

**HUMAN RESOURCE MANAGEMENT PRACTICES OF ONGC**  
**EMPLOYEES'**

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**ABSTRACT**

Human Resource Management (HRM) involves all management decision and performs that directly affects the people, or human resources, who work for the organization. The present study explored and compared various HRM practices in ONGC, Maharatna. The link between human resource management practices and employees perception is well researched. With this paper we hope to contribute to a better understanding of the role of human resource practices in creating and sustaining organizational performance of ONGC. The structure of the paper is as follows. First we briefly review the dominant perspectives in this field as per the available literature. We note that almost all of the published theory-building as well as empirical research in this area. The present study shown that to effectively manage the human resources the organizations have to implement innovative HRM practices. The organization which implements such practices with dedication, remains ahead of their competitors because such practices affects other variables such as competitive advantage job satisfaction, financial performance, employee turnover, service quality, employee commitment etc.

*Keywords: Human Resource Management, employees' perception, ONGC, organizational performance.*

**INTRODUCTION**

Indian economy is a mixed economy, which includes the public and private sectors. The earlier objective of our country was to achieve a socialistic pattern of society. However, recent trends are towards globalization in terms of liberalization and privatization, which encourages the capitalism. This change has become inevitable, as other countries have switched over to these methods for achieving maximum development. According to A.P.J. Abdul Kalam, the renowned scientist of the world and former President of India, the developed India should be able to take care of the strategic interests through its internal strengths and the ability to adjust itself to the new realities. For this, it will need the strength of its healthy, educated and prosperous people, the strength of its economy as well as the strength to protect its strategic interests of the day and in the long term. Technologies are core strength of the nation apart from there dynamic dimensions - the people, the overall economy and the strategic interests.

Actually, the world of today realizes that oil and gas are of immense importance in the way of human life. In India, the Oil and Natural Gas Commission was started on 14, August 1956 in a modest corporate house of serene Himalayan settings. The Commission has grown to the position of Corporation, a full-fledged public limited company with effect from 1<sup>st</sup> February 1994. Now, it has the house service capabilities and infrastructures in the entire range of oil and gas explorations and production activities.

Today, ONGC has created the highest ever market value added of Rs. 24,258 crores. It leads like Reliance and Infosys, the private sectors. It is the only public sector enterprise to achieve a positive market value added as well as economic value added. It owns and operates more than 11000 kilometers of pipeline in India including nearly 3200 kilometers of sub-sea pipelines and no other company in India operates even 50 percent of this route length. It also enjoys the credit of having its sister concerns like MRPL, PETRONET, ONGC Videsh Limited, ONGC Nile Ganga B.V and PETRONET MHB Limited with high profits in all the years passed by, hence contributing substantially towards the growth and need of the nation. Hence, ONGC has been achieving in the entire range of oil and gas explorations and production activities with the help and co-operation of its sister concerns. While we enjoy the results, performance and achievements of ONGC, we have to manuscript into the position and status of the employers working in the concern. Hence, it is necessary to understand the conditions of service of the employees which includes pay, promotion, leave benefits safety and social

security, facilities, welfare measures and so on. While understanding these aspects, it is also necessary to bring out the Motivation and Perception of the employees. Ultimately, the present study concentrates on the perception of the employees in ONGC. The term perception refers to an individual's organize and interpret their sensory impressions in order to give meaning to their environment. A person with a high level of satisfaction among their job holds positive thought towards the job and a person who is dissatisfied with the job holds negative thought about the job. Perception is how the employee looks at his or her job.

## **HUMAN RESOURCE MANAGEMENT**

Before 1930s the term employment management was used, which later evolved and a more universal term personnel management was coined, until the 60's 70's when manpower management became prevalent Now of course the more powerful and all-encompassing **human resource management** or **human capital management** is widely used.

The growth of the knowledge-based society, along with the pressures inherent in opening up emerging markets, has led cutting-edge global companies to recognize now, more than ever before that human resources and intellectual capital are as significant as financial assets in building sustainable competitive advantage. To maintain the lead position, the corporate sector is gradually bridging the gap between its human resource rhetoric and reality.

Today, the following major components of human resource management are recognizing in every organization. Human resources training, recruitment, screening and selection, Training and development, Performance appraisal and promotion, Job analysis and design' Quality of work life, safety and health' Organizational culture.

## **OIL AND NATURAL GAS CORPORATION (ONGC)**

There are three principal forms into which public undertakings in India have been organized, namely, departmental undertakings, government companies and statutory public corporations. In addition, there are other forms also such as holding companies. The Oil and Natural Gas Commission which was started on 14, August 1956, has emerged to the position of corporation, a full - fledged public limited company on 1, February 1994. Since ONGC is a government company, it has the following main features:

- It has most of the features of a private limited company.
- The whole of the capital stock, or 51 percent or over, is owned by the government.

- All the directors or a majority of them are appointed by the government, depending upon the extent to which private capital is participating in the enterprise.
- It is body corporate created under a general law i.e. Companies Act.
- It can sue and be sued, enter into contract and acquire property in its own name.
- It is created by an executive decision of the government without parliament's specific approval having been obtained and its articles of association, though conforming to an Act, are drawn up.
- It's funds are obtained from the government and in some cases from private shareholders, and through revenues derived from the sale of its goods and services
- It is generally exempted from the personnel, budget, accounting and audit laws and procedures applicable to government departments

With the above-stated main features, the Oil and Natural Gas Corporation has been functioning with the corporate responsibilities. ONGC is a National Oil Company of India focused on exploration and production of oil and gas. It has interests in refining, LNG, power, petrochemicals and new sources of energy. Recognized as the World's No.3, ESP Company, it is credited with the discovery of all the six producing petroliferous Indian basins since its formation in 1956. It is the largest exploration acreage and mining lease holder in India, having 51 per cent of the petroleum exploration license areas and 67 per cent of the mining lease areas. It's wholly owned Subsidiary ONGC Vides Limited (OVL) is India's biggest ESP Multinational managing 28 overseas hydrocarbon properties in 15 countries, worth a cumulative investment of around 15 billion US dollars.

ONGC's sustainability focus in the energy business has led to a robust presence in most of the emerging green corridors including renewable and unconventional gas like shale gas and coal bed methane. It has got a number of its Clean Development Mechanism (CDM) projects registered with the United Nations framework convention on climate changes. Its 726 MW Natural Gas based power generation in Tripura is on track to be registered as one of the biggest CDM projects globally. This gas-based power project entails a 43 percent lower green-house gas emission than its hybrid-energy based power generation counterpart 'Maharatna' ONGC is the only Indian energy giant in fortunes most admired list 2012 under mining crude oil production category. It is ranked 171<sup>st</sup> in Forbes Global 2000 list 2012 on the world's biggest companies. Especially, ONGC Videsh Ltd (OVL)

plays in an important role having a privilege and not responsibility with the corporate social responsibility. It has received many awards and recognitions.

### **STATEMENT OF THE PROBLEM**

Generally, every research has to start with the conceptual clarification in which the most important and the related concepts of the study have to be defined and explained. Since the variables are very importance aspects in a study, the variables, terms or institutions have to be clarified. The present study has four important terms or institutions known as perception of employee's, human resource management, Oil and Natural Gas Corporation, which are described in the forthcoming lines.

### **OBJECTIVES OF THE STUDY**

- To study the theories, principles and various dimensions of Human Resource Management.
- To enumerate the structure, functions, performance and role of ONGC in HRM in particular, and
- To analyze the motivation and perception of the employees in ONGC.

### **RESEARCH METHODOLOGY**

#### **I. Methods**

The proposed study adopts the descriptive and analytical method. Since the ONGC has been taken for the study, it follows an institutional method also. It has the random sampling method since the researcher selects the sample of employees for studying with the structured questionnaire with different variables. The ONGC in union territory of Pondicherry has 1134 employees working in seven different business groups. The categories of employees include both office and field. A stratified random sample of 226 employees i.e. 20 percent of the total employees are selected for the study.

#### **II. Sources of Data**

The present study makes use of primary as well as secondary data. The primary data are to be collected from the selected sample employees of ONGC with structured questionnaire, annual reports of ONGC, and so on. The secondary data are to be gathered with the help of secondary sources like literature and research studies contributed by the eastern and western social scientists. Above all, the primary sources such as government reports, company reports, etc. are to be used in this study.

- **Processing of the Data:** The collected data was further classified for the research work by tabulation and graphical presentation for this a “Master Table” was prepared and filled with the data relevant for my study.

## **REVIEW OF LITERATURE**

In fact, it is necessary to review the relevant literatures contributed by the western and the eastern scholars in social science research relating to the study. There are a plethora of studies with regard to employee’s perception, motivation and human resource management. The main purpose of reviewing the relevant literature is to find out the research gap on which the researcher intends to concentrate the study. Some of the reviews are following.

RabindraN.Kanungo and Manual Mendancein their research study 'Work Rewards and Management of Human Resources' have discussed the objectives of reward system and its evaluation. Intrinsic rewards are those that are built into or inherent in the job such as responsibility, feelings of accomplishment. Employees gain these rewards directly as they perform the job tasks. Extrinsic rewards are those that are external to the job for example, pay, benefits, praise, pleasant working conditions, job security, etc. The intrinsic rewards generate in the employees a level of satisfaction, which induces a high level of performance. For this reason, intrinsic rewards are regarded as the real and only 'motivators'. His view is that if we want just happy employees, and then provide extrinsic rewards. But, if we want to increase employee productivity, provide intrinsic reward.

C.S.N. Raju in his study 'Team Work and Harmonious Employee Relations Lead to Better Productivity' has expressed productivity as the degree of effective utilization of each of the major factors of production viz., land, capital, labour and organization. He feels that productivity of an organization depends on the state of technology and working capital utilization. He has stressed on the fact that human resources is the most important of all resources. Notwithstanding excellent machines, technology and a layout provided in an enterprise, the man behind the machine matters the most. His motivation, morale and creative culture could make all the difference between success and failure of the enterprise. Therefore, the author has said, that the management should create a climate of trust and concern for the men in the organization; where there is no trust; employees would take no worthwhile initiatives. Team work and harmonious but industrial relations are essential for excellence in performance.

Especially, with regard to ONGC, A.K. Balyan, Director (HR)ONGC, during the 20th HR-ER meet at Mumbai between July 23 and 24, 2005 said that "Introspection, debates and benchmarking with the best practices are essential to deal with changes in future. Synergizing collective wisdom to resolve issues in line with the best practices around the world is also a must in ONGC. It is mentioned in the ONGC Report of August 2005 that yet another important dimension that emerges is the impeccable training imparted to most of the offshore personnel regarding health, safety and environment, especially, the Helicopter under Water Escape Training.

Discussions were held with field personnel to get first-hand information and to motivate the workforce, who displayed the highest level of solidarity and job-responsibility. In the same, report **Subir Raha** has analyzed the 'people issues of vital importance' to the Indian Industry. The most important is to consider that there is the emergence of the knowledge worker in every sphere, not just in the service industry. "A knowledge worker needs space and he can no longer be expected to deliver in typical hierarchies", he said "Coaching and not commanding is the style that is called for when dealing with knowledge workers. The author has finally concluded that a knowledge worker needs more space and can no longer be expected to deliver in typical hierarchies,

### **NEED FOR THE STUDY**

The need for the study appears to be the most deserving by the following reasons.

- The ONGC, a Maharatna public sector enterprise with substantial continuation to the demands of energy in particular is the highest profit making company in India.
- The social science researchers have not studied in this area, which is mainly related with scientific technique, science and technology. They have not concentrated even on the human resource management and development of ONGC.
- Today is the day for the focus on human resource development in terms of pay, service conditions, facilities, promotion, training, motivation and the job-satisfaction of the employees since the concept of welfare is felt a lot.

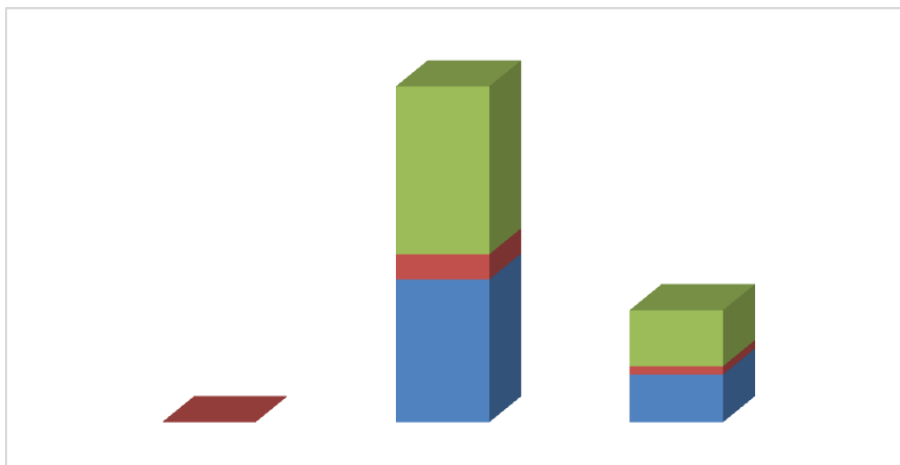
### **Analysis and Interpretations:**

Gender wise distribution of the Respondents

Sl. No.	Gender	No. of Respondents	Percentage
1	Male	255	85
2	Female	45	15

Total	300	100
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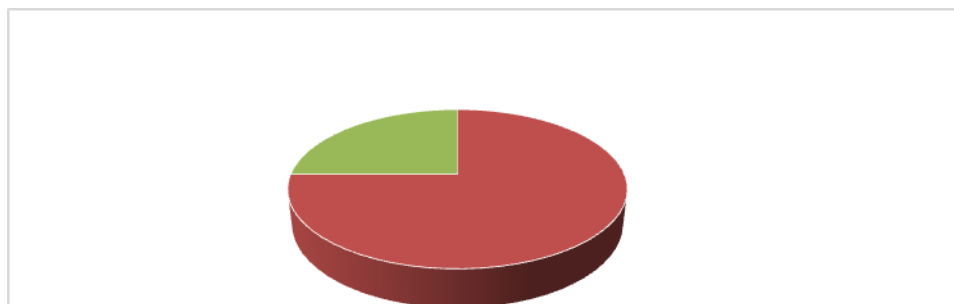
**Interpretation:** Among the 85 percent of the respondents are Male and 15 percent of the respondents are Female.



**Family structure wise distribution**

Sl. No.	Family Structure	No. of Respondents	Percentage
1	Nuclear	210	70
2	Joint Family	90	30
TOTAL		300	100

**Interpretation:** Among the 70 percent of the respondents are Nuclear family and 30 percent of the respondents are Joint family.



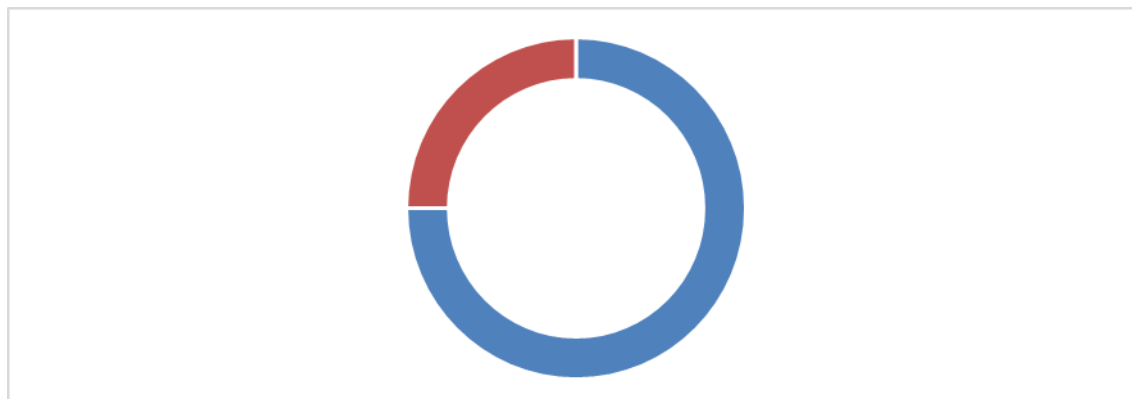
**Challenging of opportunities at work wise distribution wise respondents**

Sl. No.	Take challenging opportunities	No. of Respondents	Percentage
1	Strongly Agree	105	35
2	Agree	120	40
3	Neutral	60	20
4	Disagree	15	5
5	Strongly Disagree	-	-



	<b>Total</b>	<b>300</b>	<b>100</b>
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**Interpretation:** Among the 35 percent of the respondents are Strongly agree, 40 percent of the respondents are agree, 20 percent of the respondents are neutral and 5 percent of the respondents are disagree.



### **FINDINGS:**

- ❖ Majority of the respondents are satisfied with their work load.
- ❖ Nearly 60% of the respondents are satisfied with the relationship of higher officials.
- ❖ Majority of the respondents are neutral for their safety measures.
- ❖ Majority of the respondents are satisfied for their leave allowances.
- ❖ Majority of the respondents are satisfied of their salary and remuneration.

### **SUGGESTIONS:**

- The HRM practices should be evaluated from time to time by conducting a survey among the employees and the provisions should be made to incorporate changes from time to time.
- The HR managers should keep themselves up to date with state of art HRM practices.
- The HRM practices differ from one country to another and from one organization to another. So due consideration should be given to the organization and the country's specific environment.

### **CONCLUSION**

HRM refers to the overall philosophy about the organization and how people should be managed and is not merely limited to certain specific functions. HRM focuses on congruence and commitment instead of compliance and control. In the present day turbulent reality, there is a need to develop industry specific HRM policy and practices

to remain competitive and to develop committed workforce.

The present study shown that to effectively manage the human resources the organizations have to implement innovative HRM practices. The organization which implements such practices with dedication, remains ahead of their competitors because such practices affects other variables such as competitive advantage job satisfaction, financial performance, employee turnover, service quality, employee commitment etc. in positive manner and leads to overall corporate performance. While designing and implementing such practices, one important thing is to be kept in mind that the HRM practices should be analyzed from time to time and it should be updated accordingly. Line managers should be involved in designing HTRM practices and survey should be conducted among employees to know their opinion about HRM practices. This will help the organization to take corrective actions at the right time.

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