

FROM A LEADING ORGANISATION TO BUILDING A LEARNING ORGANISATION

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Keywords: 1. Human Resource; 2. Learning Organization; 3. Organizational Climate

Introduction

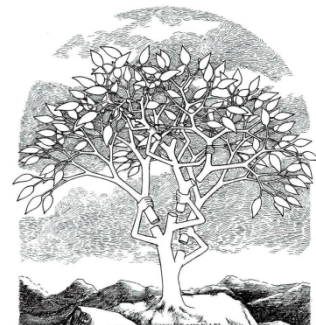
Integrity of a gas transmission system is as good as skills and knowledge of the people who are operating & maintaining it. With the expanding gas pipeline networks across the globe and more so in the densely populated and developing nations like India, the issue is not just limited to building up a good and reliable infrastructure but also in maintaining system integrity in the long run of its operation. To ensure this, not only an infrastructure equipped with latest technology is required, but what is even more essential, is a skilled and motivated workforce to operate and effectively maintain this infrastructure.

Accordingly, the need of industry is changing from mere acquiring and implementing the latest state of the art technologies and hiring best qualified and knowledgeable personnel to upgrading the skills and knowledge of their workforce to match with the demands and expectations in emerging business scenario. The biggest challenge before the industry is to stop its talented and trained human resource from moving away and this cannot be achieved by just offering better salaries and perks. Higher attrition rate is one of the major concerns for many Organizations. To counter this, what is required is to keep all its employees continuously involved and motivated. To transform its human resource with values so that they are able to manage the resources with vision and concern and they can contribute towards the overall progress of the organization. This necessitates looking beyond the conventional tools of Human Resource Development like job enlargement, job rotation, job enrichment, etc. to a more systematic and integrated approach towards creating an atmosphere for continuous learning and career advancement within the organization.

The paper aims to bring out and highlight some of the challenges being faced by the organizations world over in talent and skill up-gradation of their workforce and in preventing the "brain drain" from their organization. The paper discusses the approach and strategy used by one of the leading Natural Gas Transmission and Distribution Company of India, a navratna public sector organization, GAIL (India) Ltd. in workforce management. The impact of these programs and initiatives in terms of development of a dedicated and motivated workforce resulting into an improved performance of the organization in all spheres of activities has been brought out in the paper.

The Leading Organization

A leading organization is just like a big tree in a garden. It is the tallest and most beautiful tree in the garden. A time comes when it starts bearing the fruits. All the time right from the day the seed is sown, the organizational tree needs continuous nurturing and care not just to protect it from the impact of external environment but also to ensure proper and all round growth of the organization. It



takes months and years of hard work and caring before the organization develops into a fully grown tree. In the era of globalization and fierce competition forces in outer environment surrounding the tree are continuously trying to pull it down. The tree stands tall and is able to handle any kind of storm as long as it has strong roots. When you take away the flowers and fruits, in no time they come again. Even if you cut some branches, it grows back and new branches come soon. But if you start cutting its roots, it immediately weakens the tree and a slightest of wind may be sufficient to bring it down. For an organization, its human resource is the roots of an Organizational Tree. Internal environment or the culture within the organization is the soil around the roots which nourishes and nurtures the talent within the organization. Organization's vision, mission, strategies, system plans and policies forms the core 'stem'. Branches of this tree are identified by the various operations, business activities, divisions and processes of the organization. The outer environment is marked with competition, socio-economic policies, regulatory mechanism, stake holder's expectations, political scenario etc. There is a little that an organization can do to change its outer environment but just as a healthy tree makes use of the sunlight, water and minerals available in the outer atmosphere to grow taller and stronger, a healthy organization continuously makes use of the available resources and nurtures them to grow bigger. The most important link here which allows the organization to stand tall and draw energy from outside is its roots i.e. the human capital.

In order to retain its leadership and to counter the forces in the external environment, what an organization needs to do is to protect its roots and to strengthen them. For an organization, this means holding on to its human capital and to prepare them to face any kind of competition and challenges in the external environment. With severe skill shortage in the industry, hiring good people is tough, retaining them is getting tougher but developing them in alignment with organizational goals and objectives is the real challenge.

Challenges before the Organizations

The biggest challenge before the industry today, therefore, is not just to stop its talented and trained human resource from moving away but also to effectively train and develop them to meet the business requirements.

The reasons which make it a biggest challenge for the Oil and Gas Industry are –

- 1) Global war for talent – Mckinsey & Company coined the term the war for talent long back when they predicted that the war of talent will persist and stated that the three fundamental forces are fuelling this war. They are – irreversible shift from Industrial Age to Information Age, intensifying demand for high caliber managerial talent and growing propensity for people to change jobs.
- 2) According to Oliver Wymans survey conducted in Dec 2007, around 85% of the industry experts surveyed were of the optimism that there would be significant shortage of Petroleum engineers in the coming years.
- 3) Oil and Gas is an ageing industry (Average age – 49 years). Attrition and retirement is leading to vast corporate knowledge walking out of company doors. In India around 50% of the employees have more than 20 plus years of experience. Around 11% of the current workforce is estimated to retire in the next five years in India.

- 4) Globally, enrolments are decreasing in Oil and Gas engineering and earth science. People don't think the study will be worth it. Even otherwise most of the available academic qualifications do not match up with the requirements of the hydrocarbon industry. It takes on an average 5-6 years to train a qualified college pass out to become a competent oil and gas professional. According to a study conducted by NPC Global Oil & Gas study in 2007, there has been a 90% drop in enrolments to course relating to the Oil & Gas Industry since 1982.
- 5) Until recently, Oil and Gas sector was not considered as an attractive sector by the new generation of potential workers. In India, for example, only 56% of the 400 plus Petrotechnical students graduating annually join the Oil and Gas Industry. 29% of these college pass outs joined other sectors like IT, Communications, etc. (PetroFed 2006 Upstream Report)
- 6) Mergers, consolidations and diversifications in the Oil and Gas Industry will pose newer challenges for HR managers with regard to designing and managing human competency development.

According to a study conducted by consultant firm Price Water House Coopers for Petrofed, an association of public sector oil companies, over the next five years, the need for trained geoscientists for exploration operations alone in India is pegged at 6,181. The shortfall will be about 2,844 geoscientists. The current surpluses in some categories of geoscientists are also poised to change into an acute shortage as early as next year. According to the same study, the overall gap between availability and requirement of trained energy industry manpower in India is projected to be about 36,000 by 2019 with existing institutes unable to meet this increasing demand for technical manpower in the petroleum sector. According to another study conducted by E&Y not Manpower demand & supply for the Oil & Gas sector in India, the sector is likely to require around 25,500 people in next five years (starting from 2010) due to business growth and as replacement for attritions & retirements. This implies that an additional manpower equivalent to around 50% of the current manpower will be required across all levels in the sector as depicted in the fig.....

While the number seems small, compared to much larger shortages that other industries such as the outsourcing industry dish out, many of these jobs in the petroleum sector are highly specialized with shortages having a major impact in a sector that is a national priority.

In nut shell, Industry is facing severe skill shortage.

Globally the Oil and Gas Companies are experiencing a lot of 'change' and this change can be best managed if and only if the organizations can 'change or transform its human resource' to keep them aligned to organization's objectives and changing business requirements.

Organizations change and perish because they see themselves as machines – no flesh and bones, leave alone the intelligence and emotions. And so, like machines, when they are outdated or malfunctioning, can either be repaired or replaced. But we must understand that organizations are not machines. They consist of people who come in various sizes, shapes, colours, genders, origins, religions, preferences, lifestyles and intelligence. Thus, it is the people who are at the core of any organization.

Handling the Challenge

Negotiating and successfully navigating this change requires a highly efficient, vigilant, innovative, flexible and agile workforce. Talented human resource enriched with intellectual capital i.e. employees with sound and updated knowledge, skills and a positive attitude.

Some of the conventional interventions used by organizations across the globe for retaining employees and drawing upon the best out of them are ; Coaching / mentoring / counselling, Performance appraisals, Performance based incentives / promotions, Perks / fringe benefits, Job enlargement and Job enrichment etc.

But these are not just sufficient for retaining the key employees. What is required is to look beyond these conventional tools of human resource development to a more systematic and integrated approach towards creating an atmosphere for continuous learning and career advancement within the organization. The strength of an organization lies in its roots i.e. its human capital. Therefore, the HR or training division of an organization has a more strategic role to play not just in attracting and retaining the talent but also in motivating and developing them and most importantly in bringing the transformation by creating an enabling climate within the organization.

Experience of GAIL (INDIA) Ltd.

Today with over 27 years of its establishment, GAIL (India) Limited is a leading natural gas transmission and distribution company, a navratna Public Sector Organization in India. It owns and operates over 7000 kms of natural gas and LPG pipelines in India and employs about 4000 people in various plants and offices across the country.

A fairly young organization among the world of Oil and Gas Industry, GAIL (India) Limited has made significant contributions in the development and operations of Natural Gas and LPG Pipeline network in India.

Within a short period of over two-and-a-half decades since its inception, GAIL (India) Ltd. has made giant strides in all the spheres of its operation. With an impressive track record of growth and profitability in transmission, distribution, marketing and utilization of natural gas and its fractions, GAIL has acquired the status of a “Navaratna” company. It holds a high position among the companies in the Indian Corporate sector. In its formative years, the company started its activities as a monopoly business with a little or practically no competition. The organization enjoyed the business monopoly in the transmission and

distribution of natural gas in India till late nineties that is when the Government of India decided to open up the natural gas sector for other government and private players. The Administrative Price Mechanism (APM) under which the price of natural gas was being regulated was also decided to be dismantled and prices to be brought in parity with market driven prices in a phased manner. With significant growth in demand for natural gas, another significant event in the development of natural gas sector in India was the import of natural gas in the form of Liquefied Natural Gas (LNG). Re-gasified LNG started flowing into the pipelines from April 2004. With APM prices still in place, it was a challenging task for the organization to secure contracts for marketing of RLNG which was priced significantly higher as compared to the APM gas. In an yet another challenge to the core business activity of the organization, other government and private players were also allowed by the government not

only to market gas available with them but also to develop their own transmission and distribution networks.

In next few years, with new gas finds in the country, natural gas sector is all set to expand at an exponential rate. In order to boost the gas pipeline infrastructure development and as also to provide a level playing field to all the players in the industry, Government of India, has set up a Petroleum & Natural Gas Regulatory Board (PNGRB). It has started functioning in 2006 and has the mandate to formulate and govern policies and regulations for development and operations of Oil and Gas pipeline Infrastructure in the country. Under the new regime, all the interested organizations are now required to participate in the bidding process to get authorization for development and setting up of the pipeline and city gas distribution networks in any of the new areas or region.

Apart from these business challenges for the organization due to changes in the external environment, yet another challenging task for the organization was not only to retain its key and experienced personnel from moving away to the competitors but also to acquire and develop new manpower to make use of the growth opportunity in expanding its network and business activities.

Needless to mention that the Organizational Culture has played a key role in successfully managing this drastic change in business environment and achievements made by the organization. The company attaches high importance to the Organizational Culture. In this context, some of the fundamental beliefs held by GAIL are:

- ◆ The Organization is basically a “human organization”. Human beings give Significance to its systems and subsystems.
- ◆ The Organizations resemble living organisms to some extent. They have stages in their life span like birth, early life, maturity and if not rejuvenated, stagnation, decay and death.
- ◆ Organizational Growth is not linear; the growth is better sustained if it alternates with development.
- ◆ A person is not a material resource, an instrument or an object - he /she is a subject, a “**Karta**”.
- ◆ An Organization requires attention to human system not less than what is attributed to techno economic systems.
- ◆ People must be continuously helped to acquire capabilities for effective performance of existing and new roles/functions/tasks that may arise in the process of organizational growth and changes in the environment. Therefore,
- ◆ Human Resource Development (HRD) is crucial for the organization.
- ◆ A positive, development oriented climate is essential for the success of HRD efforts to ensure organizational growth.

On Human resources front, the strength of GAIL (India) Ltd. comes from the following factors-

- Lean Organization
- Professional Skill Dominated Organization
- A Fairly Young Organization with average age of employees at 38 years
- Executive Oriented Organization with over 70% of the employees in Executive cadre.

Since its inception GAIL has adopted and developed best of the HRD practices not only to attract and retain the talent but also in continuous up-gradation and development of their

skills and knowledge base. Some of the key initiatives and practices adopted by GAIL for human resource development and talent management are –

1. Developing a Healthy Organizational Culture and Climate

“Organisational climate is a relatively enduring quality of the internal environment that is experienced by the members, influences their behaviour, and can be described in terms of values of a particular set of characteristics of the organisation” (Renato Tagiuri, 1968).

Since GAIL considers its human resources as the biggest assets, maintenance of positive and healthy organisational culture has always been given high importance. Accordingly, various initiatives are taken from time to time for achieving this objective. The HR Vision and mission have been developed as an initiative in this direction. GAIL’s HR vision and mission are derivatives of and in alignment with the corporate vision and mission statements. These are as follows:-

GAIL’s Corporate Vision: *“Be the Dominant Natural Gas Company with Significant Global presence, integrated in Energy and Petrochemicals”.*

GAIL’s Corporate Mission: *“To accelerate and optimize the effective and economic use of Natural gas and its fractions to the benefit of national economy”.*

HR VISION OF GAIL: *“To develop a positive environment for transformation, growth and excellence to help attain organizational goals”*

The salient features of GAIL’s HR vision are:-

1. Development of a positive environment.
2. Facilitating organizational transformation, growth and excellence to meet the future challenges.
3. Initiatives focused on achievement of organizational goals.

HR MISSION OF GAIL: *“To build an organizational culture emphasizing on performance, ownership and participation for creation and development of Human Resources and Technology”*

The various elements of the HR mission statement are elucidated below:-

1. Building a culture, focusing on team work and collaboration.
2. Emphasis on individual performance and self-development.
3. Creation and development of Human Resources.
4. Achievement of technological advancement in each area of operation.

“Knowledge Management” is one of the key areas on which GAIL has focussed attention. In line with this philosophy, GAIL Training Institute (GTI) has been established by GAIL. Its quality policy is stated below:-

QUALITY POLICY OF THE GAIL TRAINING INSTITUTE: *“GAIL Training Institute is committed to the pursuit of excellence through sustained and innovative efforts in the field of training and development, leading to Enrichment of Thought and Experience, Improvement of Quality of Work Life and Synergy of Actions”*

2. Creating a Learning Organization

In any organization, knowledge is gained through the full utilization of information and data, blended with the power of people's skills, competencies, ideas and intuitions, commitments, motivations and experiences. As *Change is the name of the game*, "**Knowledge Management**" has gained supreme importance in the present times. Today, we are witness to an era of 'knowledge workers' and "*knowledge management*" has become the key factor for organizational success. The efficacy of knowledge management is an effective tool in analyzing and tackling changes has been established. In a climate where competition is stiff and constant innovation is *the mantra of success*, organizations have very well understood the importance of Knowledge Management. Knowledge management consists of a triangle comprising people, processes and technology. People are the drivers and they form the epicenter. The collective and collaborative application of knowledge by the people results in the processes that are best suited to the organization. Technology aids people to perform processes that provide the organization with a strategic competitive edge.

With the above philosophy, GAIL has laid emphasis on "Learning Organization". Accordingly, the GAIL Training Institute (GTI) has been established by GAIL. It is an ISO 9001 institute certified for design and conduction of training activities in behavioral, managerial and technical areas. With its experienced and certified core trainers, scientifically developed modular course wares and excellent infrastructure facilities, GTI is one of its own kind in the Natural Gas Sector not only in India but also in Asian region.

In line with its quality policy, the thrust areas of Training and Development activities and facilities at GTI include the following:-

- Introduction and implementation of concept of 'Learning organization'
- Well designed training programs for various disciplines, based on Training Need Assessment
- A fully electronic Training Need Assessment system linked to Annual Performance Appraisal of the employees.
- Exclusive and focused centers for Executive and Non-Executive level trainings catering to the training needs of all the employees of Organization. Not only this, but also offering customized training programs to employees of other organizations in Oil and Gas Sector in India and abroad.
- Library and Information Centre which is electronically connected with all the work centers across the country through Intranet.
- Publication of papers by faculty members and Employees in various forums. Faculty members are also visiting leading Educational Institutes and Universities of the Country to share their knowledge and experience with future generation of workforce in this sector.
- Comprehensive Induction & Orientation of new Employees.
- Mentoring initiative aptly named 'Saarthee'- the Charioteer, the term popularly used to describe the Krishna who was a Mentor in the form of a Charioteer to Arjun in the battle of Mahabharata.
- Conduction of specialized studies and events across the organization like the Organizational Climate Survey, Organizational Transformation, Employee Engagement surveys Talent search through competitions like GAIL Quiz Idols, GAIL Singing Idols, GAIL Women Employee Award etc.
- Complete in- house Arrangement for boarding and lodging of the faculty and participants, Infotainment, Yoga Classes, Gymnasium, games and sports etc.

Bringing a change in the mindset of almost 4000 employees posted in different locations across the country, to get ready and face the heat of competition was one of the biggest

challenges for the organization in order to retain its leadership position in the new competitive environment. Training and development played a vital role in preparing the young managers of the company to take on this challenge with knowledge and confidence. A special program was designed and delivered in collaboration with the leading management institutes of the country to provide specialized training to over 800 young managers of the company. The program was appropriately titled as “Young GAIL Unlimited”. At the same time senior leadership of the company was exposed to the latest management techniques and strategies to guide and steer the company in such difficult times. Latest structural tools like Assessment & development centers is being used to identify the key development area & offer customized learning & development opportunities to the employees.

3. Alignment of HR Strategies to Business

With changing business requirements HR Strategies also need to be rapidly aligned to the new business set up. Over the past few years GAIL has witnessed significant changes in its market conditions which have forced the organization to review and revise its business strategies. To meet the growing business requirements, HR Strategies of the organization have also been reviewed -

- To carry out customer focused restructuring
- To create need based new departments
- To carry out realignment of department and functions
- To carry out redeployment of non-executives
- To make fresh recruitments
- To review & renew the Policies

4. HR in Tune with the Technology

Keeping in pace with technological advances specially in the field of Information Technology and Enterprises Resource Planning (ERP), HR functions and activities have also been put in tune with the use of latest technology. Some of the steps taken in this direction by GAIL include-

- Successful implementation of SAP-ERP including-
 - Employee Self Service (ESS) with online application for maintenance of Employee Personal Data, Professional history, Personal Claims etc.
 - Training and Event Management Module for Training and Development activities
 - Recruitment Module for applicant database
 - Organization Management (OM) Module for online maintenance of organization structure
- Online Performance Appraisals (e-PMS)
- E-learning (HMM) modules for learning at ease
- Knowledge sharing portal
- Outline system for monitory & assessment of on the job learning of new recruits.

5. Outsourcing

Being a lean and thin organization, most of the routine operations and maintenance activities at GAIL have been out sourced. Outsourcing has not just helped the organization in reducing operating costs but also in better management of its key human resources and in providing

a quality work environment to its employees. It has also been effective in bridging skill gaps in certain business areas where the organization lacked expertise. Outsourcing not only reduces the burden on company's own resources but also provides an opportunity to the employees to give time and focus on more meaningful tasks.

From Leaders to Learners

Human capital is the most valuable asset for organizational growth and the unique qualities of creativity and imagination which employees provide to an organization has no substitute. The responsibility of the organization is to provide a nurturing environment for these qualities. It is this firm belief held by GAIL that learning is a never ending process and that is why it attaches very high importance to continuous learning and development across all levels in the organization. As a policy each employee of the organization must get a minimum of three man-days of training in a year in an area of his interest and priority.

It is a well recognized fact that organizational change is not about making marginal or small increments. It is about achieving mammoth or quantum leaps. Continuous learning and Organizational Culture is a vital part of Organizational Transformation. In its pursuit of excellence, GAIL has a sharp focus on such an organizational culture in which the key concern is not the latest technologies alone but the use of these technologies to facilitate an environment of information sharing, knowledge management, learning organization, relationship building, trust and care.

Key Factors of GAIL's Success:

As mentioned in preceding paragraphs, GAIL (India) Limited is a young but leading natural gas transmission and distribution company in India and it has made significant contributions in the development and operations of Natural Gas and LPG Pipeline network in the country as well as in Gas Processing and Production of Petrochemicals.

Within a short period of about two-and-a-half decades since its inception, GAIL (India) Ltd. has made giant strides in all the spheres of its operation. The key factors of such extraordinary achievements include:

- Top Management's Vision (resulting Long term philosophy and strategic decisions; sharing of vision with employees)
- Developing exceptional people and teams who follow company's philosophy
- Setting challenging targets for individuals and work teams (Hoshin Kanri); enabling them to achieve the same and acknowledging and rewarding for extra ordinary achievements.
- Organizational excellence in Project Management achieved through an environment in which there exists a continuous stream of successfully managed projects; where success is measured by what is in the best interest of both the company and the project.
- Respect for business partners (consultants, contractors, vendors/suppliers); challenging them to grow and developing them by setting challenging targets and assisting them in achieving the same.
- Comprehensive and objective analysis of problems/issues, considering potential solutions with involvement of all concerned. (Decisions making based on objective considerations and by consensus).
- Quick implementation of decisions.

- Becoming learning organization through relentless reflection (hensei) and continuous improvement (kaizen)

Continuous Journey towards Growth and Excellence

With new milestones being achieved every year be it in increased throughput, record production, completing projects in a record time and so on, success is a never ending story at GAIL. But the organization is aware of the changing business scenario within the country and across the globe, Changing market conditions from a strictly government controlled monopolistic business to an open market competition and aspirations of the stakeholders and that of its own employees. It is aware of the change in strategy required to retain its leadership position in the Industry and to keep progressing through continuous learning, updation and improvement. An organizations journey to leadership is marked with its ability to building a learning environment across the organization which facilitates setting up of higher standards and bench marks with every step up that it takes on the ladder to success. That is why capacity & capability building is one of the important focus areas in GAIL's strategy for 2020.

With the rapid expansion of natural gas sector in India and abroad, there is a growing need of skilled and trained manpower to carry forward this success story and to realize the dream of Energy Security not only for a single nation but for the entire Globe, to make natural gas as the true fuel for the twentieth century.

If 3 C's i.e. cooperation, collaboration and healthy competition are the keys to organizations coming together in meeting the global energy demand then continuous learning, improvement and skill development are the keys to meeting the growing demand of skilled and trained manpower that is required for sustained development of the natural gas sector.

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