



IndianOil

## Directors' review (human resources)

With organisations increasingly looking at investing in employees for the long-term and the economy holding its own against the negative sentiments globally, there is an obvious buoyancy and confidence in the Indian corporate world. Recent statistics go to show that the prospects of job openings in India are positive. However, the major challenge before the corporate sector is 'employability' rather than the supply of talent.

IndianOil's strategy is exclusively focused on seeking out people who have the 'right fit' for the oil and gas sector. In fact, we were the first Corporate to adopt the Graduate Aptitude Test in Engineering (GATE) scores for recruitment of engineers which will not only simplify the recruitment process but also help attract truly outstanding talent. During the year, IndianOil recruited about 700 professionals to support the growing needs of our existing businesses as well as in new areas like petrochemicals and bio-fuels. We have recruited people with domain expertise in our new businesses like the exploration and production vertical as well as project management experts in ambitious projects that are on anvil in our Refineries Division.

Strengthening the competitive capability of the Company's new business drivers is a major focus of us. A major organisational restructuring was undertaken to enhance the competitiveness of our petrochemicals group in association with reputed consultants. IndianOil is keenly examining the perspectives offered by the consultant, spanning operational, financial and administrative links and talent management. Both the integration of the marketing group of Assam Oil Division with IndianOil's North East operations, and merger of BRPL with IndianOil was successfully accomplished with the help of proactive human resource interventions.

The true goal of performance appraisal is to ensure employee growth and our e-Performance Management System was re-examined to enhance efficiency and impact. As per the guidelines of the Department of Public Enterprises (DPE), the transparency in e-PMS system is also being enhanced through structural changes starting from the appraisal year 2009-10. Existing career path models of different divisions have been re-examined in view of changing business needs to identify distinct generalist and specialist cadre.

IndianOil Institute of Petroleum Management (IIPM), our apex training institute continues to

be the torch-bearer of learning initiatives. During the year, over eighty developmental training programmes equivalent to approximately 22,000 training man-days were conducted at IIPM.

As per the government guidelines, the pay revision that was due from January 1, 2007 for the Board level & below Board level executives has been implemented during the year. The new cafeteria approach accommodates the diversity of interests and demographic profile of employees. In the year 2009, the Performance-related Pay incentive scheme linked to corporate and individual performance was also implemented with retrospective effect.

The year was a momentous one during which the Corporation celebrated its Golden Jubilee marking 50 glorious years in the service of the nation. During the celebrations, the illustrious history of IndianOil has now been brought to life in a book titled, 'IndianOil 50' while our contributions to the nation were recognised through the release of a commemorative postal stamp by the Department of Posts. An evocative song on IndianOil composed and sung by Dr. Palash Sen along with his group Euphoria, was also produced to represent the collective aspirations and emotions of the IndianOilPeople.

During the year, a new Vision was adopted to realign the company's strategy in the light of emerging challenges. The inclusive Vision is based on core values looking at energy in a holistic way with a matrix of identified elements of People, Innovation, Environment, Technology, Customers and Ethics backed by the aspiration of becoming a globally admired company. We have engaged the expertise of consultants to facilitate an action plan that would focus on prioritising thrust areas to create the IndianOil of the future. The IndianOil Board has accorded approval for constitution of a Committee to monitor and administer CSR activities in IndianOil. The action plan to strengthen corporate governance practices through a system based fraud investigation and prevention programme is under implementation.

The Business Today-Indicus-PeopleStrong Survey of India's Best Employers, ranked IndianOil amongst the top five companies



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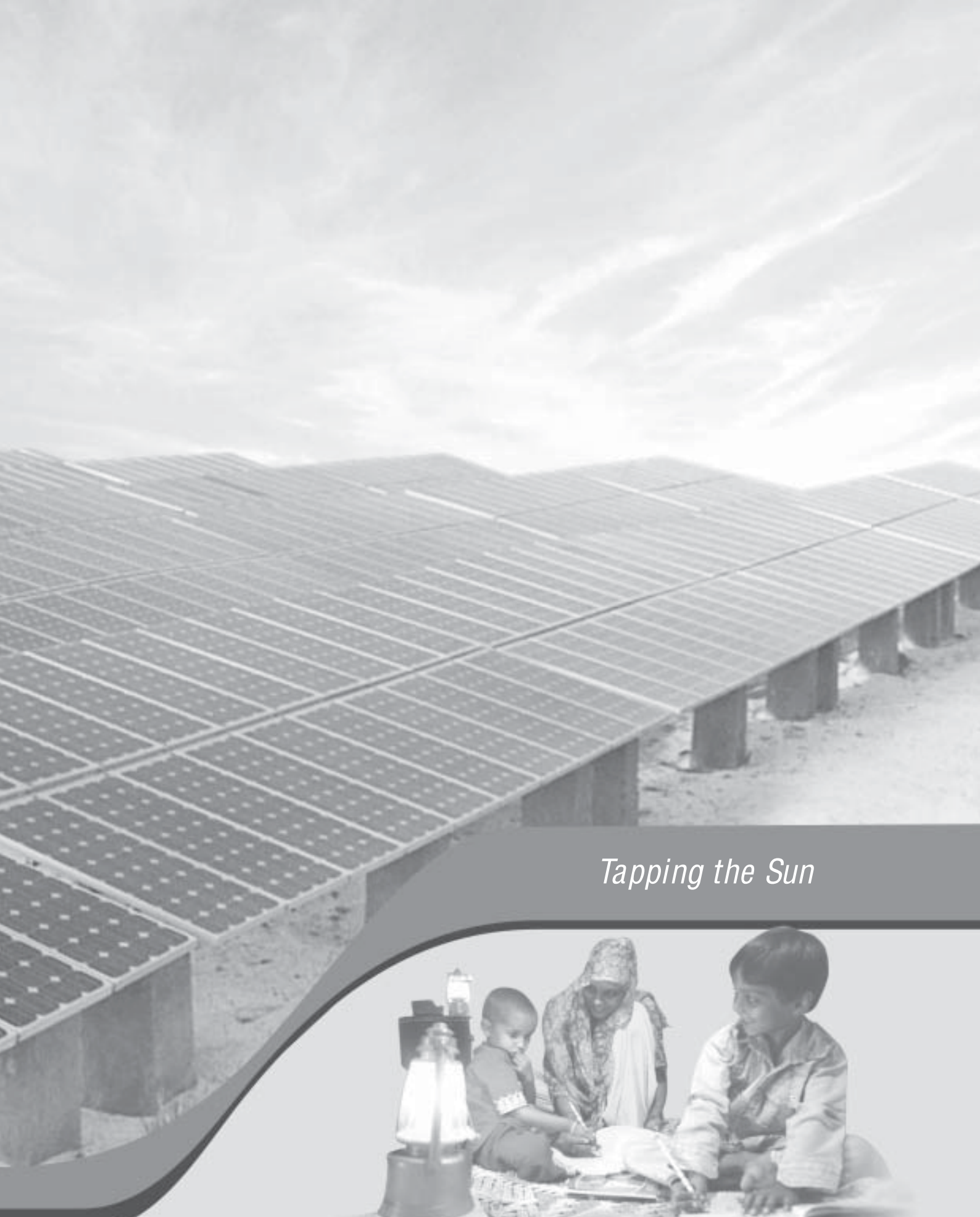
under the 'Core Sector' category affirming the vast learning opportunities and challenges available for its employees. The 'Innovative HR Practices Award' under the Global HR Excellence Awards 2009-10 was presented in recognition of its new initiatives to resourcefully align its HR strategy with its business vision.

Fifty years ago, IndianOilPeople embarked on a golden journey, fuelled by nothing but the spirit to serve and a passion to excel. Today, IndianOil stands poised, with an ambitious agenda for the next fifty years spanning the entire spectrum of the hydrocarbon chain, focussing on the core values of care, innovation, passion and trust – strengthening India's energy security and resolving to remain as a symbol for a new generation of Indians.



*Inspired by a re-energised vision*





*Tapping the Sun*





# Propelling the Petrochemicals value chain

