



# OIL & NATURAL GAS COMMISSION (B.O.P.) KARMACHARI SANGHATANA

AFFILIATED TO - PETROLIUM & GAS WORKERS' FEDERATION OF INDIA

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REF. : ONGC/KS/247/2015

DATE : 16/03/2015

**To,**  
C & MD  
ONGC Ltd.  
Jeevan Bharati, Tower-II,  
Indira Gandhi Chowk,  
New Delhi

*o/c*

Director-HR  
ONGC Ltd.  
Jeevan Bharti, Tower-II,  
Indira Gandhi Chowk,  
New Delhi

**Subject : Defending the cause of Long Service Award Scheme  
with the Govt. and re-instate the same.**

Respected Sir,

The Long Service Award scheme was started by Oil sector PSU's to retain talent which started migrating to private sector companies which began blooming after the oil sector was thrown open to the private sector. The private sector with its lucrative salaries began to lure talented PSU employees with long standing service to ensure that their operations took off immediately. The PSU's started facing atrocious attrition rates leading to speedy depletion of talented manpower, thereby compelling Maharatna companies to formulate Long service reward schemes to retain talent.

The scheme though miniscule in size was incentive enough to retain employee who were in their last decade of service from falling prey to predatory wage structures of the private sector . It is a well known fact that long serving employees are an invaluable asset to ensure safe operations in the hydrocarbons sector. Their experience and service record ensures that safe practices are imbibed and adopted with diligence and hence their retention was all the more important to ensure a continued safety track record.

DPE is definitely entitled to frame personnel and wage policies, but would not be adequately informed to comprehend the constraints and safety hazards that may arise by losing talented and experienced manpower and hence it is within the purview of the Board of Directors of designated Maharatna companies to frame and implement policies to curb attrition of experienced and talented employees. If PSU organizations keep on losing talent coupled with the constraint off un cautioning with fulfilling social obligations, their efficiency and safety aspects would stand deeply compromised.

The government must appreciate the fact that greater responsibilities are assigned to Maharatna companies and hence the aspect of talent retention must remain with the PSU management as they do not have any special powers to enhance salaries of talented employees or high performers and hence an end of service benefit by way of Long service award should remain an issue to be handled by PSU companies as this is warranted by market realities. Devoid of talent retention , the Maharatna/ Navratna PSU's cannot undertake the implementation of the objectives set out by the government which are crucial in the mixed economy that the nation flourishes in.

In the central government long stay is awarded by granting senior pay scales which do not exist in PSU units. These Central Government senior pay scales coupled with lucrative grade pay ensure that any official/staff member gets a decent salary due to long service (which is a direct reward method) and is also assured of a lucrative pension that gets insulated from inflation and revised at timely intervals PSU employees have been stagnating for a very long timeframe despite elevations and higher responsibilities and performing inane industrial and competitive environment coupled with harsh field conditions, thereby leading to real decline in income levels. PSU employees face hardships due to declining interest rates in a competitive economy , as a result of which life time saving (terminal benefits) which are converted to investments get eroded with passage of time, once an employee retires, unlike government pension holders who have inflation proofed pensions schemes.