WORKFORCE SHRINKS BY 14%

Oil & Gas PSUs Cut 15,700 Jobs in 6 Years Even as Revenue Doubles

Executive jobs down 6%, non-managerial 25%; 7% rise in pipeline business

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New Delhi: State-run oil and gas companies cut 15,700 jobs, or 14% of their workforce, in six years even as their revenues nearly doubled, with non-managerial jobs getting hit disproportionately.

The headcount at state-run oil and gas companies dropped to 94,300 at the end of 2022-23 from 110,000 six years earlier, according to oil ministry data. The exploration and production, marketing and R&D segments shed 20-24% of jobs in six years while the refineries cut only 3%. Employment in the pipeline business rose 7%.

While the executive or managerial jobs dropped 6%, the non-managerial jobs comprising supervisors, clerks and workmen fell 25%. The drop in managerial jobs, of 27%, was most acute in the exploration and production segment. At refineries, managerial jobs expanded by 15%. Managerial jobs in the R&D divisions fell 16%.

The share of managerial jobs in total employment at state oil firms increased by 5 percentage points to 60% from 54.5%. The share of managerial jobs increased in refining (8 percentage points), R&D (3%) and marketing (16%) segments. But it declined for the exploration and production sector by 5 percentage points.

Indian Oil, ONGC, Oil India, GAIL, HPCL and BPCL didn't respond to ET's request for comment.

An industry executive, who didn't want to be identified, linked the fall in direct employment at state firms to increased outsourcing, higher adoption of technology, a rush of retirements, especially during Covid years, and limited replacements.

State-run oil companies incurred a capital expenditure of ₹6,80,000 crore in six financial years through 2022-23.

"Employment is not directly proportional to investments in the oil sector," said another industry executive, adding that as organisations seek efficiency they tend to outsource several jobs.

"As the jobs become more and more specialised you can't have all skillsets in-house. Also, all skills become redundant after a while," he said, backing outsourcing. "Earlier, services were not so easily available, they were also not easy to mobilise. That's not the case any more."

Of the 94,000 employees at state firms in March 2023, 28,000 were employed by Indian Oil Corporation and 24,000 by ONGC. The share of executives or managers in total jobs was 58% at Indian Oil and 60% at ONGC.

The exploration and production sector is the biggest employer in the oil industry, accounting for 28% of total employees in March 2023. The share of refining and marketing were 26% and 25% respectively.

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Off the Rolls

Headcount at oil and gas PSUs drops to **94,300** at end of 2022-23, from **110,000** 6 years earlier

Exploration & production, marketing, and R&D segments shed **20-24%** of jobs

Refineries cut only **3%**

Employment in pipeline business up **7%**

Executive jobs drop 6%, non-managerial jobs fell **25%**

INDUSTRY EXECUTIVE SAYS FALL IN DIRECT EMPLOYMENT DUE TO INCREASED OUTSOURCING, GREATER TECH ADOPTION, RUSH OF RETIREMENTS, LIMITED REPLACEMENTS