

STAFFING NORMS

Deloitte conducted a detailed study of market practices in the sector to identify manpower norms that may be applied

Parameters	Market Practices
Market Manpower Norms for operational manpower	- No non-executive manpower exists on the rolls of the telecom service providers - Manpower norms are based on number of consumers / connections or DELs. - The overall operational manpower norm for Executives across Wireline and Wireless - 6,500 DELs per Executive. The function wise break-up is as follows: - Sales Manpower Norm ~ 15,000 DELs per Sales Executive - Marketing Manpower Norm ~ 1,00,000 DELs per Marketing Executive - Customer Service Delivery Manpower Norm ~ 30,000 DELs per Customer Service Delivery Executive - Technical (O&M, Projects, Transmission, Planning) ~ 31, 250 DELs per Network O&M Executive - Finance / Business Planning / IT ~ 7% of sales, marketing, CSD, and Technical manpower - HR / Admin ~ 3% of sales, marketing, CSD, and Technical manpower - The above mentioned does not include positional manpower (Function / Group Head level)
Non-Territorial Circles equivalent	- Regional Project Setup for Core Network and later Circle Project Execution - No Separate Maintenance Region, monitoring of outsourced maintenance is through concerned Circle Office - QA and Inspection Setup is combined, no concept of Telecom Factories - Centralized Training Center for all types of trainings - No permanent setups for activities of circles such as NGN, BR NW - Defined setup with 500+ operational manpower for O&M activities of mobile zonal centers and CDR - ERP implementation operational manpower in the range of 60-70 executives, however system and application development is outsourced
Corporate Manpower	Standard norm of Corporate manpower as 5-10% of overall manpower (on-rolls)
Civil, Elect., Arch., Secy. Cadres	These cadres do not exist in the market

Proposed Staffing Norms

Defining Manpower requirement for BSNL: Stage 1: Pre- ERP and Network O&M In-house

#	Manpower Parameter	Norm utilized for manpower assessment
1	Territorial Circles	
1.1	Circle Office Manpower	Executive Manpower: - Positional manpower for various Circle office roles have been defined in line with Circle structure. Level and cadre wise executives across functions varies with the size of the Circle and have been defined for each Circle Office - The Circles have been divided into three categories with eight large Circles with revenue > ~ INR 1000 Cr +, nine Medium Circles with revenue > ~ INR 400 Cr, and rest small circles - Circle Office Sales manpower for Wireless, Wireline and Enterprise business has also been defined for each Circle Office - In addition to positional norms, Circle wise AGM / SDE / ITO manpower required for CM O&M has been defined basis internal benchmarking. The CM O&M manpower requirement has been defined using internal norm of 7817 Wireless connections per CM O&M Executive (Kerala, Tamil Nadu, Karnataka Circles have been used for internal benchmarking). Non-Executive Manpower at Circle Offices: The Non-Executive manpower at field offices (Circles & SSAs) has been defined basis Deloitte's field visits and discussions with employees across Circles such as Tamil Nadu, UP West, Kerala, MP etc. - Telecom Mechanic – Based on TM per CFA connections in Kerala - Sr. ToA – To continue as-is till ERP implementation - TTA – Based on TTA per CFA connections in Kerala - Rest Non-Executives cadres – Not recommended and to be carried as supernumerary till retirement

Proposed Staffing Norms

Sl	Manpower Parameter	Norm utilized for manpower assessment
1.2	Area Office Manpower	- Positional manpower for Area Offices has been defined in line with proposed number of Area Offices and Area Office Structures - DGM & above manpower in the Area Offices are aligned to positional norms for Area Head, Customer Service Delivery Head, Network O&M Head, HR Head, Finance Head, Area Sales Manager etc. - The level of head and subsequent function heads is aligned to size of Area Offices with around 18 Area Offices designated as large Area Offices headed by a PGM. The function heads below PGM are at GM level in these Area Offices. Two DGMs per GM has been provided for support in such Area offices - AGM /SDE / JTO manpower at the Area Offices is defined as per following norms: - Sales, Marketing, Customer Service Delivery – As per Market Norms - CFA O&M – As per internal benchmarking using Kerala norm of 2705 CFA connections per AGM / SDE / JTO - Finance / Accounts – Finance / Accounts operation staff is calculated as a % of all other staff. The existing percentage i.e. 20% of all manpower in Area Office has been applied - HR / Administration – 7% of all manpower in Area Office Non-Executive at Area Office: The Non-Executive manpower at field offices (Circles & SSAs) has been defined basis Deloitte's field visits and discussions with employees across Circles such as Tamil Nadu, UP West, Kerala, MP etc. - Telecom Mechanic (TM) + RM – Based on TM+RM per CFA connections in Kerala (409 CFA connections per TM+RM) - Sr. ToA – To continue as-is till ERP implementation - TTA – Based on TTA per CFA connections using Kerala norm (2991 CFA connections per TTA) - Rest Non-Executives cadres – Not recommended and to be carried as supernumerary till retirement

Source: BSNL data, Deloitte's analysis

Need for additional skills / cadres for business revival

- BSNL operates with two Executive cadres primarily i.e. Technical and Finance
- However in line with changing market dynamics and recommended business revival strategies, there is a need to acquire skills from outsiders in the areas of Sales, Marketing, Customer Service Delivery and IT as per the table below:

Manpower Nos. (FY2015)

Level	Skill Families			
	Marketing	Sales (CFA, CM, and EB)	Customer Service Deliver	Information Technology
GM	30	48	18	11
DGM	30	344	185	25
AGM / SDE / JTO	1216	8159	3888	202
Total	1278	8531	4189	238

Sales Skill Family

Education	Key Responsibilities for Skill Family	Expected Skills
- PGDBM / MBA in Sales and Marketing at DGM & above levels - Graduate with Sales experience at AGM / SDE / JTO levels	- Prepare strategy for sales for the particular Area Office - Review distribution of product to customers of the Area office - Ensure Quality of Sales by reviewing sales team periodically - Oversee management of accounts for each product - Ensure team under him is updated with all products offered by BSNL - Review customer feedback	- Interpersonal Skills - Commercial Awareness - Relationship building skills - Market / Competition Intelligence - Customer orientation skills - Team building skills - Product Knowledge - Basic Technical Knowledge

Need for additional skills / cadres for business revival - Contd.

Marketing Skill

Education	Key Responsibilities for Skill Family	Expected Skills
- PGDBM / MBA in Sales and Marketing at DGM & above levels - Graduate with Sales experience at AGM / SDE / JTO levels	- Ensure enhancement of BSNL's Market share by preparing strategy for marketing in the Area office - Formulate branding guidelines to internal teams including sales - Review consumer feedback - Conceptualize features / developments on existing products - Review design of product brochures for the Area Office - Oversee communication with corporate clients	- Interpersonal Skills - Commercial Awareness - Market / Competition Intelligence - Business Knowledge of own and other companies - Team Building skills

Customer Service Delivery

Education	Key Responsibilities for Skill Family	Expected Skills
- PGDBM / MBA in Sales and Marketing at DGM & above levels - Graduate with Sales experience at AGM / SDE / JTO levels	- Formulate strategy for the delivery of customer service - Oversee identification of key service areas in the Area Offices - Review monthly performance of the Customer Care Centers - Oversee compilation of MIS reports relating to customer services in the Area office	- People Management - Negotiation Skills - Program management skills - Team Management skills - Staying updated with Latest Technology

Need for additional skills / cadres for business revival – Contd.

IT Skill Family

Education	Key Responsibilities for Skill Family	Expected Skills
BE / B.Tech in IT (or) MCA Graduate with 5 – 7 years of experience	- Formulate strategy for Area office offices in the implementation of IT - Oversee selection process for consultants for implementation of IT initiatives - Instrumental in driving automation across Area offices - Oversee compilation of MIS reports for the Area Office - Oversee inventory control of all hardware / software associated with the Area Office - Oversee maintenance of personnel and customer records of the Area Office - Oversee filing of log entries for technical faults - Check and approve request for repair and maintenance of faults	- Program management skills - Team Management skills - Inventory Management - Staying updated with Latest Technology

Staffing strategy for acquiring additional skills

Staffing Strategy

- The staffing of the skills mentioned earlier is proposed to be a mix of on-roll and off-roll employees
 - On – Roll Employees:** Full Time Employees on the organization's rolls with entitlement to all perks & benefits including Terminal Benefits
 - Off – Roll Employees:** Full Time Employees sourced from an outside agency or part of a separate unit (created specifically for provided manpower) who are employed for a fixed tenure and their terms / conditions, salary & benefits are separate from on-roll employees
- BSNL being a CPSU, it was essential to identify whether other PSUs have been following similar strategy or not. Deloitte conducted benchmarking study and identified the following:
 - There are no DPE guidelines against hiring off-roll employees in core or support functions
 - Organizations such as Engineers India Limited employ third party agency for recruiting off-roll employees in core engineering functions such as Design Engineering
 - Organizations such as NTPC sources engineers on off-roll basis
- In line with the above mentioned benchmarking study, the following staffing strategy is proposed for BSNL:

Manpower Nos. (FY2015)

Skills	Marketing			Sales			Customer Service Delivery			Information Technology			Total
Levels	GM	DGM	AGM / SDE / JTO	GM	DGM	AGM / SDE / JTO	GM	DGM	AGM / SDE / JTO	GM	DGM	AGM / SDE / JTO	
On-Roll	30	30	0	48	252	0	18	149	0	11	25	0	563
Off-Rolls	0	0	1216	0	0	8159	0	0	3986	0	0	202	13563
Total	30	30	1216	48	252	8159	18	149	3986	11	25	202	14126

Source: BSNL data, Deloitte's analysis

Staffing strategy for acquiring additional skills – Contd.

Staffing Strategy for new skill areas

- The staffing strategy for new skill areas has to be a combination of internal promotions, market recruitment and recruitment on off-roll basis.

Attraction / Retention of Best talent in Sales, Marketing, and CSD Roles

- BSNL may recruit Management Trainees with Sales & Marketing background and appoint them as Area Sales Manager, Area Customer Service Delivery Head on confirmation
- These Management Trainees may be recruited at one level higher than existing entry grade and must be assured promotion without vacancy consideration till AGM level
- From AGM to DGM level, promotion to be on vacancy consideration

Career progression / promotion policy for executives

- Public Sector Entities across India have realized the importance of attracting and retaining talent
- To provide assured career path up to a certain level, organizations have clubbed the operational levels both for the purpose of manpower estimation as well as promotion without vacancy consideration. The following table provides details of the same

CPSEs	Career progression / promotion best practices
Engineers India Limited	▪ Engineers India Limited (EIL) has nine levels of Executives from level 12-20. Level 12 is the entry grade for Executives ▪ EIL has clubbed level 12-15 as operational band and provides assured career till level 15 without vacancy consideration. Vacancy consideration becomes a criteria from level 16 onwards i.e. DGM & above ▪ Delegation of Power is different level wise and reporting is also level wise
Power Grid	▪ At Power Grid executive levels are 1-9 and they have clubbed level 1-5 as operational band. Within operational band vacancy is not a consideration for promotion and an employee entering PGCIL at level 1 is assured a career till level 5

Source: BSNL, data, Deloitte's analysis

Recommendations on Career Progression

- In line with the best practices, it is recommended that levels from JTO till AGM to be clubbed together as an operational band.
- The promotion from JTO till AGM to be merit based, **however vacancy to not be a consideration during such promotions** i.e. if the employee meets the benchmark performance criteria, he / she should be duly promoted to next level
- These recommendations are for the purpose of providing promotional avenues but the **financial and administrative powers at JTO, SDE, DE / AGM level continue to be different**
- The reporting to remain level wise as well however in case employees in a particular division are at same level, then the senior most executive in that level is defined as supervisor. This is in line with practices in other CPSEs where senior most AGM / DE level employee has AGM / DE level employees reporting to him / her.

Recommendations on BW/Elect/Arch Cadres and Secretarial Services Manpower

BW/Elect/Arch Executive Manpower

- Civil/ Electrical/ Architecture cadres are unique to BSNL – these cadres do not exist in the market and are not aligned to the core business of BSNL
- However, it is essential that existing manpower is carried as supernumerary manpower till retirement and all their terms & conditions, compensation including Terminal Benefits are protected

Secretarial Services Manpower

- As per market practices, it is recommended that the secretarial staff, peons etc. (At Corporate, Circle, Area Offices) to be taken on outsourced basis and hence the same has not be provided in proposed manpower
- However, the existing manpower to be carried as supernumerary manpower till retirement and all their terms & conditions, compensation including Terminal Benefits are protected

Source: BSNL data, Deloitte's analysis