

No. 4-1/2010- Restg.

Dated 26th Dec., 2014

To

All Associations and Unions

Sub:- Draft proposal for BSNL Man Power Plan and Staffing Norms for Territorial Circles.

Sir,

Please find enclosed draft paper on proposed man power plan for BSNL. You are requested to give your comments on the enclosed proposal latest by 02.01.2015.


26/12/14
(Prabha Ji)
DGM (Restg.)

Copy for kind information:

1. Director (HR)
2. Sr. GM(SR) / GM (Pers.)/ GM (Estt.)/ GM (FP)

Draft HR Plan for BSNL

1. Background- Need to revise staffing norms & finalize HR Plan.

1.1) The current sanctioned strength of employees in BSNL is based on staffing norms which were formulated long back. There have been significant changes in the technology, business model and business processes which necessitate framing of staffing norms based on current requirements of business. There is an urgent need to put in place new norms and assess the man power based on current requirements.

1.2) Current Sanctioned Strength:

To illustrate the importance of this exercise, it may be noted that the current sanctioned strength of executives is about 90,000 whereas the working numbers are ~46,000. Because of the sanctioned strength being much higher than the optimal requirement and in the absence of appropriate norms, executives are at times posted to positions which are not important from the point of view of company's business requirements. On the other hand, some of the important and critical areas such as sales and mktg., customer services, QoS improvement etc. get neglected. There is excess manpower in some areas and deficits in other geographical areas. Revising the staffing norms and redefining the man power based on business requirements will facilitate optimal positioning of available HR for improvement of services and revenues.

1.3) MOU Targets:

As per the MoU signed for the year 2014-15 with DoT, formulation of Policy for HR Restructuring including rightsizing of human resource, finalization of plan for new recruitment of professionals and preparation of recruitment rules is required to be finalized by 31.12.2014. If this matter is delayed further, it will have an impact on MoU score.

1.4) Parliament Questions:

The issue of HR in BSNL and questions about BSNL's employee strength being in excess/deficit is being raised in several parliament questions. If we take the current sanctioned strength as the optimal requirement, it gives an impression that there is shortage of employees in BSNL. At the same time, however, we have already sent proposal for VRS implementation in BSNL and the same is justified on the basis that the current employee numbers in BSNL are on higher side and there is need to reduce expenses on staff cost. The above two statements are contradictory in nature and cause challenges in preparing replies to parliament questions. There is thus urgent need to do revision of staffing norms and manpower assessment on priority.

2. Decisions of BSNL Board

BSNL Board had taken a decision in June, 2013 that an external consultant be given responsibility to prepare HR Plan for BSNL along with financial revival plan. In pursuance of this Board decision, Deloitte Consultants was engaged. The consultants has given its report. Recently, when some HR matters such as amendments required in recruitment rules were presented to the Board, the BSNL Board has taken a view that such proposals be submitted after HR Plan of the company is finalized. Thus delay in finalization of HR Plan would cause delay in approval/decision of BSNL Board on several important HR matters and therefore, the urgency to revise the norms/manpower requirements.

3. With regard to HR Plan, the scope of consultant's work was as follows:-

"To prepare a comprehensive HR Plan for BSNL (i.e., Organisation structure along with staffing norms for different roles and cadres, new streams required to facilitate company's core business and manpower plan for next 5 years) for bringing down the expenditure on staff and to suggest the strategy with specific action plan for sustainable revival of BSNL".

4. The consultant had submitted report on "Comprehensive review of BSNL and Preparation of Financial revival plan including HR Plan" in July 2014. Major HR recommendations submitted by the consultant are available at Annexure 'A'. Staffing norms submitted by the consultant for territorial circles are available at Annexure 'B' and at Annexure 'C' for non-territorial circles.

5. The consultant has proposed manpower in three scenarios:

- (i) Network O&M continues inhouse and ERP is not fully implemented. (Stage 1)
- (ii) Network O&M is outsourced and ERP is fully implemented. (Stage 2 Scenario 1)
- (iii) Network O&M continues inhouse and ERP is fully implemented (Stage 2 Scenario 2)

6. For the purpose of this note, we have considered stage 1 manpower assessment. The consultant has assessed manpower requirement for executives as shown below:

6.1 Consultant's Recommendations- Strength of Executives:

Executive Level	Working Strength as on 31.10.14	Strength recommended by the consultant for Executives for Telecom & Finance Streams for FY 13-14
CGM/PGM	41	95
GM	397	626

DGM	973	1945
AGM/SDE/JTO /CAO/AO/JAO	40775	51699
Total	42186	54364

6.2 Consultant's Recommendations- Non-Executives

Level	Working Strength	Strength recommended by the consultant for Executives for Telecom & Finance Streams for FY 13-14 (pre ERP implementation)
TTA	19691	9800
Sr. TOA	30000	29926
TM	87484	54413
RM	29541	Wasting Cadre
Others	31507	
Total	198223	94139

7. Manpower Plan for Non-Executives.

7.1) Deloitte Consultant Recommendations

With regard to non-executives, the Deloitte consultants have proposed that only about 94,000 non-executives are required as against the current strength of about 198,000. The details of manpower strength at different levels proposed by the Deloitte consultants are given in para 6.2 above.

7.2 Norms proposed by Deloitte for computation of Non-Executive Cadres

Deloitte consultants have given norms for TTAs, TM & RM based on no. of CFA connections and current working strength in Kerala Circle. Proposed norms are as follows:

- i) 409 CFA connections per TM + RM
- ii) 2991 CFA connections per TTA
- iii) Existing no. of ToAs to be retained till ERP is completely rolled out. After ERP, reduce strength of ToAs by 70%
- iv) All other non-executive cadres are not required, to be continued as supernumerary

Most of the circles have given feed back that the norms given by consultant are too tight and the projected numbers are inadequate.

- 7.3 It may be mentioned that another consultant M/s BCG which had been engaged by BSNL earlier for strategy and business plan exercise, had given their recommendations on manpower as well. With regards to non-executives, a comparative statement showing current working strength, Deloitte and BCG recommendations are placed below:-

S.No	Level	Sanctioned Strength	Current strength as on 31.10.2014	Deloitte Recommendations	BCG Recommendations
1	TTA		19691	9800	24000
2	Sr. TOA		30000	29926	45000
3	TM		87484	54413	86000
4	RM		29541	Wasting Cadre	30000
5	Others				1500
	Total		198223	94138	186500

- 7.4) **Restructuring Branch Proposal for norms and manpower requirement of Non-Executives:**

TTAs

With regard to TTAs, the assessment of Deloitte consultant seems to be highly inappropriate as they has suggested that this cadre is surplus by about 10,000 as against the working strength of ~20,000. The role being played by TTAs in the field units for network, O&M functions is extremely crucial and therefore, Deloitte consultant recommendation that there is surplus in this cadre seems to be highly misplaced. It is proposed that TTA requirement may be kept as 24000 as proposed by BCG.

Sr.TOA:

For Sr. TOA level, Deloitte consultant has suggested man power of only 9,000 (after ERP implementation) against the working strength of ~30,000. As already stated many circles have pointed that the requirement projected

by Deloitte is too low. Although BCG had recommended TOA strength as 45,000, we may retain the current working strength of 30,000 as many of the functions handled by TOAs have got automatized with CDR implementation and partial ERP roll out.

TMs & RMs

Deloitte consultant has suggested norms of 409 CFA connections per TM + RM based on Kerala Circle. Most of the circles have opined that Kerala norm is too tight. It is proposed that we may consider BCG recommendation and make adjustments based on decline in landline subscriber base since BCG gave their recommendations. The landline no. has reduced by about 38% (27.83 million in April,2010 to 17.22 million in Oct.,2014). Thus, TM+RM manpower is proposed as 72,000 (62% of BCG figure of 1,16,000).

8. Consultant Recommendations- Staffing norms and man power plan for executives-

8.1 Consultant Norms for DGM,GM & CGM Posts in Territorial Circles.

Deloitte consultants have proposed organization restructuring below circle set-up by merger of small SSAs into Area. They have further given norms for DGM & above level posts on positional basis in circles and Areas. E.g. for a PGM headed Area, 6 GMs & 12 DGMs are proposed. For GM headed Area, 6 DGMs are proposed. A total of 18 PGM headed Areas & 149 GM headed areas are proposed. With regard to restructuring exercise, it is first proposed to first conduct a pilot exercise in six circles for consolidation of small SSAs into areas. Based on results of pilot, this structure will be rolled out else where. . Since the number of DGMs/GM/PGM are dependent on implementation of new field structure and the consultant has recommended higher number of officers at these levels, it is proposed that we may not revise the sanctioned strength of CGM/PGM,GM, DGM levels posts at this stage and retain them at current sanctioned strength for all streams.

8.2 Norms for other telecom executives (JTO/SDE/AGM) and equivalent levels in Finance Stream

The consultant has proposed positional and workload based norms for Telecom Stream executive levels JTO to AGM. Further, The consultant has proposed that the manpower for JTO, SDE and AGM & equivalent cadres should be clubbed. The norms proposed for combined executive strength (AGM/SDE/JTO) are as follows:-

In Circle Office :

- i) For CM O&M -7817 wireless connections per executive
- ii) Positional norms for circle offices.

	AGM to JTO
Large Circle	178
Medium Circle	165
Small Circle	100

In Areas/SSAs:

ROLES ----->	Sales	Marketing	Customer Service Delivery (CSD)	CFA O&M	HR/ Admin	Finance/ Accounts
AGM/ SDE/ JTO	15,000 DELs per Sales Executive	1,00,000 DELs per Marketing Executive	30,000 DELs per CSD Executive	2705 CFA connections per AGM/ SDE/JTO	7% of all manpower in Area Office	20% of all manpower in Area Office

The consultant has recommended following strength of executives (JTO to AGM) In Telecom. & Finance Wing for the year 2013-14 and for 2016-17. Projections for 2016-17 are based on network expansion assumptions and completion of ERP Project.

S.No.	Level	Recommended strength 2014	Recommended Strength 2016-17
1.	JTO to AGM	43,205	47,582
2.	JAO to CAO	8,494	2,815

Civil/Elect./Arch./TF/Sectt. Streams

With regard to officers of Civil/Elect./Arch./TF/Sectt. Streams, the Deloitte consultant has opined that these cadres are not aligned to company's core business and they may be continued on supernumerary basis.

Restructuring Branch Proposal for norms and manpower requirement of Executives:

9.1 CGM, GM and DGM level Posts

As already stated, Deloitte Consultant recommendations for these cadres will depend upon on implementation of Area Office Concept. On this issue, it is proposed to first conduct a pilot exercise in six circles for consolidation of small SSAs into areas. Based on results of pilot, this structure will be rolled out in rest of BSNL. Since the number of DGMs/GM/PGM are dependent on implementation of new field structure and the consultant has recommended higher number of officers at these levels, it is proposed that we may not revise the sanctioned strength of CGM/PGM,GM, DGM levels posts at this stage and retain them at current sanctioned strength for all streams.

9.2 AGM, SDE and JTO level posts

Telecom and Finance Stream

- i) Staffing norms and JTO/SDE/AGM level officers in the Telecom and Finance cadres may be revised for Territorial Circles as per the details in para 8.2.
- ii) Strength of telecom cadre executives (JTO to AGM) may be revised to 43,205 as per consultant recommendations proposed for 13-14. This will include executives for Sales, Marketing, CSD roles.
- iii) With regard to finance stream, it is seen that the consultant has projected requirement of only 2815 for 2016-17 which is much less than 2013-14 projected no. of 8494. Currently, ERP has been rolled out in 23 circles and will progressively be rolled out in balance circles. In view of this, it is proposed that we may retain the strength of finance executives to the current working strength of 6447 rather than proposing figures of 8494 (recommended for 2013-14) or 2815(recommended by consultant for 2016-17 i.e. after ERP implementation).

Civil/Elect./Arch./TF/Sectt. Streams

- iv) With regard to officers of Civil/Elect./ Arch./TF/Sectt. Streams, the Deloitte consultant has opined that these cadres are not aligned to company's core business and they may be continued on supernumery basis. It is proposed that we may retain the combined strength at AGM/SDE equivalent/JTO equivalent cadres in these streams at current working strength.

Proposed ratio of executives at AGM and SDE/JTO level

v) The Consultant has clubbed the operational manpower at JTO, SDE and AGM levels. However, most of the circles have commented that it is not the right methodology as clubbing these cadres will disturb the hierarchy. According to Karnataka circle, the existing structure may be maintained in the ratio of AGM:SDE:JTO = 1:2:2 to increase the promotion aspects. It is however felt that while we may not club all these levels, there is merit in combined strength of JTO and SDEs. These cadres are equivalent in terms of skill set and can be posted interchangeably. For most of our functions, JTO/SDE should report directly to DEs rather than following the hierarchy of JTO-SDE-DE. This will not only speedup the decision making but also improve system efficiency. It is proposed that the ratio of AGM to SDE/JTO cadres may be kept at 1:6 for all streams. JTO & SDE will form same cluster. The position of JTO & SDE would be manned by either JTO or SDE depending upon the availability and matching of skill set of the executive with the job requirement. Reporting of JTO may be directly to DE or to SDE depending on job requirement

10. Proposed Manpower Plan

Keeping in view the above considerations, proposed draft manpower plan for BSNL is annexed. In addition, it is proposed that:

- The manpower assessment should be reviewed on annual basis keeping in view requirements of network expansion, changes in technology and ERP implementation status.
- In some cadres, the current working numbers are higher than the requirement. All the existing employees will be carried on a usual till retirement with pay, allowances, Career progression & all other facilities & terms and conditions at par with normal employee though shown against supernumerary posts. These will be deployed as per business requirements.

BSNL HR PLAN- PROPOSAL**Overall Manpower Requirement****Executives**

	Telecom		
	Sanctioned Strength	Working Strength	Proposed Revised Strength
CGM/PGM	63	35	63
GM	564	368	564
DGM	1331	695	1331
DE	5303	2966	6172
SDE	25591	15672	37033
JTO	39178	15700	
Total	72030	35436	45163

	Finance		
	Sanctioned Strength	Working Strength	Proposed Revised Strength
CGM/PGM	8	6	8
GM	59	29	59
DGM	402	278	402
CAO	1347	453	920
AO	3725	1867	5517
JAO	6703	4117	
Total	12244	6750	6906

Executives

	Civil		
	Sanctioned	Working	Proposed
PGM	5	0	5
CE	51	50	51
SE	66	52	66
EE	222	125	242
SDE	1073	951	1453
JTO	1379	619	
Total	2796	1797	1817

	Electrical		
	Sanctioned	Working	Proposed
PGM	3	2	3
CE	24	21	24
SE	36	30	36
EE	134	48	158
SDE	574	539	946
JTO	1112	517	
Total	1883	1157	1167

Executives

	Arch.		
	Sanctioned	Working	Proposed
PGM	1	1	1
Chief Architect	9	9	9
DGM	13	7	13
DE	28	7	20
SDE	30	27	120
JTO	158	106	
Total	239	157	163

	Telecom Factory		
	Sanctioned	Working	Proposed
CGM/PGM	0	0	0
GM	8	7	8
DGM	14	6	14
DE	26	21	17
SDE	98	41	99
JTO	149	54	
Total	295	129	138

Executives

	Secretariat		
	Sanctioned	Working	Proposed
CGM/PGM	0	0	0
GM	0	0	0
DGM	6	6	6
DE	25	22	60
DM	97	86	360
AM	267	312	
Total	395	426	426

	Grand Total- Executives		
	Sanctioned	Working	Proposed
CGM/PGM	80	44	80
GM	715	484	715
DGM	1868	1074	1868
DE	7085	3642	7588
SDE	31188	19183	45529
JTO	48946	21425	
Total	89882	45852	55780

Non- Executives

	Sanctioned	Working	Proposed
TTA		19691	24000
Sr. TOA		30000	30000
TM		87484	72000
RM		29541	
Others		31507	1500
Total		198223	127500

Grand Total- Executives		
Sanctioned Strength	Working Strength	Proposed Revised Strength
89882	45852	55780

Grand Total Non-Executives		
Sanctioned Strength	Working Strength	Proposed Revised Strength
	198223	127500

Total =>

	244075	183280
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