over all development of the economy, the present study aims to highlight how for O.N.G.C., besides fulfilling its industrial objectives and emerging as an economically viable public sector unit in India, has been able to fulfill its social responsibility towards its employees and to make an appraisal of its personnel policy.

Personnel management is increasingly assuming importance in India due to the change in production, distribution system and increase in the size and complexity of the organisation structure of the public

2. Ibid. p. 22.
3. Ibid.
enterprises. The management of Indian public enterprises is changing slowly from traditional management to professional management. Social change, cultural norms and values are also influencing the professional management thinking and practice due to the changes in workers norms, values, goals, political changes (labour unions) and development of new thinking of social acceptance among the personnel. In this regard the process of change in the socio-economic and technical systems in the organisation, personnel management can play a very important role in the organisation (enterprise) to improve productivity, profitability and industrial harmony. Personnel management has to perform its traditional functions of staffing, compensation, training and development, and welfare as well as challenging functions of employees' motivation, organisational planning, design, etc. But personnel managers in Indian public enterprises are still not performing these very important functions very efficiently.

This is one of the most important reasons of the current labour unrest and low level of productivity and profitability in the public enterprises in India. The personnel managers in India lack two basic qualities of decisiveness and motivation of other people. These two qualities are necessary for the smooth running of the enterprise and for maintaining industrial harmony.

The Oil and Natural Gas Commission's personnel management and its personnel policy are based on its corporate values of caring about its employees and social acceptance and their confidence in it. The personnel policy of the Commission lays more emphasis upon the creation of an environment for its employees that they can lead to
a higher productivity, profitability industrial harmony, innovation, creativity and an optimal utilisation of its resources. The Commission has drawn up a human resource development plan with a view to matching the individual's aspirations with the organisational growth and objectives. The Commission has been providing training and re-training to its employees within India and abroad. The Commission have trained over 40,000 employees from 1985 to 1989.

Review of Literature:

A good deal of analytical literature exists at broad levels about problems associated with productivity, financial performance, size and technology, and manpower. An humble attempt is made to review briefly some of the relevant existing studies, as given below:

In P.A.S.'s articles (1,2,3,4,5) an attempt has been made to discuss the crude oil position from 1979 to 1988 in relation to production of crude oil, imports and impact on the economy. His analysis pertains to the period 1979-1988. According to him O.N.G.C. has failed in achieving self-sufficiency in oil because consumption of crude oil is greater than production due to industrialisation, transportation development, and agricultural development (more irrigation).

   2. Ibid, 198, p. 97.
In C.V. Gopalakrishnan's articles (1,2,3,4,5)\(^2\), an attempt has been made to analyse the onshore and offshore crude oil production from 1980 to 1988, with pregnosticated reserve and project number of Seismic Survey. It is also a study in exploratory drilling wells and development drilling wells by the O.N.G.C., components of its action plan (1980-85 to 1985-90) for exploratory drilling, development drilling and number of wells in comparison to the present demand of crude oil, in the country. Lastly, he concluded that the crude oil production shows modest rise in the seventh plan.

G. Ramaswamy's\(^3\) article measures the failure of the O.N.G.C. in crude oil production in the country and also compares O.N.G.C. with other international companies of the world. The period his study covers is from 1974 to 1987. His study reveals that O.N.G.C.'s record is good in oil exploration. O.N.G.C. has failed to show any growth during the past three years due to the deficiency in extraction, not in exploration. The crude oil stagnation in recent year is the result of deficiency in extraction. While much oil is reserved in the fields, it is not able to explore fully.

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   2. Ibid, 1984, p. 99

In H.P. SHAH Article Study:


In his study the author has examined the total area of Gandhar oil fields. The total resources of Gandhar prospective field were estimated at 466 million tonnes of which 100 million tonnes of oil and oil equivalent of gas were proven reserves. The early Production System (EPS) for data collection and other operation for crude oil production was introduced in 10 wells among the total 14 wells of this field. The study shows the optimistic trends in oil production in the country because Gandhar is the gold mine of India.

Dr. A.K. Malhotra's (Member offshore O.N.G.C.) work in 1984 is a very important study in relation to effective human resources management in the public enterprise in India. His case study covers the human resources management development in O.N.G.C. from 1979 to 1983. His study is based on the basis of (1) political will and leadership in the commission, (2) supportive bureaucracy which means its role as friend, philosopher and guide of the commission rather than querulous oriented bureaucracy and (3) managerial autonomy in the Commission with the selection of the right man for the right job. The success of the O.N.G.C. depends more on environmental factors rather than on external factors. The whole effectiveness of the human resources development management is analysed with the yardsticks of the definition of clear objective,

strategies structure of the organisation, systems and skills of the personnel.

In S. Ramanathan's article, an attempt has been made to discuss the career management in O.N.G.C. since 1970. His study reveals that the career management in O.N.G.C. has been influenced by the external as well as internal factors. His study describes that external influencing factors were regulatory environment, economic environment, political environment, social environment, competition and the internal influencing factors were organisational design and structure, technology, operating systems, personnel management, organisational style and financial resources.

In the end an attempt has been made in this paper to outline the likely changes in the external and internal environments that are likely to affect functioning in the O.N.G.C.

M.S. Chemma's paper is a very important contribution in the field of management challenges in the offshore in the O.N.G.C. It makes a comprehensive study of the various aspects of new management culture, independent specialised service, new coordination approach and accelerated programmes in the management of O.N.G.C. towards particularly in the offshore fields.

R.K. Dhir's paper is a noteworthy study of human resources development in the O.N.G.C. He has measured the growth of manpower,

and has also compared it with production of crude oil.

G.D. Dhingra's paper attempts to evaluate the welfare concepts in O.N.G.C. His study has evaluated the general welfare measures relating to education of employee's children, medical, housing, travel, sports, etc., as they have been introduced all over the O.N.G.C. broadly on the pattern of similar measures adopted by the central Government for their employees. Finally, he concludes that the welfare measures should be continued to improve for raising productivity in the Commission.

S.S. Sachdev's paper is a noteworthy attempt to study the management of industrial relations in O.N.G.C. in relation to a cooperative approach. His study reveals that in the Management of industrial relations a cooperative approach is possible on the basis of a code of discipline in the Commission, of recognition of union and esprit de corps.

S.K. CHAWLA's paper is an attempt to discuss personnel planning in O.N.G.C. from 1957 to 1981. In this study, Mr. Chawla's concern is mainly with the human resources which are induced most sensitive, dynamic, appreciative and subject to various degrees of production of crude oil depending on now it is steered and utilised. His study analyses the manpower growth, manpower planning, directorate of manpower and change agent in the O.N.G.C.

Harbans Lal's paper\textsuperscript{12} is a very significant study of human relations in the O.N.G.C. His study covers aspects of human relations like definition, objectives of human relations, concepts of human relations, disputes, their causes, solutions and rules of human relations in the O.N.G.C. An important contribution has been made by him in this regard.

BADHWAR AND SHEKHAR KUMAR JHA\textsuperscript{13} (1981 to 1986) analyse crude oil production trends in the O.N.G.C. Their study is of a comparative nature with crude oil production to profit, cost of its production, total number of employees, total expenditure on employees, average cost per employee and demand of crude oil for consumption in the country. Their study concludes that the O.N.G.C. concentrates too much on its organisational structure and its image rather than on its primary objective of self-sufficiency in oil, and is also centralised in some oil bearing structures like Bombay High and left other poor oil bearing structure. The total cost is increasing at a very faster rate than crude oil production and manpower.

In Eapen Thomas's article\textsuperscript{14} an attempt has been made towards the privatisation of oil exploration. It concludes that privatisation of oil sector has various benefits like lower cost, decentralisation lessening risk in oil exploration among the private as well as foreign collaboration

\begin{itemize}
\item[12.] Harbans Lal, \textit{Human Relations} op. cit., p. 103.
\item[14.] Eapen Thomas, \textit{Private Sector at the threshold}, \textit{Business India} New Delhi, March 6 to 19, 1989, p. 53.
\end{itemize}
in this regard. Privatisation of oil exploration can provide full self-sufficiency in oil with minimum burden and loss on the Government. It is a very optimistic study of oil policy of the country.

In Col. S.P. Wahi's article an attempt has been made to analyse the functioning of O.N.G.C. and its role in generating energy for the country. His study covers the achievements and weaknesses of the O.N.G.C. At last it is concluded that there must be areas that require to be further strengthened for achieving self-sufficiency in oil and also need the introduction of time management approach in the organisation.

In Kumar Ketkar's article an attempt has been made to discuss the public relations and communication at the time of crisis in the O.N.G.C. His study reveals that the O.N.G.C. public relations and communication are open for all the public Government and press reporters. This openness of public tendency is helpful in judging the irresponsibility of the employees and executives at the time of any crisis in the organisation.

15. Col. S.P. Wahi, Technologically we are fully self-reliant, Sunday, New Delhi, 2 to 8 April, 1989, p. 51.

Aims and Objectives of the Study:

These are the following objectives of this study:

1. To acquaint the readers, business executives, government administrators, graduate and advanced students of management and industrial relations with an adequate knowledge of the principles, policies and practices of personnel management in India.

2. To provide a general framework of personnel management concepts, principles, theory as well as managerial practices in the Commission.

3. To trace out the future challenges of human resource management and future thrust areas of technology upgradation of office, communication system, establishing profit centres - within the organisation for optimisation of resources for greater efficiency and productivity of the O.N.G.C.

4. To appraise the personnel policy because there is no significant change during the last two decades (1970 to 1989) in management particularly in the operation area with the long run promotion policy and the new personnel policy of the Commission.

5. To critically evaluate the various welfare facilities heads of the employees in the Commission.

6. To analyse the practices of the personnel in the area of human resource development, performance, appraisal, career planning training and development, financial assistance and welfare measures of the employees in the Commission.

7. To find out the causes of grievances of personnel in the Commission.
8. To identify the areas where improvement is needed and practicable in the areas of existing theories and practices in other organisations (culture).

9. To review the organisational structure of O.N.G.C. and offer certain suggestions for further improvement.

Methodology:

The data and suitable statistics for this study have been collected from both primary sources and secondary sources. As regards the primary data, the opinion survey through standard questionnaire has been used and some important matters have been discussed with the officers of the Commission at its headquarters, Dehradun. The secondary data have been collected from at headquarters, Dehradun (O.N.G.C. Library), Maulana Azad Library, Aligarh Muslim University and the seminar library of the department of Commerce Aligarh Muslim University. The study has taken the help of financial statistics published by the Commission in the form of annual reports, Journals and other literatures as well as newspapers and various other publications.

The study has utilised appropriate statistical devices to assess the change and general working performance and personnel policy of the Commission from various angles. A general appraisal of performance has been made through the statistical device of annual growth rate of the production, sales, net profit, exchequer and internal financial resources. For appraisal of personnel policy and practices, a statistical device of percentage basis to assess positive and negative response of personnel
has been used for evaluating personnel policy and practice at the Commission

**Chapterisation of Study:**

The broad framework of this study is presented in six chapters. The first chapter introduces the study of historical development of the O.N.G.C. It reviews the historical background of the O.N.G.C. in India since its inception. An account of the present position and status of the Commission is also discussed in it.

Chapter two examines the organisational structure of the Commission. It discusses the main features and patterns of organisational structure of the Commission. Organisational effectiveness of the Commission is measured through the clear cut objectives, authority and responsibility, communication, leadership style, motivation of employees, manpower planning and social responsibility of the organisation towards the society.

Chapter three discusses the personnel policy of the Commission.

In chapter four an attempt is made to appraise the practices of the personnel policy of the Commission on the basis of questionnaires. Positive and negative response of the officers on the percentage basis are discussed in it.

Chapter fifth examines critically the personnel policy of the Commission. The analysis is made on the basis of annual growth rate of various welfare heads, financial social and industrial relations in the Commission.
The sixth and final chapter draws some useful conclusions and broad guidelines in order to achieve further improvement in the personnel policy and practices at the Commission.