Chapter 1

Introduction
1.1 Background

1.1.1 Indian Economy along with the Current Business Environment

The Economy of India is the seventh-largest in the world by nominal GDP and the third largest by purchasing power parity (PPP). The country is one of the G-20 major economies, a member of BRICS and a developing economy among the top 20 global traders according to the WTO. According to the Indian Finance Ministry the annual growth rate of the Indian economy is projected to have increased to 7.4% in 2014-15 as compared with 6.9% in the fiscal year 2013-14. In an annual report, the IMF forecast that the Indian Economy would grow by 7.5% percent in the 2015-16 fiscal year starting on April 1, 2015, up from 7.2% (2014–15). India was the 19th-largest merchandise and the 6th largest services exporter in the world in 2013; it imported a total of $616.7 billion worth of merchandise and services in 2013, as the 12th-largest merchandise and 7th largest services importer. The agricultural sector is the largest employer in India's economy but contributes a declining share of its GDP (13.7% in 2012-13). Its manufacturing industry has held a constant share of its economic contribution, while the fastest-growing part of the economy has been its services sector — which includes, among others, the construction, telecommunications, software and information technologies, infrastructure, tourism, education, health care, travel, trade, and banking industries. The post-independence era Indian economy (from 1947 to 1991) was a mixed economy with an inward-looking, centrally planned, interventionist policies and import-substituting economic model that failed to take advantage of the post-war expansion of trade and that nationalized many sectors of its economy. India's share of global trade fell from 1.3% in 1953 to 0.5% in 1983. This model contributed to widespread inefficiencies and corruption, and it was poorly implemented. After a fiscal crisis in 1991, India has increasingly adopted free-market principles and liberalised its economy to international trade. These reforms were started by former Finance minister Manmohan Singh under the guidance of Prime Minister P.V. Narasimha Rao. They eliminated much of Licence Raj, a pre- and post-British era mechanism of strict government controls on setting up new industry. Following these economic reforms, and a strong focus on developing national infrastructure such as the Golden Quadrilateral project by former Prime Minister Atal Bihari Vajpayee, the country's economic growth progressed at a rapid pace, with relatively large increases in per-capita incomes. The south western state of Maharashtra contributes the highest towards India's GDP among all states, while Bihar is among its poorest states in terms of GNI per capita. Mumbai, Maharashtra is known as the trade and financial capital of India.
India – Overview

- World’s 3rd largest economy (in PPP terms).
- Indian economy grew at 8.5% + CAGR from 2004-05 to 2010-11. Facing economic headwinds during recent times.
- Growth in the current FY to be around ~ 5% and would rebound to 6% during next FY.
- Foreign Trade (2012-13) - $ 800 billion
- Strong FDI Inflows - $ 160 bn during last 6 years
- Foreign Exchange Reserves –$ 290 bn
- Large and Growing Consumer Base
  - Population : 1.2 billion
  - One of the youngest nations by 2020
  - Over the next two decades, the country’s middle class will grow from about 5 % of the population to more than 40%.
- Currently, India is the world's 4th largest energy consumer
  - India’s per capita energy consumption is among the lowest.
  - Expected to be 3rd largest energy consumer in the next decade

Role of the capital as well as technology intensive industries such as Oil and Natural Gas in GDP of India

The oil and gas industry is amongst the six core industries in India. This industry is a major factor for the growth being witnessed in the Indian economy today. The natural gas and petroleum sector, which is inclusive of refining, transportation, and marketing of these products, contributes about 15% to India's GDP.

Exports from petroleum are the highest in terms of the foreign currency amassed and accounts for 17% of the total exports. The Economic Affairs Committee gave 44 oil and gas blocks for exploration under the New Licensing Policy. These allocations will bring investments worth US$ 1.5 billion in this sector.

As this is an ever growing sector, investment in this industry promises a great deal.
- Refining: India is rising as a potential refining hub because the capital costs are lowered by 25–50% here in comparison to other Asian countries. India ranks fifth in the category of refining. Its share is 3% of the capacity worldwide and is going to improve further by 45% over the next 5 years. This is in accordance with a report compiled by Deutsche Bank.

- Retail: A surge in the automobile market has led to investments for extending the petroleum sector. According to Keystone, a US consultancy, the automobile industry is poised to grow to 20 million by 2030. This makes India the 3rd-largest market for automobiles worldwide. Thus, the need for more petroleum and petroleum-based products is going to rise further.

- Gas: The power and fertilizer sectors in India drive the demand for gas in the country. They use 66% of the total gas produced. The demand for gas is set to grow; thus, the natural gas share in the overall mix is projected to rise from 8% to 20% by 2025.

The investments by public sector oil companies is going to be US$ 11.33 billion to expand supplies and build new networks for transportation of oil and gas.

The policies of the government are a further boost to foreign investment in this industry.

Following are the government initiatives:

1. 100% FDI is allowed in private refineries via the automatic route and up to 26% in government-owned ones.
2. 100% FDI is also granted in cases of petroleum products, gas pipelines, exploration, and marketing or retail via the automatic route.
3. It has also abolished the administrated pricing policy.
4. With NELP (New Exploration Licensing Policy) it has helped encourage further explorations for oil and gas reserves in India.

India's energy sector will be instrumental in providing avenues worth in the coming years. Another reason that investments in this sector can be useful is that crude oil coming from the Middle East region can easily be transported to India. Also, India offers cost-effective refining technologies.
As the energy sector is neither expected to slow down nor lose its importance, the growth prospects are considered to be enormous in this industry.

(Source: http://www.investinindia.com/industry/oil-and-gas/oil-and-gas-industry)

1.1.2 India’s Energy Basket

Indian energy sector is going through a critical phase and is facing several challenges. The industry and the nation at large would need to make choices to address key issues like volatile prices, global linkage of raw material prices, limited domestic availability of gas, LNG market dynamics including availability at affordable prices for Indian market, importance of efficiency across the value chain, alternate energy developments, evolving regulatory frameworks and policy guidelines, downstream market reforms, changing competitive landscape, etc.

Also, globalization has meant that our energy markets are more and more linked to global markets. The uncertainty caused by such exogenous variables in the oil and gas sector will continue to pose challenges in achieving long-term goals. Indian natural gas sector will offer a range of opportunities in the coming years. The natural gas sector has gone through a number of changes recently that have helped attract investments and catalyse new demand and supply. These include a steady rise in gas prices towards market-based pricing, success in the early NELP rounds that has led to new domestic discoveries, formation of a regulatory body (PNGRB), significant new infrastructure in the form of trunk pipelines, LNG terminals and city gas networks and emerging regulatory changes in downstream consuming sectors such as power, automobile fuels and fertilisers. As the natural gas market develops, demand is set to rise on the back of segments such as power, CGD and industrial users, necessitating higher imports as well as investment in supporting infrastructure. LNG imports into the country and development of downstream markets to ensure offtake will remain at the core of the natural gas sector in the days to come. Therefore, it is believed that the future of the Indian gas market will significantly depend on LNG imports and the opportunity lies in developing infrastructure and the markets for LNG.


Population and income growth are the two most powerful forces driving demand for energy. Over the last 20 years, the world population has increased by 1.6 billion people, and it is projected to rise by 1.4
billion over the next 20 years. The world's real income has risen by 87% over the past 20 years and it is likely to rise by 100% over the next 20 years. Powerful long-term trends continue to shape the modern energy economy — industrialisation, urbanisation and motorisation. In India, energy consumption will also rise due to its population growth and fast-growing economy. However, inadequate energy addition on the supply-side may widen the already existing demand-supply gap over the coming years. It is expected that fossil fuels will continue to be the mainstay of India's supply basket in the short to medium-term scenario. Natural gas currently accounts for about 10% of India's energy basket and it is expected to reach 20% by 2030. India could become the second-largest natural gas consumer in Asia by 2015. In the long term, with decisive climate-change policies, technological improvements in clean fuel technologies, and constrained fossil fuel supplies, the share of renewable energy will gradually increase. A number of attractive growth opportunities are emerging in the Indian energy sector and there are also many new players to take advantage of those opportunities. The formation of a regulatory body (PNGRB) in the natural gas sector has brought in a new dimension to the competitive landscape. New players are aggressively entering the natural gas sector, be it the transmission segment or city gas distribution. The competition is likely to intensify in the coming years not only in the midstream areas, but also in the downstream. Reforms in the downstream segments of the value chain and emergence of market-based pricing are encouraging players to enter into sectors like CGD, power, etc. With LNG imports growing there is a need to expand LNG import infrastructure, and this is attracting many companies to set up LNG regasification terminals.


Coal dominates the energy mix in India, contributing 55% of the total primary energy consumption. Over the years there has been a marked increase in the share of natural gas in primary energy production from 6% to a projected share of 20% in 2030.
India’s sectorwise gas consumption is given below:

(Source: BP Statistics 2011, Energy Outlook 2030)
1.1.3 Oil & Gas Industry

The oil and gas sector is one of the six core industries in India. It is of strategic importance and plays a pivotal role in influencing decisions across other important spheres of the economy.

In 1997–98, the New Exploration Licensing Policy (NELP) was envisioned to deal with the ever-growing gap between demand and supply of gas in India. As per a recent report, the oil and gas industry in India is anticipated to be worth US$ 139,814.7 million by 2015. With India’s economic growth closely linked to energy demand, the need for oil and gas is projected to grow further, rendering the sector a fertile ground for investment.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)

To cater to the increasing demand, the Government of India has adopted several policies, including allowing 100 per cent foreign direct investment (FDI) in many segments of the sector, such as natural gas, petroleum products, and refineries, among others. The government’s participation has made the oil and gas sector in the country a better target of investment. Today, it attracts both domestic and foreign investment, as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

The oil and gas sector consists of three segments upstream, midstream and downstream. The upstream segment primarily consists of companies engaged in exploration and production activities, while the midstream segment comprises of companies engaged in storage and transportation, and the downstream segment includes companies engaged in refining, processing and marketing of petroleum products.

(a) Market Size
Backed by new oil fields, domestic oil output is anticipated to grow to 1 MBPD by FY16. With India developing gas-fired power stations, consumption is up more than 160 per cent since 1995. Gas consumption is likely to expand at a CAGR of 21 per cent during FY08–17.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)

Domestic production accounts for more than three-quarters of the country’s total gas consumption.
India increasingly relies on imported LNG; the country was the fifth-largest LNG importer in 2013, accounting for 5.5 per cent of global imports. India’s LNG imports are forecasted to increase at a CAGR of 33 per cent during 2012–17.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)

State-owned ONGC dominates the upstream segment (exploration and production), accounting for approximately 60 per cent of the country’s total oil output (FY13).

IOCL operates 11,214 km network of crude, gas and product pipelines, with a capacity of 1.6 MBPD of oil and 10 million metric standard cubic metre per day (MMSCMD) of gas. This is around 30 per cent of the nation’s total pipeline network. IOCL is the largest company, operating 10 out of 22 Indian refineries, with a combined capacity of 1.3 MBPD.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)

(b) Investment

According to data released by the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural gas sector attracted foreign direct investment (FDI) worth US$ 6,519.53 million between April 2000 and January 2015.

Following are some of the major investments and developments in the oil and gas sector

(Source: http://www.ibef.org/industry/oil-gas-india.aspx):

- Technip has won a € 100 million (US$ 109.37 million) contract from Oil and Natural Gas Corporation (ONGC) to build an onshore oil and gas terminal in Andhra Pradesh.

- Essar Oil Ltd has signed a deal with Russia-based OAO Rosneft to import 10 million tonnes (MT) of crude oil per year for 10 years.
• Reliance Industries Ltd (RIL) and Mexican state-owned company Petroleos Mexicanos (Pemex) have entered into a memorandum of understanding (MoU) for cooperation in the oil and gas sector.

• GAIL Global USA LNG LLC (GGULL) has signed an agreement with the US-based WGL Midstream Inc for sourcing gas required to produce 2.5 MT of liquefied natural gas (LNG) a year at the Cove Point Terminal in Maryland, US.

(c) Government Initiatives
Two landmark initiatives for energy efficiency – Design Guidelines for Energy Efficient Multi-Storey Residential Buildings and Star Ratings for Diesel Gensets and for Hospital Buildings – were launched by Mr Dharmendra Pradhan, Minister of State with Independent Charge for Petroleum and Natural Gas, Government of India. Some of the major initiatives taken by the Government of India to promote oil and gas sector are:

• To strengthen the country’s energy security, oil diplomacy initiatives have been intensified through meaningful engagements with hydrocarbon rich countries.

• Special dispensation for North East Region: For incentivising exploration and production in North East Region, 40 per cent subsidy on gas price has been extended to private companies operating in the region, along with ONGC and OIL.

• The Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Mr Narendra Modi, has approved a mechanism for procurement of Ethanol by Public Sector Oil Marketing Companies (OMCs) to carry out the Ethanol Blended Petrol (EBP) Program.

(d) Road Ahead
By 2015-16, India’s demand for gas is set to touch 124 MTPA against a domestic supply of 33 MTPA and higher imports of 47.2 MTPA, leaving a shortage of 44 MTPA, as per projections by the Petroleum and Natural Gas Ministry of India. Moreover, Business Monitor International (BMI) predicts that India will account for 12.4 per cent of Asia-Pacific regional oil demand by 2015.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)
The Indian Oil Ministry anticipates that the country’s energy demand would expand by more than double by 2035. The government is gearing up to meet this exponential surge in demand through enhanced operations and increased efficiency.

(Source: http://publicopinion.in/OILANDGAS.aspx)

The country’s natural gas consumption growth rate (CAGR) during 2001-2011 was around 8.75% and is expected to grow the fastest among all other energy forms at 4.5% per annum until 2050. Demand for natural gas is expected to reach more than 450 million m$^3$/d by 2017 and over 600 million m$^3$/d by the 13$^{th}$ Five Year Plan, ending in 2022.

(Source: http://www.lngindustry.com/regasification/06062014/Prabhat_Singh_GAIL_India_Ltd_discusses_recent_activities_as_GAIL_looks_to_meet_growing_energy_needs_in_India/)

Given this scenario, India will have to augment its domestic production as well as create sufficient downstream and regasification infrastructure for LNG imports during this period. It is envisaged that approximately US$ 14 billion needs to be invested by 2017 to develop the requisite pipeline infrastructure and there are plans to increase the regasification capacity from the current 27.5 million tpy to 50 million tpy at a likely investment of US$ 5 billion.

(Source: http://www.lngindustry.com/regasification/06062014/Prabhat_Singh_GAIL_India_Ltd_discusses_recent_activities_as_GAIL_looks_to_meet_growing_energy_needs_in_India/)

In a recent development, the government has allowed 100 per cent FDI in the oil and gas sector, enabling some large partnerships such as the US$ 7.2 billion deal between BP and Reliance Industries. To cope with increasing demand for energy, the government also introduced legislations such as the NELP to enable companies to bid for exploration rights, and encourage private sector participation. Now a lot of international companies are coming forward to invest in India. This will bring in necessary monetary resources and technological capabilities, especially in the field of deep sea exploration and create new employment opportunities.
The predicted energy consumption worldwide vis-a-vis emerging economies like India & China are given below:

Figure 1.1.3 (d) (i)

![Graph showing energy consumption worldwide](image)

Global energy demand increases by one-third from 2010 to 2035, with China & India accounting for 50% of the growth.

(Source: BP Statistics 2011, Energy Outlook 2030)

### 1.1.4 Gas Segment

Natural gas has always been a supply-constraint market in India. The most prolific gas producing fields include Bombay High which is operated by ONGC and KG-D6 offshore which is operated by Reliance Industries Ltd. The total offshore gas production accounts for 88% of the total production in India. The share of the private sector and JVs in the country’s total gas production is expected to increase, owing to recent gas discoveries expected to be monetized by the companies.

CBM production is expected to increase over the years on account of the monetisation of discoveries made by Essar Oil Ltd and Reliance Industries Ltd (RIL). Currently, LNG imports of 46 MMSCMD (1.6 BCFD) constitute roughly 27% of the total gas consumption of India, which was 166 MMSCMD (5.9 BCFD) in 2011.
According to supply projections for the XII and XIII Five Year Plan, the re-gasification capacity in India is expected to increase from current 18.4 BCM (0.6 TCF) to 27 BCM (1.0 TCF) by 2013 and around 95 BCM (3.4 TCF) by 2017.

PNGRB has kick-started the process of authorising entities for laying, building, operating and expanding CGD networks in various cities across India. Before PNGRB came into existence, the government had identified cities including Delhi and Mumbai and authorised companies to operate CGD networks in those cities. Increased gas availability, improved gas pipeline coverage and gas being one of the priority sectors are the major drivers of the CGD business in India. The government has aggressive plans to develop CGD network in more than 200 cities across India. Each city would warrant an investment ranging between 65 million USD to 100 million USD. The first round of bidding is complete and the companies have been authorised by PNGRB. In the second round the bids have been received but authorisation is still awaited. The third (8 cities) and fourth (8 cities) rounds of CGD bidding launched by PNGRB are currently underway.

(a) Demand and Supply Gap:
Nearly 75% of oil is imported putting a severe strain to current account deficit. Domestic production and supplies from transnational pipelines will not be able to keep pace with the demand for natural gas in India and LPG represents the only opportunity to bridge this gap in future. According to report titled LNG-Global challenges and opportunities in India, the domestic production is expected to reach only 230 million metric standard cubic metres per day.

According to the report, natural gas is critical towards attaining energy security for India as the country’s primary energy consumption is set to increase to 1120 million tones of oil. Natural gas represents the best alternative to meet the growing demand. The demand from power sector is expected to increase to 354mmcmd while that of fertilizer sector to 110mmcmd due to conversion of naphtha plants to gas and enhanced domestic capacity. (ONGC-BCG Report)
1.1.5 Business Problem

The ground realities of the present status of the Company vis-à-vis its vision and mission clearly reflect the gaps for lack of vertical integration/alignment between the Company Strategy and HR Strategy. As such, HR could not live up to its desired role in integrating/aligning amongst various sub-functions. This gives rise to challenge in sourcing middle and senior level domain specialists since the talent pool is relatively small. There also exists a knowledge and skill gap amongst the fresher joining the sector.

As the organization forays into global ventures in line with its strategic goals, major challenges in the area of alignment of HR with Business strategy remains. Primary challenges among them are:

- In the new Indian vision for energy sufficiency, E&P would be encouraged, shale gas and CBM developed, and the natural gas share in the primary energy basket increased through extensive development of pipeline infrastructure and LNG regasification terminals. Organization is venturing into new business areas like E&P, Shale Gas, and LNG Trading, Solar Energy and Wind Energy as a part of its overall global strategy. These new business initiatives call for the continuous capability
building, development of existing human capital and organization restructuring in these areas. Thus, there is a need for continually challenging the existing HR practices and seeking better solutions by introducing innovative, considered and flexible solutions to line management problems.

- This is the greatest challenge before HR function in the organization as currently GAIL is predominantly engaged in transportation & marketing of natural gas, petrochemicals, LPG transmissions and Liquid Hydrocarbons and is not having relevant experience in E&P, Shale Gas, and LNG Trading, Solar Energy and Wind Energy at present due to which organization is facing great difficulty in executing the strategy as per its initial plans.

- In order to build its global footprint organization has to develop the cross functional teams for handling Mergers & Acquisitions for which currently there is no expertise in the organization. Further, for driving the performance oriented culture in the organization and to build capabilities in the new business areas globally it also needs to focus on restructuring the organizational structure from time to time.

- GAIL being a PSU is governed by Government guidelines on pay and perquisites which does not offer level playing field with private sector. While compensation packages in private sector are market driven and are decided based on business strategies Public Sector Undertakings do not have the flexibility to decide based on market conditions. This is one of major hindrance for organization in the Public Sector to attract the talent pool required to drive the business strategy of the organization. Accordingly, venturing in to all these new business areas having global operations will thus require the organization to build new strategies which are completely aligned with HR strategies within the framework of Government guidelines.

- The inability of the Company to harness the human resource data available with existing SAP-HR module and integrating with advance HR analytics software programs. The HR analytics will allow HR to not only be involved in managing talent, but to also collect clearer information on its supply chain of talent and where the most demand for particular skill lies. Rather than instinctive, GAIL-HRD will be able to provide a far more granular roadmap of how GAIL’s people’s resources need to be reshaped to deliver on the Business Strategy. Thus, it calls for anticipating the GAIL’s changing needs and acting quickly and decisively by using technology to provide employees with faster & better quality HR services.
It is evident from the annual report for the FY 2013-2014 & FY 2014-2015 that GAIL’s competency to its old business verticals i.e. Gas Transmission, Gas Trading, Petrochemicals and LPG Transmission has also come under close scrutiny over the years.

To summarize, GAIL is required to develop appropriate core competency in the new business verticals such as E&P, LNG Trading, solar energy, wind energy etc. GAIL also needs to successfully venture out aggressively in Merger and Acquisition globally and domestically. Thus, there is an imperative need for GAIL to develop core competency to venture out in upcoming business areas such as shale gas. It is needless to mention that despite having requisite infrastructure GAIL is facing difficulty, as it does not possess adequate talent pool for execution of activities as set out in its business objectives.
1.2 Topic and Purpose of the study

1.2.1 Need And Scope of Study : GAIL (India) Ltd

In management research, the researcher is absorbed with a problem or phenomenon in practice, which the researcher wants to explore and understand (Maxewell, 1996). Then the researcher develops research questions and a research design to analytically understand this problem/phenomenon. Next, existing theory is explored and integrated using the theory development methodology to develop the conceptual lens to study the problem. This conceptual lens along with the research questions lead to the development of empirical research design and data analysis approach. Thereafter, the researcher enters the empirical world and makes observations there and collects data. This data is managed and analyzed in accordance with the conceptual lens and empirical research design which leads to findings. These findings might possibly lead to existing theory extension and helps to understand and prescribe the problem.

The purpose of this research work is to understand & describe the formulation of HR strategy for various Business Verticals and how they practice these formulated strategies in a large gas utility company. Further, to understand why the particular HR Strategy has been chosen and how these formulated strategies are being practiced in the company. A case study approach has been selected for this research study because, the definition of the case study method say that “the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result” (Yin, 2003)

GAIL (India) Limited has been chosen for the study on HR Strategy & practices since it is having 70% market share in natural gas industry and it is a No. 1 gas utility company in India. GAIL (India) Limited, a Maharatna Public Sector Undertaking, is having 7 LPG processing plants, 1 Petrochemical processing plant & 3 Natural Gas Pipeline networks & 2 LPG pipeline networks.

In large Gas Utility Company, formulation and practices of HRM activities are tackled by the HR group of the company. Thus, there is an crucial need to gather an in-depth perception of this knowledge in formulation of HR strategy and practices in the Gas Utility Company. The purpose of this research work is to understand & describe the formulation of HR strategy in Gas Utility Services Company in India. Further to understand why the particular HR strategy has been chosen and how these formulated strategies are being practiced in the Company. A case study approach has been selected for this research
study as the study centre around how and why with the subject of research. GAIL (India) Ltd has been chosen for the study on SHRM practices since it is having 70% market share in natural gas industry and it is a No.1 gas utility company in India. Various Business verticals of GAIL:

<table>
<thead>
<tr>
<th>Business verticals</th>
<th>2012-13 Turnover (%)</th>
<th>2013-14 Turnover (%)</th>
<th>2014-15 (up to Dec) Turnover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Transmission</td>
<td>6%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Gas Trading</td>
<td>75%</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Liquid Hydrocarbon</td>
<td>9%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>LPG Transmission</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Others (incl E&amp;P)</td>
<td>0%</td>
<td>-5%</td>
<td>1%</td>
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</tbody>
</table>

GAIL is aiming at aggressive growth, both organic and inorganic with global presence which includes merger and acquisition thus besides the business verticals much priority is also accorded to venture out such new areas and finally float a special purpose vehicle with separate legal identity.

It is proposed to undertake single case design (Type 1: Yin 2003) as the common HR performs and looks after the various business verticals in large gas utility company.

Our study would cull out data from discussion with people involved in policy formulations of the company. A semi structured questionnaire (data collection protocol) will be prepared for taking interviews of department head etc, such that the questions in the list are directed towards the desired outcomes.
1.2.2 Gist of the Literature Review

Post identification of the Business Problem as above, literature review has been carried out. A brief review on current status of literature on the following concepts of emergence of Strategic Human Resource Management and linkage of SHRM and Business Performance. Overview of Theories and Models of SHRM, Constructs of SHRM, SHRM in India, are presented in this section. Overall an effort has been made in Chapter 2 to comprehensively review the literature of the research topic. The Emergence of SHRM is about having the kind of association which is that of ‘integrative linkage’, where HRM has equal involvement with other organisational functional areas for business development. HR increases the attractiveness of the organization to the potential employees and other stakeholders and enhances the personal capabilities of peripheral and displaced employees. Strategic capability requires clarity of vision, careful planning, objectives and focus for action. This strategic capability will require different competencies, skills and experience at different organizational levels. In order to acquire and develop these attributes, HR plays a very significant role.

The concept of SHRM is embedded in the notion of complementarity or integration or ‘fit’. Fit is the degree to which the needs, demands, goals, objectives and/or structure of one component are consistent with the needs, demands, goals, objectives and/or structure of another component. The theories of fit are based on the premise that organizations are more efficient when they achieve fit. On the basis of extensive literature review, four types of fit were identified vis-à-vis SHRM: fit between HRM and Business Strategy; fit between HR roles and position; fit within HRM function and fit between HRM and other functional areas. These various types of fit serve as measures or constructs of SHRM. The general trend in Indian industry, due to the liberalization of the Indian economy, is encouraging for the strategic human resource management practices in general. The study is relevant due to changes in the Indian economy and the resulting effect on the management of all resources therein. This change from a regulated environment to a free market environment has direct implications for SHRM practices in India. Since liberalization, the Indian organizations and the managers are dealing with issues of transformation and growth. Restructuring, reengineering, realignment of systems, structures, tasks and technology have all become imperative.

1.3 Problem Statement

Although in the current thinking on SHRM various theories and model are well known but the process of human resource strategy formulation & practices in alignment of business strategy at an organisation level have not been described in detail. Holistic process model of SHRM is also not available.
1.4 Potential Significance

The study essentially is aimed at bringing out such issues in a modest way. This will also trigger further study by the academics/practitioners, as not much study has been undertaken in the past in the Oil & Gas Sector, as such same will further contribute towards development of literature in this field.

The study is also aimed at exploring the current scenario in the large Gas Utility Company with regard to alignment of its Corporate HR Strategy with the overall Business Strategy and further alignment of various sub-functions of Corporate HR.

1.5 Thesis Disposition

This study consists of Five chapters. The first chapter gives the introduction to the research topic including its Background, Indian Oil & Gas industry. It also discusses the business problem and problem statement.

The second chapter discusses about the extensive Review of Literature undertaken in the area of HR management, which clearly highlights the gap in availability of literature on HR strategies & practices related to Indian gas utility company using qualitative research approach. Literature review thus helped to identify Initial Conceptual Constructs (ICC) that can help to formulate & select the HR strategies for an organization.

The third chapter explains the Research Design and Methodology adopted for achievement of the objective(s) of the study undertaken. This explains the rationale of the study followed by the statement of the research problem, objectives of the study, research questions, propositions, the research design and sampling process, data collection, initial conceptual constructs found through literature survey and tools for analysis of primary data.

The fourth chapter deals with the Analysis and the Interpretation of Data of HR strategies & practices for Natural Gas Pipelines of a large gas utility company in India. The chapter also gives a snapshot of whether the objectives, research questions and propositions that were initially set out to be achieved, through this research study, has been achieved or not.

Finally, the Fifth chapter gives the Conclusions and Discussions

Bibliography and Appendix is given at the end as reference.