



*IIMC CASE RESEARCH CENTRE (IIMCCRC)*

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## UTKARSH – PRODUCTIVITY ENHANCEMENT INITIATIVE AT HPCL

August 14, 2008: Imtiyaz Arshad, Senior Manager HR for South Central Zone(SCZ) LPG Strategic Business Unit of Hindustan Petroleum Corporation Limited (HPCL), was a worried man. Pushp Joshi, General Manager(Marketing) of HPCL, had given him the responsibility of replicating the successful worker-centric productivity initiatives of Jatni and Mysuru throughout the SCZ. Arshad knew this would be a considerable challenge as the LPG plants at SCZ were not performing well, and their productivity was one of the worst among all the zones in the country. He knew he had to devise a different way to do it. His B-school training and experience handling worker productivity improvement projects in Jatni and Mysuru would now come in handy.

### OIL INDUSTRY IN INDIA

Due to high economic growth, India is the world's fastest-growing energy market and the third-largest energy consumer after China and the US. (1). The oil and gas sector contributes to 35% of India's energy requirements (2) and directly contributes to about 3% of India's GDP (3). The average annual growth rate of petrol consumption was 10.1%, high-speed diesel was 6.6%, aviation turbine fuel was 9.1%, and LPG was 10.8% for the year 2017-18 (4). Both domestic production and imports meet the demand for oil and gas. About 36 million metric tons of crude oil and 33 billion cubic meters of natural gas were produced in India in 2017-18, while 220 million metric tons of crude oil and 20 million metric tons of liquefied natural gas were imported by India in 2017-18.

There are many public and private sector players involved in the exploration, refining, transportation, and marketing of oil and natural gas in India, as shown in **Exhibits 1 and 2**. Few

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*Prof. Bodhibrata Nag of the Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.*

companies such as Oil & Natural Gas Corporation (ONGC) are involved only in exploration and production, while others such as GAIL are involved in transportation. A few oil marketing companies, such as HPCL, Indian Oil Corporation Limited (IOCL), and Bharat Petroleum Corporation Limited (BPCL), are involved in refining, transportation, and marketing.