CHAPTER V

CASE STUDY: INDIAN OIL CORPORATION LIMITED
(REFINERY DIVISION) GAUHATI

Historical Background:

With the discovery of crude oil at Maharkatiya and Moran in upper Assam region and the possibilities of future 'finds', it was decided to set up a refinery at Gauhati and another at Barami in Bihar by the Government of India. The responsibility was entrusted to the Indian Oil Corporation, a Government of India undertaking.

The Gauhati refinery, the country's first refinery in the public sector was set up in collaboration, technical and financial assistance from the Romanian Government to process 75 million metric tones of crude oil produced at Maharkatiya and Moran supplied by Oil India Limited, Daliyjan in upper Assam through 16\" trunk pipeline over a distance of 270 miles. Presently, some quantity of crude oil from Lakhwa oil fields in upper Assam are also pumped through the pipelines in admixture with oil India's crude. This refinery covers an area of 110 acres of land inclusive of process units, thermal power station, office site facilities, tank farm, rack etc.

The construction of the refinery started in October, 1959 and was inaugurated and presented as a New Year's gift to the Nation by the then Prime Minister of India late Jawaharlal Nehru on 1st January, 1962.

The Office of the Board of Directors is located at Delhi and the over-all responsibility of functioning of the refinery is being entrusted to the General Manager at Gauhati who is assisted by a Deputy General
Manager and other various Divisional Heads and various categories of staff below them. The over-all functions can be divided into three broad divisions – Refinery, Accounts, Administrative Department and the Personnel Department. The Personnel Department's responsibility is vested with a Senior Personnel Officer who directly reports to the General Manager and is being assisted by his staff for day to day discharge of his responsibilities.

The formulation of the personnel policies are the responsibilities of the Board and the General Manager of this unit simply implements the same.

THE PERSONNEL DEPARTMENT-MODE OF FUNCTIONING VARIOUS ACTIVITIES

Recruitment procedure:

Sanction for creation of posts:

A proposal for creation of any additional posts should be initiated by the department concerned, giving full particulars for the need of the additional post and the period for which it is required. The proposal should be routed through the personnel and accounts departments to the GM/MD as the case may be.

Power have been delegated to the G.M. to create temporary posts for a period of one year in the prescribed scales of pay of the Corporation, the maximum of which is K. 625 and to extend the duration for further period not to exceed a total duration of more than two years for any temporary post. Moreover, powers have been delegated to the M.D. to create temporary
post for a period of 4 years in the prescribed scales, the maximum of which should not exceed Rs.1250. Powers have been vested with the Board of Directors for creation of all posts other than those of the G.Ms irrespective of pay. The approval of the Central Government is necessary for appointments to the posts in the scale of pay Rs. 2500-3500 and above of persons who have already attained the age of 33 years whether they be from public or private sector.

All posts sanctioned in a financial year as far as possible be filled up within 6 months of obtaining sanction, such a post will be treated as lapsed unless it is specifically stated that it would be effective from the date the post is filled in. Every appointment is identified by a reference to the appropriate sanction number.

The personnel department is responsible for taking necessary action for recruitment of people after obtaining proper sanction from the competent authority. Recruitment must be completed within 5 months or such period as may be prescribed.

**Recruitment policy and source of recruitment:**

The following are the sources of recruitment:

(a) Employment Exchange

(b) Direct recruitment (Through advertisement and other sources)

(c) Internal promotions

(d) Transfer, deputation from Government Departments or from other public undertakings.
Vacancies of all categories of sanctioned posts are notified to the Employment Exchange in the manner prescribed in Rule 4 of Employment Exchange (Compulsory Notification of Vacancies) Rules, 1950. Direct recruitment is made only when the Local Employment Exchange fails to provide suitable candidate and furnishes a "Non-availability Certificate." Subject to the provision of the promotion policy of the corporation, all sanctioned posts are normally advertised in the leading daily newspapers. Advertisements for all posts in the Grade I to VIII are normally issued on an all-India basis. Advertisements for posts in the Grade IX to XII are normally issued at least in two leading newspapers in other states as may be considered necessary. A copy of the advertisement for highly technical qualified people is to be sent to the Ministry of Education and the Council of Scientific and Industrial Research so that they may bring the advertisement to the notice of the Nationals studying abroad or who have returned from overseas. Copies of notification of vacancies to Employment Exchanges and advertisements are put up on the notice boards of the corporation for the information of the existing employees. A copy of each advertisement issued by one unit (Refinery) is also sent to other units (Refinery) for information of the employees and also to the Head Office for information.

In the case of all-India advertisement for the posts in the Grade I to VIII, the applicants are required to send a crossed postal order for Rs. 3 (Rs. 2 for Scheduled Castes/Schedule Tribes candidates). The departmental candidates are also required to pay the prescribed application fee.
The applications received in response to advertisements are registered by the personnel department. Screening of applications is initially being done by the personnel department in consultation with the department concerned. The number of candidates to be called for interview is normally fixed on the basis of 7 candidates for each post. It is necessary to obtain confidential reports of the candidates belonging to Government Departments before they are called for interview.

A number of committees are being constituted for selection of candidates. For selection to posts in the Grade I to VI, a Selection Committee is formed with the Resident Director of the Corporation and the Chief Personnel Officer. Additional members such as Technical Experts from outside are being co-opted on the selection committees wherever necessary. The Selection Committee meeting is held at the Head Quarter of the Corporation at New Delhi.

For selection to the posts in the Grade VII and VIII, the Selection Committee consists of the Managing Director or his representative, the Chief Personnel Officer or his representative and a representative of the department concerned. The committee meeting is ordinarily held at New Delhi. Additional members such as Technical Experts from outside are co-opted on the Selection Committee when necessary.

For selection to the Grades IX to XVI, the Selection Committee consists of the following:

1. The Deputy General Manager (Technical/Chief Engineer or his representative).

2. Representative of the department concerned.
(3) Representative of the personnel department
(4) A representative of the Assam Government.

For selection to non-technical posts, the Selection Committee is consisted of the following:
(1) The General Manager or his representative.
(2) A representative of the department concerned.
(3) A representative of the personnel department.

In all the Selection Committee meetings, the quorum is formed with three members.

For all interviews conducted by the Selection Committees, minutes are being prepared by the personnel department and are signed by all the members of the particular selection committee. The function of the selection committees are of advisory character and in case, the recommendations of the selection committees are not accepted by the competent appointing authority, adequate reasons for rejecting the recommendations are recorded by the same.

Merit and experience of the right type forms the primary considerations for recruitment. While selecting candidates for the various posts, the respective selection committees have to keep in view the Government's policy in regard to reservation of posts for the Schedule Castes/Tribes.

The above reservations are subject to availability of suitable candidates with requisite qualifications.
Promotion policy:

For the purpose of promotion, the Gauhati Refinery is treated as a distinct unit. However, there is no bar to management transferring employees from one unit to the other in the same posts or on promotion if such transfer or promotion is considered by the management for the greater interests of the corporation.

The management before filling in any post in any unit, first find out if any of the existing employees are suitable for being promoted to the vacant post. The suitability of candidates are being determined with reference to the qualifications prescribed for the post and merit. A promotion committee consisting of a representative of M.D./G.M., representatives of the department concerned and representative of the personal department nominated by the DM/GM examine the requisites of the promotable candidates. The recommendations of the promotion committee is being forwarded to the DM/GM who take final decision within their powers or where necessary seek the approval of the Board of Directors.

Although suitable departmental candidates may be available, management may by general order made in advance decide that a particular post or percentage of posts in any category shall be filled in by direct recruitment wherein employees of the corporation shall be entitled to compete with other candidates for selection. Departmental candidates however are considered for promotion to a higher post provided they put two year's or such other period of service as may be prescribed by general or special order. Promotion of employees to posts in the scale of pay Rs.500-1250 and above are made entirely on the basis of merit. On the other hand, promotions in other
scale are made after taking into consideration of merits and the seniority of the candidate concerned. The requirement of educational qualifications are relaxed in the case of departmental candidates who have long experience or special merit to the extent or the nature stipulated in advance for certain category of posts. The existing employees are at liberty to apply for any of the posts advertised by the Corporation for any Units and are considered along with others if they possess the prescribed educational qualifications and experience.

For promotion to posts in the scale of pay Rs.460-1020 employees of the Gauhati Refinery is considered while the posts in the scale of Rs. 700-1250 and above are advertised on an All India basis for filling up vacancies otherwise than by promotions/deputations.

To sum up the promotion policy, it has been observed that the following criteria are taken into consideration for determining the suitability of departmental employees.

1. Experience in the line of the posts
2. Educational qualifications
3. Seniority
4. Confidential reports.

Other things being equal, the seniormost persons are normally promoted to the higher post.

**Employment position:**

The Gauhati Refinery had in all 1,259 employees as on 50th November, 1970. The number of employees working in the Refinery during the period 1964 to 1970 and of 1973 are in table 5.1.

### Table 5.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>1193</td>
<td>8</td>
<td>1207</td>
</tr>
<tr>
<td>1965</td>
<td>1249</td>
<td>7</td>
<td>1266</td>
</tr>
<tr>
<td>1966</td>
<td>1266</td>
<td>12</td>
<td>1278</td>
</tr>
<tr>
<td>1967</td>
<td>1557</td>
<td>12</td>
<td>1569</td>
</tr>
<tr>
<td>1968</td>
<td>1342</td>
<td>12</td>
<td>1354</td>
</tr>
<tr>
<td>1969</td>
<td>1339</td>
<td>12</td>
<td>1351</td>
</tr>
<tr>
<td>1970</td>
<td>-</td>
<td>-</td>
<td>1259</td>
</tr>
<tr>
<td>1975</td>
<td>1245</td>
<td>-</td>
<td>1245</td>
</tr>
</tbody>
</table>

*includes 158 officers*

The table 5.2 shows classification of employees pertaining to the year 1970, according to Status/by place of birth in Assam and outside Assam and by Emolument Groups. The purpose behind of furnishing the above information is to highlight how far the people of this backward State are benefited in the field of employment as a result of the establishment of the Refinery.
Table 5.2
Classification of employees according to status (both Male and Female) by place of birth in Assam and outside Assam.

<table>
<thead>
<tr>
<th>Place of Birth</th>
<th>Class I</th>
<th></th>
<th>Class II</th>
<th></th>
<th>Class III</th>
<th></th>
<th>Class IV</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Assam</td>
<td>52</td>
<td>1</td>
<td>53</td>
<td>(44.54)</td>
<td>8</td>
<td>-</td>
<td>8</td>
<td>(57.11)</td>
<td>499</td>
</tr>
<tr>
<td>Outside Assam</td>
<td>65</td>
<td>1</td>
<td>66</td>
<td>(55.46)</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>(42.86)</td>
<td>206</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>2</td>
<td>119</td>
<td>(100)</td>
<td>14</td>
<td>-</td>
<td>14</td>
<td>(100)</td>
<td>705</td>
</tr>
</tbody>
</table>

(The figures in brackets indicate percentage to Column totals)

Comments:

The overall picture of the share of local employment in the organization is no doubt very encouraging but employment to Class IV employees from outside the State is not convincing for the reason that there is no dearth of this class of job seekers within the State. In view of growing unemployment in the State, it would be prudent on the part of the Refinery Authority to amend their personnel policy so that the hungry job seekers of this backward State find more scope of employment.

Man-power training and development:

The Guwahati Refinery has its own training programmes arranged by the Training Department. The Training Department offers training facilities to the employees in different branches of the Industry. In order to meet the requirement of Engineers and Technicians, the Management decided on a policy in 1965 to recruit young engineers every year so that after training they may be absorbed in the Refinery or other Industries.

Under the Apprenticeship Act, Trade Apprentices are recruited for different designated Trades by a Selection Committee represented by the State Liaison Officer, Government of Assam. The apprentices are given both shop floor training as well as lectures under the Training programmes. They are given training for a period ranging from one year to three years depending on trades. They are entitled to stipend of Rs. 95/- for the first 6 months and Rs. 100/- per month for the next 6 months and Rs. 125/- per month for the remaining period. The State Government gives a subsidy of Rs. 10/- towards fee per apprentice.
Training of Assam Government Engineering Personnel:

A training course for 17 Trainee Engineers, Technicians and Operators sponsored by the Assam Industrial Development Corporation (A Government of Assam Undertaking) was organised at the Refinery Training Centre in the later part of 1978. The training course extended from 18 months to two years to cover a wide range of subjects like operation, maintenance, planning and administration. The Refinery Training Centre organised a similar course for 20 Engineers in 1971 also.

Supervisory Training:

Short term courses for supervisory staff of the Refinery are organised in the Training Centre where supervisors and Junior Officers are allowed to participate. The subjects included in the training programme are human relations and discipline, art of leadership, wastage reduction and health hazards etc.

Workers' Education Programme:

Full time courses for two to three weeks are also organised by the Training Department to educate workers in different aspects of the Organization. Training courses of "Workers and Productivity" are organised from time to time where workers from different departments participate. As a part of training, participants are often taken out on Industrial tour to nearby Industrial Undertakings.
Safety Week:

Annual fire and safety week is celebrated in the refinery by organizing meetings, demonstrations, imparting training to workers and supervisors on safety measures. Also, display of banners of safety slogans, films on safety aspects and fire are screened in different sectors of the residential colony during the safety week. Competitions on safety slogans, posters, suggestions from workers are special features of the celebrations of the safety week.

Wage and Salary Administration:

Being a Central Government Undertaking, the Wage and Salary Administration does not pose a difficult problem as in the Private Undertakings. As the pay scales are uniform in all the Refinery Units, there is also no problem of transferring employees from one Unit to the other. Because of the uniformity of pay scales, the question of bargaining with the Union for fixation of wage scale does not involve so much of problem and thoughts. However, the various scales of pay seem to be non-illusion to workers as the span of scales are considered to be very high and scope of advancement in career is very bleak in the lower level as only the Seniormost people can expect promotion.

The following are the approved scales of pay. Altogether, there are seventeen scales applicable to workers as well as Management Staff. The scales of pay from X to XVI are applicable to unskilled, semi-skilled, skilled, clerical and supervisory employees working in the Office and the Factory.
### Scale of pay

<table>
<thead>
<tr>
<th>Group</th>
<th>Pay Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>₹ 2750/- (fixed)</td>
</tr>
<tr>
<td>II</td>
<td>₹ 2500/- (fixed)</td>
</tr>
<tr>
<td>III</td>
<td>₹ 2000-125-2250</td>
</tr>
<tr>
<td>IV</td>
<td>₹ 1500-100-2000</td>
</tr>
<tr>
<td>V</td>
<td>₹ 1300-60-1600</td>
</tr>
<tr>
<td>VI</td>
<td>₹ 1100-50-1400</td>
</tr>
<tr>
<td>VII</td>
<td>₹ 700-40-1100-50-1250</td>
</tr>
<tr>
<td>VIII</td>
<td>₹ 480-50-670-85-1030</td>
</tr>
<tr>
<td>IX</td>
<td>₹ 375-22-488-EB-22-615</td>
</tr>
<tr>
<td>X</td>
<td>₹ 290-17-375-EB-22-485</td>
</tr>
<tr>
<td>XI(A)</td>
<td>₹ 215-11-270-EB-14-340</td>
</tr>
<tr>
<td>XI(B)</td>
<td>₹ 215-11-270-EB-14-298-16.50-415.50</td>
</tr>
<tr>
<td>XII</td>
<td>₹ 170-9-215-EB-11-292</td>
</tr>
<tr>
<td>XIII</td>
<td>₹ 115-7-150-(EB)-9-213</td>
</tr>
<tr>
<td>XIV</td>
<td>₹ 90-5.50-125-EB-4-179</td>
</tr>
<tr>
<td>XV</td>
<td>₹ 65-3.50-84-EB-4.50-120</td>
</tr>
<tr>
<td>XVI</td>
<td>₹ 55-2.50-71-EB-5.50-99</td>
</tr>
</tbody>
</table>

The workers get annual bonus at the rate 20% as per the terms of the Payment of Bonus Act, 1985.

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**Employee Benefits and Services:**

All permanent workers are members of Contributory Provident Fund. Workers enjoy all the Statutory Benefits granted under the different Acts. No pension scheme is in vogue.
The Factory workers are required to work in 8 hours shift a day and Office workers 7 hours a day. As regards holidays, the workers enjoy 12 paid festival holidays including the National holidays. Besides, they are entitled to 10 days Casual Leave, 10 days Sick Leave and 30 days Earned Leave in a Calendar year. The Annual Leave can be accumulated by a worker upto 120 days.

Medical facilities:

Free medical facilities are provided to the employees and their family members in the dispensaries in a well equipped 15 bed hospital. Besides the main dispensary attached to the hospital maintained by the Corporation, there are two other dispensaries in the housing areas making it convenient for patients to consult Doctors at fixed hours every day. Besides, special beds are also reserved for patients on emergency basis in the Gauhati Medical College.

Canteen:

The Departmental Canteen which is situated inside the Refinery premises provide meals, tea and snacks to the workers working in the shifts. The Management gives subsidy on meals and tea.

Co-operative stores:

Three Consumer Co-operative Stores are located in the three housing areas and have been functioning very satisfactorily which cater to the needs of essential food-stuff to the employees.
Co-Operative Bank:

The workers have organised a Credit Bank on Co-operative basis which was registered under the Co-operative Act with an authorised capital of Rs.50,000/- . The Refinery Management has extended facilities of deduction of share money, thrift money and other deductions from workers through payroll towards the Credit Bank.

Education facilities:

Gauhati Refinery has a combined Lower Primary and Montessori School which receives ad-hoc grant from the Assam Government. The Medium of instruction is English. Further, for the convenience of the employees' children studying in different educational institutions in Gauhati, transport is provided at subsidised rates.

Transport:

The employees are provided with transport at subsidised rates for attending to their duties. Also they are provided transport for marketing purposes in Gauhati town.

Housing facilities:

The Corporation has its three housing colonies located at three different places one in the East, one in the West and one in the North of Refinery meant for workers as well as Officers. About 60 per cent of the employees have been provided with houses at a very reasonable rate. House rent subsidy has been given to the workers living in the town area. Houses
provided by the Corporation are equipped with all modern amenities. Maintaining sanitation in the housing area is the responsibility of the Management.

**Sports:**

The Management encourages sports activities amongst the employees. The outdoor as well as indoor games are organised by the workers from time to time.

**Clubs:**

There are four clubs as at present, one for Officers and three for workers located in the housing areas. The Corporation has provided building and other capital items for the clubs. These clubs not only organise indoor and outdoor games but also organise cultural activities, cinema shows and provide reading facilities for the benefit of their members. A staff Institute was built by the Management at a total cost of Rs. 1,25,000/- which was formally declared opened in the month of June, 1974.

**Welfare scheme:**

With a view to extending a helping hand to the employees in their difficult times, a scheme under the name "Guwahati Refinery Employees' Welfare Scheme" was inaugurated in April, 1971 and was registered under the Societies Act XIII of 1860. There are total membership over 500 with a total amount of Rs. 65,000/- as fixed deposit, and deposit in a Saving Bank Account of Rs. 25,000/-. The beneficiaries of this fund are the employees suffering from prolonged illness. Also provisions have been made to help employees suffering from permanent disablement and widowed of deceased employees.
The personnel policies of the corporation are not adequate to meet the general aspiration of its workers. The recruitment policies seem to be defective as the selection committees for various grades of jobs are not the competent authority to make the final decision as their recommendations are subject to approval at other levels. Although the Government representatives co-opt in the selection process, it is doubtful if competent representative with expertise are deputed for representing in the selection body as there is dearth of suitable Officials at Government level. There is every likelihood that political considerations find its way in selection and perhaps the right type of people donot find their way to jobs.

From the policies enumerated, one can easily see that this Organization is not working on business like manner as decision taking authority is located at a far off distance and communications are entirely based on written form and purely on Government line. In short, the Organization is a part of Government Department and everything moves on Government line. Naturally, nothing good can be expected of the Management who have little decision making power.

The promotion policy followed by the Organization is quite apathic to meet the aspiration of the employees. Since the basic criteria of promotion is seniority alone, naturally it is beyond doubt that lot of competent promotable employees are deprived of promotion leading to frustration. It can easily be imagined how inefficiency has made inroads to the root of the Organization where only senior employees can expect promotion irrespective of their capabilities.
Besides, the employment opportunities provided to persons outside the State to a large extent of Class IV employees is painful in that there is every possibility of discontentment prevailing among the local job seekers who do not find employment opportunities outside the State. Hence it is strongly urged that the Management should stop engaging people from outside the State, as at present there is no dearth of local job seekers within the State. The employment problem in the State has already taken a serious dimension even of the educated youths not to speak of illiterate. Training facilities can be extended to a greater extent to meet the required type of skill and for that proper man-power planning should be initiated.

The commendable feature as is evident from the study is the training facilities provided to the workers as well as supervisory staff is no doubt is a healthy sign for industrial peace. As the supervisors are the bedrock of the Management hierarchy, the training facilities provided to them of the industrial relations, settlement of grievances etc. will definitely help maintaining cordial relationships between workers and Management.

To fulfil the aspirations of the workers as well as to minimise the discontentment, the long range salary scale should be brought down to 4 or 5 at the maximum. Because, unless there is scope for promotion, the workers' urge and aspiration for higher status and emoluments would in majority of the cases remain a dream and this state of affairs are bound to create frustration among workers and lead to inefficiency, the inevitable result of which would be low production and productivity.

The payment of 20% bonus without linking with productivity is a clear indication of acceding to unions demand which requires thinking on the part of the Management and Union for greater national cause.
From a single instance of allotment of quarters as was pointed out in an earlier chapter, it can be easily imagined how inefficient the Management is. The simple problem arising out of allotment of quarters had to be solved at the intervention of police. This not only signifies inefficiency alone but shows defects in personnel policies as well. Hence, it is urged that the authority should give a thought of revising its personnel policies if not already done.

The providing of welfare facilities for an undertaking of the Central Government is obvious as the Government policy is advocated for a socialistic pattern of Society.

To conclude, it is felt that the Personnel Management functions need more vigorous efforts to keep pace with the present day industrial trends.

Sources: The Information Incorporated in this study are based on the following:


(c) A Booklet published by the Refinery "First Decade of Guwahati Refinery".