5

Madhu Arora
General Manager (Restg./WS&I)
804,Bharat Sanchar Bhawan,
New Delhi-110001\
Phone No. +91-11-23734343

भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. 4-5/2011-Restg. **Dated 1st July, 2013**

To

General Secetary,
AIBSNLEA/ SNEA/AIGETOA,
BSNL

Sub:- Committee regarding introduction of CPSU cadre hierarchy vis-a vis present set up in BSNL.

Meetings of the committee set up on the above subject have been held on 12th July, 2012 & 19th Feb., 2013. Subsequent discussions have also taken place between members of the official side. Based on the discussions, please find enclosed draft views of the official side on the issue of introduction of CPSU cadre hierarchy in BSNL.

2. Your comments /feed back on the enclosed draft are solicited before next meeting of the committee is scheduled. Comments may preferably be provided by 10th July, 2013.

Encl. (as above)

(Madhu Arora)
GM (Restg./WS&I)

CPSU Cade Hierarchy -Official view vers3 dated 27-6-13

1) A Committee comprising of Sr. GM(Pers), Sr. GM (NWP-CFA), GM(SR), GM(Estt.), GM(TP/RA), GM(Corp. Restg) and following representatives of executive Associations has been set up to give its recommendations on Implementation of CPSU Cadre Hierarchy:

The Committee held meetings on ----------.

2) The Executive Associations have demanded switch over from two tier promotion system to time bound functional promotion. Their view is that this will end two tier promotion system and financial implication on promotions will also reduce. Currently, fixation is being given on financial up-gradation and again on post based promotion.

3) Earlier to this, Kapoor Committee which had been constituted in Sep. 2007 had also examined this subject. Terms of reference and detailed report of Kapoor Committee is placed at Annexure I.

4) As discussed during first meeting of the Committee, promotion policies of some big CPSUs such as BHEL and NTPC were studied and presentation made to the Committee members. Some of the salient features of Promotion Policy in these companies are as follows:

BHARAT HEAVY ELECTRICALS LIMITED (BHEL)

- Eligibilty for promotion and percentage of employees to be promoted is flexible and decided on year to year basis.
- Marking System for Promotion is as follows:
  - Performance : 60
  - Qualifications : 20
  - Experience : 10
  - Suitability : 10

28/6

(b) Ensuring uniformity, consistency and equitability;

(c) potential and suitability for specific job position;

(d) general conduct, personality and sense of involvement and commitment to the organization;

(e) upward or downward trend in the appraisal ratings. In case of upward trend, CPC might consider awarding higher marks as compared to the cases where there has been a downward trend, other things remaining equal.

- Vacancy is not a constraint for promotion up to Deputy Manager level.
- Promotions to the grade of manager, Sr. manager, DGM and above are subject to notified vacancies. For these levels, interviews are also held in addition to evaluation of performance ratings.
- It is essential to clear a departmental examination of standard equivalent to Bachelor in Engineering for any Executive who possesses only Diploma in Engineering, to be promoted beyond the grade of Deputy Manager. This condition can be relaxed by CMD in exceptional cases.
- Eligibility period for promotion of Executives in the following grades to the next higher grade is as follows:

E1,	3 years
E2	1 year
E2A, E3 & E4	3 years
E5 & E6	4 years

5) Important learning with regard to promotion policies of other CPSUs are as follows:

- Different PSUs have different provisions in promotion policy specific to their organizational requirements;
- There is significant focus on performance as well as merit, efficiency, personality, commitment , conduct etc. of an individual for the purpose of promotion;
- Promotions are made considering several factors such as requirement of executives at different levels, qualification, performance, experience and suitability of an executive.
- There is no concept of fixed time bound financial up gradation;

28/6

- 10% of the candidates recommended for promotion are from those who are coming up for consideration for the first time. Such candidates should have substantially large number of Outstanding/Excellent ACRs in total career. They should possess induction level qualification or, in exceptional cases, one level below induction level qualification. Also, they should have earned at least 3 Outstanding/Excellent reports during last 5 years, 2 of which should be during last 3 years.

- Bell Curve approach is adopted for 'capping' of promotions at different levels.. Bell curve distribution implies that performance ratings are distributed as per Normal Distribution viz. Top 15-20% of total employees as Excellent, 10% below par and rest of the employees in between.

- For the year that the data was provided by the Company, promotions from E1 to E7 and percentage of Executive prescribed for promotion were as follows:

Grade	Eligibility period (years)	Percentage
E1 to E2	4	85
E2 to E3	4	67.5
E3 to E4	3	55
E4 to E5	3	42.5
E5 to E6	3	35
E6 to E6A	3	100
E6A to E7	1	25

NATIONAL THERMAL POWER CORPORATION (NTPC)

- As a general principle , promotion to next higher grade is made on the basis of merit, efficiency, grade service and suitability.

- For the purpose of promotions, weightage is assigned both to performance appraisal ratings and grade service for determining suitability and promotion of an executive. To cite an example, for promotion from E-1 to E-2 level, maximum 24 marks are given for performance and 16 marks for grade service. This implies that an officer A with lesser grade service can get promoted while another officer B with longer grade service can be dropped if performance score of Officer A is higher than B.

- In addition, in the case of promotions to Manager level, the promotion committee awards upto a max. 15 marks and in case of promotions to Sr Manager and DGM level, 20 marks keeping in view the following factors:

  (a) Special recognition to experience and performance in the field consistent with Company's priorities;

28/6

- There are significant droppings at each level of promotion based on designate criteria, ranging from 15% to 75% as grades move up (BHEL case cited above).This enhances the credibility of promotion and motivates for performance.

- Cadre hierarchy as also the designations at different levels are unique to each CPSU.

6) The official side also deliberated on the suggestion of Associations that by clubbing time bound and functional promotion, BSNL will be able to man all the positions without additional expenditure. In this context, the following points are observed:

6.1 Cadre hierarchy comprising of functional posts needs to be determined very carefully keeping in view organizational needs for availability of adequate skilled manpower to perform complex technical roles, customer focussed responsibilities and at the same time ensuring appropriate span of control, supervision, monitoring.

6.2 Current no. of sanctioned posts at different levels and no. of executives drawing equivalent pay scales is as follows:

S.N	Functional Post	Equivalent pay-scale level	Sanctioned no. of posts	No. of executives drawing salary in that level
1	DGM	E5	1331	963
2	DE	E4	5286	11,100
3	SDE/Sr. SDE	E2/E3	31,061	26,000
4	JTO	E1	48,597	11,000

6.3 It is obvious from the figures given above that organisational hierarchy will be severely disturbed if functional promotion is given on time bound basis as demanded by Associations. If the scenario for the year 2014 is projected when the next time bound up gradation is due, the no. of executives in higher pay scales (DE/DGMs) will increase whereas availability of executives at operational levels (JTO/SDE) would decline further . This would pose challenges for effective and efficient network management and service delivery. It would also have implications on delegation of financial powers which need to be made very carefully

keeping fine balance between operational needs of the organization and the necessity of keeping expenses under control. Overall, it would have disastrous consequences for functioning of the organisation.

7) **With regard to BSNL's promotion Policy, official side observes as follows:**

7.1 Concept of time bound financial up-gradation for employees is unique to BSNL and is basically an outcome of negotiated settlement for absorption.

7.2 The spirit behind grant of time bound financial up-gradation was to enhance employee motivation leading to achievement of higher levels of performance. This aspect was inherently enshrined in the notification for Calling of option for absorption from Group B Officers in BSNL dated 2nd September 2003. Relevant extracts of the notification are reiterated below:

> *" With a view to motivate Executives in BSNL for achieving excellence in performance and higher productivity, resulting into improved quality of service, customer satisfaction and greater revenues for the Company, executives in BSNL will be allowed upgradation to the next higher IDA pay scale on a time bound basis, varying between 4 to 6 years, as may be prescribed for each scale and other attendant conditions, up to the IDA pay scale of JAG Selection Grade, beyond which it will depend upon availability of post and their suitability and selection for promotion, which will be uniformally evaluated in the various streams of discipline."*

7.3 The above provision implied synchronization of goals and objectives of the organization with the aspirations for growth and development of the employees. Unfortunately however, while employee benefits in terms of financial up-gradation on time bound basis has been granted in BSNL, desired outcome in terms of excellence in individual's performance leading to overall better organizational performance, has not been achieved. In fact, EPP gives pay-scales of higher grades virtually to all at regular intervals because of lenient performance bench marks. This has in some ways contributed to declining performance orientation in the organization besides diluting the excitement and punch of functional promotions.

7.4 The Associations, with their new proposal for shift from two tier promotion system to time bound functional promotion, have demanded for still better growth opportunities for executives while remaining silent on the all important aspect of performance- both individual as well as collectively at company level.

8. **After careful evaluation of the promotional policies of other PSUs , demands of Associations and overall need of the Organization, The official side is of the view that:**

8.1 In other CPSUs, Executive promotions are based on multiple parameters such as performance, qualifications, experience and suitability. The notion of CPSU cadre hierarchy as being merely time bound functional promotion, is misplaced. In fact, it is a promotion system with stringent focus on performance and other value propositions.

8.2 Accordingly, if we have to follow CPSU cadre hierarchy, the Executive promotion policy in BSNL requires to be completely recast. Some of the important features of such a policy would be clear assignment of marking system /weightages to different components such as performance, qualifications and experience for difference levels of promotion such as from E-1 to E-2, E-2 to E-3 etc. This can be further discussed with the Associations.

8.3 Considering BSNL's business & operational requirements as explained at length in para 6 above, it appears difficult to switch over from the existing time bound functional up-gradation policy to functional promotions, as demanded by the Associations.

8.4 In context of the observations made in para 7 above, there is dire need to review current benchmarks for financial up-gradations so that these are aligned to the basic theme of performance-orientation and higher employee productivity.

8.7 In tandem with revision of bench marks, designations indicating higher status may be given on time bound financial-up-gradation which would give further boost to employee motivation levels. Following designations are suggested to be granted consequent upon each financial up-gradation which indicate higher status and at the same time, would not lead to any operational confusion.

Field Units

Existing Designation	New Designation	Designation upon 1st up-gradation	Designation upon 2nd up-gradation	Designation upon next up-gradation
JTO	JTO	JTO Grade I	Jt. SDE	Jt. SDE Grade I
SDE	SDE	SDE Grade I	Jt.DE	Jt.DE Grade I
DE	DE	DE Grade I	Jt.DGM	Jt.DGM Grade I

Corporate Office

Existing Designation	New Designation	Designation upon 1st up-gradation	Designation upon 2nd up-gradation	Designation upon next up-gradation
ASST. MANAGER(AM)	ASST. MANAGER(AM)	ASST. MANAGER(AM) Grade I	Jt. DM	Jt. DM Grade I
DY. MANAGER (DM)	DY. MANAGER (DM)	DY. MANAGER (DM) Grade I	Jt.AGM	Jt.AGM Grade I
ASST GENERAL MANAGER (AGM)	ASST GENERAL MANAGER (AGM)	Asst General Manager (AGM) Grade I	Jt.DGM	Jt.DGM Grade I

Annexure I

Terms of Reference of Kapoor Committee:

- Impact of the induction of Management Trainees on the promotional aspects of executives.
- Implementation of CPSU cadre hierarchy in BSNL.
- Regularization of all the existing adhoc STS officers & filling up of existing STS vacancies on regular basis, and
- Pending issues related to Promotion Policy like service weightage etc.

Constitution of Committee:

Sh. S.R. Kapoor, Sr. DDG(T&C), Sh. D.P.De, DDG(Estt), Sh.Shakeel Ahmed, DDG(SR) and A.K. Purwar, DDG(Pers) from Management side and Sh. Prahlad Rai, GS, AIBSNLEA, Sh. Ashish Verma, CWC Member, AIGETOA, Sh. Y.B. Thippesh, GS, NTEA and Sh. G.L. Jogi, GS, SNEA from Association side.

Detailed recommendations of the Kapoor Committee

(i) Functional promotions will continue to be made based upon posts.

(ii) The existing designations prevailing in BSNL may be changed. On each time bound up-gradation, designation indicating higher status may be given to the Executive. However, in order to avoid operational confusion, the changed designation should indicate his functional status also.

(iii) A chart indicating a set of suggested designations is given below. However, since there is, in principle agreement, in general among both sides on this issue, further deliberations on designation change may be carried out separately, if required.

SN	Present/designation equivalent	Proposed designation		
		Corporate Office	Circle Office	Field / SSA
1	JTO/JAO	Assistant Manager Grade-I	Assistant Manager Grade-I	JTO / JAO Grade-I
2	SDE/AO	Senior Assistant Manager Grade-I	Senior Assistant Manager Grade-I	SDE/ AO Grade-I
3	DE/CAO/EE	Asstt Director General Grade-I / Manager Grade-I	Manager Grade-I	DE/ CAO/ EE Grade-I

On first bound promotion, they will be re-designated as xxx-Grade-II and so on.

(iv) For post based promotions, the hierarchy as defined in Executive Promotion Policy will be JTO>SDE>STS>JAG>SAG>HAG (and equivalent for other services).

(v) RRs for Executives at JTO and SDE level (and equivalent) are already notified. STS will hench forth be treated as equivalent of lowest rung of group 'A' service for the purpose of implementation of various government orders, wherever applicable. (e.g. reservation)

(vi) RRs for group 'A' services may be made based upon recommendations contained in the following paras.

(vii) For group 'A' entry level, 50% posts of STS posts may be filled up by promotion from group 'B' (SDE & equivalent) level.

(viii) The number of Management Trainees to be recruited may be decided by BSNL management each year. These MTs may work and draw salary as executives at STS level after completion of prescribed training/probation period for a few years before becoming eligible for promotion to JAG.

(ix) The posts remaining unfilled at STS level after actions as per para 7 and 8 above may be filled up by promoting eligible group 'B' (SDE & equivalent) level executives on ad-hoc basis.

(x) Promotion to JAG may be done from the executives working at STS level on regular basis, with MTs and promoted STS executives in 1:1 ratio as per standard inter-se seniority principle.

(xi) After making of RRs for promotion to group 'A' level posts, Group 'B' officials shall be promoted/regularized on STS vacancies of their quota as per provisions of the RRs. Those who have been working as STS on adhoc basis may, after their regular promotion as STS, be given adhoc promotion to JAG depending upon JAG vacancies. While making ad-hoc promotion to JAG for the first time after notification of new recruitment Rules, relaxation in eligibility service will be considered as a onetime measure.

(xii) In case of non-availability of regular STS level executives with requisite number of years of eligibility service, for subsequent promotions to JAG as per para 10, case for relaxation in eligibility service will be considered.

(xiii) Demands for past service weightage & one time placement have been raised previously as well. The issue was deliberated at length by the High Level committee of BSNL as well as by the committee headed by Shri Bhave, Special Secretary of the administrative ministry. It has been observed that at the time of absorption, the pay fixation in the IDA scale already accounted for the weightage of the past rendered service in the form of equal number of increments in the IDA scale. The issue again was raised by the Associations in the meeting held with Secretary(T) and it was clarified in the meeting that the framing of the Executive Promotion Policy has been done after due consideration of all the demands made by the Associations and making an overall view of totality of the scenario. In view of this, the committee observed that no recommendation can be made on this issue at this stage. However, in case any fresh inputs are provided by the Associations, the issue will be discussed in the light of such inputs separately.

(xiv) The first time-bound upgradation is linked to crossing of next higher pay slab, which may undergo change with recommendations of Pay Revision Committee. In fact the entire time bound promotions provided under the Executive Promotion