



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION**

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**PRESENTATION
BEFORE THE
3RD PAY REVISION COMMITTEE
ON 8TH AUGUST 2016**

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All India BSNL Executives' Association representing the various disciplines of Bharat Sanchar Nigam Limited i.e. Telecom Engineering, Telecom Finance & Accounts, Telecom Civil/Electrical/Architectural Engineering wings, PAs/PS, CSS staff and other wings of telecom services extends sincere thanks for granting us an interview to represent our views/suggestions as well as face to face interactions.

We are also thankful for giving us an opportunity to submit our views /suggestions through questionnaire-received from your esteemed committee.

We have already submitted our considered opinion/suggestions for all the items pertaining to the areas of our concern for kind consideration of the Pay Revision Committee.

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We, about 40,000 BSNL Executives throughout the country are playing pivotal role in the development, maintenance and operation of Telecom. Again, we are the Executives who, braving all the odds, face the challenges to take Telecom to one and all – even to the most remote end in accessible & sensitive areas of the country.

The telecom sector is at the heart of a much larger industry – information and communication technology. The convergence of telecom with computer and broadcasting is creating new synergy which is most evident in the exponential growth of the internet. Telecom industry is a large and growing sector and ranks second in market capitalization.

We are proud to be in the BSNL associating ourselves in building up the large infrastructure of Telecom – the new sinews of the Nation.

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Government of India has setup the Pay Revision Committee under your Chairmanship to recommend the revision of Pay Scales for the Executives & non-unionised supervisors of CPSEs w.e.f. 01.01.2017.

Now the entire BSNL Executives throughout the country are patiently but anxiously waiting for finalization of their adequate & attractive revised pay scales.

With a view to motivate Executives in BSNL for achieving excellence in performance & higher productivity, resulting into improved quality of service, customer satisfaction & greater revenues for the company, Executives in BSNL should be provided with attractive & adequate pay package & benefits to attract better people to join BSNL.

We would therefore, like to seize this opportunity to present our views / suggestions to draw your kind attention & necessary action in the matter.

1. Role of the Government & Uniform Wage Policies in CPSEs

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1. Role of the Government & Uniform Wage Policies in CPSEs

- 1.1 The 2nd PRC in the preface to its report stated that 'Finally, we feel that time has come when we should no longer look at all these CPSEs spreading over a vast spectrum with a common approach.' A decade has passed since then and in the present scenario what in your view should be the role of the Government with reference to wage policies in CPSEs.

After 2nd PRC, a decade has been passed and in the present scenario in view of present liberalized and competitive economic scenario there is a need to motivate Executives and non-unionised Supervisors of CPSEs for achieving excellence in performance and higher productivity resulting into improved quality of service, customer's satisfaction and greater revenue for the company. In such a scenario, the role of Government – as owner – should be there to decide the pay structure, perks and allowances of all CPSE executives.

In case, if Govt. Leaves the job to the CPSEs, it may create chaos and feeling of insecurity among the employees. It will also entail huge expenditures as every CPSE will appoint their committees. The committee formations/ term of references/evaluation systems adopted by committees/ committee recommendations etc can't stand on equal footings. So the role of the Govt should be there to avoid the bias of any CPSE and/or any Committee and to bring uniformity in such an important financial & administrative matter.

Having said so, the decision of the Government on Pay and Perks of the Executives of CPSEs should be based on the area of operation of different CPSEs viz. service sector, manufacturing sector etc. and the competition that these CPSEs face from the private players in the respective fields.

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- 1.2 Flowing from the above, should there be some uniformity of pay scales and perks among CPSEs, or should these decisions be left to the best judgement of the respective administrative Ministries and the Boards of their CPSEs?

Within the broad parameters so decided by the Government, there should be some uniformity of the pay scales and perks amongst CPSEs and concerned CPSE Boards shall be allowed to make positive changes to allow additional benefit in terms of pay & allowances and on the basis of performance of that particular CPSE and individual Executives, the competition in the concerned field and requirement to attract/retain talent in the company.

- 1.3 As part of Government's policy for granting greater autonomy to the Boards of the CPSEs under the Maharatna, Nav Ratna and Mini Ratna schemes, should there be separate pay scales for 'Ratna' CPSEs?

As suggested earlier, the Government – after making elaborate guidelines on the matter – there should not be separate pay scales for "Ratna" CPSEs to avoid discrimination.

Instead of having separate pay scales for the "Ratna" CPSEs, the concerned Board should be empowered to give benefits to its Executives in terms of enhanced perks over and above the compulsory perks as decided by the Government.

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1.4(a) Is the present system of classifying the CPSEs on the basis of Schedule i.e. 'A', 'B', 'C', and 'D' is satisfactory? If not, please suggest alternative ways of classification of CPSEs with adequate justifications.

The present system of classifying the CPSEs is satisfactory hence there is no need to revise the present classification of Schedule of CPSE (A, B, C, D). However, there should be periodical review of the classification.

While deciding the classification of CPSEs, the Government should keep in view the area of operation of that particular CPSE, the competition in the field of operation of the CPSE, the Government/ Social obligation and commitment that the CPSE has to fulfil without considering the "profit" aspect of the CPSE and the overall perception in the minds of general public about that particular CPSE.

BSNL is a CPSE in telecom sector which is a service industry. It has pan India presence. It has to face competition from a large number of private players of the industry. Being a CPSE, it has to fulfil the obligation of the Government by providing services in such areas also where the private players do not offer services because of absence of profit. The infrastructure cost in providing services in high terrains, Left Wing Extremists areas are much more and it does not make business sense. However, BSNL being a CPSE and "State" in terms of Article 12 of the Constitution of India, has to build and maintain infrastructure in such areas too. It is noteworthy that in cases of natural calamity the services of BSNL only become available to the general public who are in distress. The hardships faced by the service sector CPSEs in fulfilling the Government's commitment should be a factor in deciding the classification of CPSEs.

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- 1.4(b) Once a system of classification is agreed, should uniformity of pay scales within each of the category be maintained? If not reasons therefor and also suggest suitable alternatives.

Present system of uniformity appears to be in order. The present system of uniformity of pay scales within each of the four schedules (ABCD) should continue. Apart from the uniformity in pay scales across the CPSEs of each category of schedule, to some extent there should be uniformity of perks across all the CPSEs [except those CPSEs which are under BIFR]. Beyond the compulsory limit of perks, the individual CPSE may be allowed to offer perks to its Executives within the overall limit prescribed by the Govt.

- 1.5 In the absence of some degree of uniformity, isn't there a risk of migration of talent from financially weak CPSEs to financially better off CPSEs thereby further jeopardising future of the weak CPSEs. Will it also not lead to unhealthy competition amongst CPSEs to attract/retain the talent, which in the longrun may act to the detriment of the public sector?

It is suggested that there should be a parity between all the CPSEs and private sectors to ensure dedicated and efficient service. The pay scales of executives decided by the Government - and to give performance linked incentives to individual executives will not only minimize the migration of talent but also attract/ retain the best talent and productive personnel in the CPSE.

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1.6 Would you suggest any changes in the existing relationship between pay packages of workmen and executives/supervisors immediately above level of workmen?

The existing relationship between pay packages of workmen and executives/supervisors immediately above level of workmen may continue. IN BSNL the pay scales of workmen starts from NE1 to NE11 with no specific mention of supervisor posts though there are many supervisor posts like office superintendent, TTAs, senior accountants etc. The pay scale of executives starts from E1 to E9 which is the scale of SAG, HAG and HAG+. It should be extended up to E 12 at least to avoid the equal pay for three levels and to have equal structure as per NE.

Such a change in the existing 9 pay scales of Executives to 12 added with the minimum compulsory perks will definitely help in retaining the talent at these levels.

2. Emoluments structure including pay, allowances and other facilities/benefits

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2. Emoluments structure including pay, allowances and other facilities/benefits

- 2.1 Over the years, the Central Pay Commissions especially the 6th CPC advocated reduction in the number of pay scales. In the 7th CPC recommendations, however, there were no further reductions. Do you feel whether the existing number of pay scales in the CPSEs should be retained or modified? Please give your suggestions.

In the 7th CPC recommendations, however, there were no further reductions in the existing number of pay scales. But, in the CPSEs the existing number of pay scales needs to be modified up to the level of E-12 to provide pay scales on promotion to the senior level executive's equivalent at the rank of SAG / HAG and above to keep them motivated and contented.

- 2.2 What should be the minimum and the maximum pay in CPSEs? What should be the reasonable ratio between them?

Minimum Pay should be Rs. 50,400 and the Maximum Pay should be Rs. 5,00,000 in CPSEs. A ratio of 1:4 would be a reasonable one. While Coining New Pay Scales it should be so ensured the minimum of the scale so fixed should not be less than the amount arrived at by adding Fitment amount on Pay+DA to avoid pay loss to the new entrants. Further those who are on Rolls as on 01-01-2017 should not draw less than the amount to avoid drop in Emoluments arrived at as per Fitment Formulae(Basic Pay plus IDA and Fitment % there off). The proposed scales are tabulated on next slide:

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Justification for “Multiplication Factor”

- Calculation of IDA as on 01.01.2017: CPI (IW) for June-2016 is 277 and assuming it to be 284 for Nov-2016; IDA rate on 01-01-2017 may be assumed about 124.8%. For IDA merger it may be equalled as 50+50+24.8. Now suppose basic pay/pension is Rs. 100.
- Merger of 50% IDA: IDA becomes Rs 50 hence new basic pay/pension is 100+50= Rs 150.
- Merger of next 50% IDA: Now 50% IDA will be on new basic pay/pension of Rs 150 which comes out to be $150 \times 50 / 100 =$ Rs 75. Hence new basic pay/pension is 150+75= Rs 225.
- Merger of next 24.8% IDA: Now 24.8% IDA will be on new basic pay/pension of Rs 225 which comes out to be $225 \times 24.8 / 100 =$ Rs 55.8. Hence new basic pay/pension is 225+55.8= Rs 280.8.
- Risk pay and Grade pay: Risk pay and grade pay were recommended by 2nd PRC but not allowed by then Government for CPSEs. Hence an additional of more than of 10% (of 280.8) should be added. Therefore new basic pay/pension comes out to be $(280.8 + 28.08) = 308.88$.
- Dearness relief: Keeping in view an additional of minimum of 10% of old basic should be added.

Hence new basic pay/pension is $308.88 + 10 =$ Rs. 318.88

Fitment @ 30% $=$ Rs. 095.67

Proposed pay after fitment $=$ Rs. 414.54

- Therefore a ‘Multiplication factor’ of more than 4.1454 is fully justified to arrive at new basic pay/pension from old basic pay/pension. Accordingly, new IDA pay scales are calculated and proposed on the next slide.

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Grade	Existing Scale			Proposed Scale @4 times		
E-0	12600	-	32500	50400	-	130000
E-1	16400	-	40500	65600	-	162000
E-2	20600	-	46500	82400	-	186000
E-3	24900	-	50500	99600	-	202000
E-4	29100	-	54500	116400	-	218000
E-5	32900	-	58000	131600	-	232000
E-6	36600	-	62000	146400	-	248000
E-7	43200	-	66000	172800	-	264000
E-8	51300	-	73000	205200	-	292000
E-9	62000	-	80000	248000	-	320000
E-10		-		260400	-	336000
E-11		-		273400	-	353000
E-12		-		287000	-	371000
Director (A)	75000	-	100000	300000	-	400000
CMD (A)	80000	-	125000	320000	-	500000

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2.3 What in your opinion is the desirable ratio of pay scale between top level and entry level?

A ratio of 1:6 appears to be reasonable.

2.4 What is the expected ratio of manpower cost to cost of production/sales turnover in your industry?

BSNL being a PSU fully owned by the central govt is carrying out the social obligations of the govt without considering the cost factor particularly in Left Wing Extremist areas, J&K state, NE regions and remote & far flung locations on pan India basis. Furthermore the decisions are also influenced by the stringent policies and frequent govt. Interferences, fear of CVC and all statutory bodies. So it is difficult to fix any such ratio of man power costs to sales turn over in the present set up. However as proposed elsewhere the performance of the employees shall be linked to the pay & promotion to enhance the performance and thereby reducing man power cost to revenue earned.

2.5 What should be the method of fixing pay in the revised pay scales? Should there be a point-to-point fixation? If not, please suggest an alternate method with illustration by which it can be ensured that persons with longer service are suitably protected.

There should be point to point fixation in the revised pay scales. That will ensure that seniors are not at a disadvantage vis-à-vis their juniors and due weightage is given for the longer service rendered by the former. Alternatively, the pay should be fixed as per standard method of fixation on implementation of new pay scales consequent to recommendation of pay revision committee i.e. it may be fixed after adding 40 % of total emoluments as on 01-01-2017 ensuring that each should get minimum of one increment in revised pay scale for every three increments earned in pre-revised pay scale as on 01-01-2017.

2.6 What should be the pattern of pay scales of Board level executives?

Yes, the pay scale of board level executives should be redesigned to attract the candidate from Corporate World. The pay scale of CMD and board of Directors are proposed in Para 2.2 on earlier slide.

3. Increments

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3. Increments

3.1 Should the rate of increment be fixed as absolute value or based on percentage basis?

The rate of increment should be based on percentage basis. The increment should be uniformly drawn either on 1st January or 1st July as in the case of Central government Employees to minimise anomaly cases and to bring uniformity by categorising the entire Executives into two categories in the case of Drawal of normal increment.

3.2 What should be the rates of increments in respect of different scales of pay?

The rate of increment should be 5% in respect of all scales of pay.

3.3 Should the present system of granting one stagnation increment after every 2 years, subject to a maximum of 3 such increments, for those executives who reached the maximum of their scale be continued? Please give your views.

It is proposed that the scales should be open ended to avoid stagnation in a particular scale or the Executive concerned should be automatically placed in the next higher scale from the date of such stagnation without any Pay fixation benefit as in the case of some CPSUs. Till such time a decision may be taken that they may be allowed to draw stagnation increment once in a year subject to the condition that he is above Average in his APAR.

3.4 Should the date of increment be uniform for the employees of CPSEs as in the case of Central Government employees?

Yes. Increment may be uniformly drawn either on the 1st January or 1st July as in the case of Central Government Employees.

3.5 What should be the increment on promotion?

On promotion one executive must get two times of the normal rate of increment i.e. 10%. First one notional Increment @ 5% in the Existing Pay and @5% on the Notional Pay arrived at by adding 5% on the Existing Pay as in the case of FR 22 (I) (a) (i).

4. Composition of the Emoluments package

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4. Composition of the Emoluments package

- 4.1 Is it preferable that the compensation package includes pay plus allowances and perks or club them into a consolidated remuneration?

Instead of clubbing them for the sake of rationalization, it is suggested that the existing system of pay plus allowances and perks may continue.

- 4.2 Is the present system of 'Cafeteria Approach' of choosing from a set of perks and allowances within the overall ceiling of 50% of Basic Pay satisfactory? If not, kindly give your suggestions for further improvement?

The present system of "Cafeteria Approach" of choosing from a set of perks and allowances within the overall ceiling of 50% of Basic Pay is satisfactory. However HRA and Transport allowance may be kept out of overall ceiling of 50%. Further it is suggested whenever the DA/IDA crosses 50% HRA should be automatically be granted on Pay plus DA. Transport Allowance should be linked to Cost of living Index and as when DA increases it should be upwardly revised as in the case of Central Government Employees.

As suggested earlier, out of the overall ceiling of perks & allowances i.e. 50% of Basic Pay (and excluding HRA and Transport Allowance), there should be a minimum ceiling of 20% of perks & allowances which every CPSE (except those under BIFR) must have to pay. The decision on allowing remaining 30% of the perks & allowances may be left to the decision of the concerned Board of the CPSE which may take a decision on the basis of profitability of the CPSE as well as the performance of individual executive.

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4.3 Do you have any comments/suggestions with reference to the following?

- **Classification of Cities and rates of HRA for different class of cities**
Classification of Cities may be done as per Govt. of India instructions whereas the HRA for A+ Cities be kept as 40% of Basic Pay, A Cities 30%, B1 Cities and others 20%.
- **DA neutralisation for those who are on IDA pattern of scales**
The existing system may continue for 100% DA neutralization.
- **Company leased accommodation**
There should not be any perquisite tax as the accommodations are not furnished. So perquisite tax should be exempted from BSNL & its employees.
- **Monetisation of facilities availed from the infrastructure like schools, colleges, hospitals, clubs/recreation facilities etc. created by CPSE**
There should not be any perquisite tax in case if any one avails the facilities like schools, colleges, hospitals, clubs/recreation facilities etc. created by CPSE
- **Allowances to be kept outside the ceiling of 50% or whatever rate to be decided**
The HRA and transport allowance should be kept outside the ceiling of 50%
- **Hardship allowance and criteria for defining hardship**
The existing system may continue with doubling the existing allowance.

5. Variable Pay / Performance Related Pay

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5. Variable Pay / Performance Related Pay

- 5.1 Should there be fixed salary and a variable component which is related to the performance of the individual. If so what should be the amount/proportion?

Yes, there should be a fixed salary and a variable component which is related to the performance of the individual. And that amount may be 200% of the salary. The similar benefit should be extended to superiors of the individual also.

- 5.2 What in your opinion should be the basis/criteria for granting performance related pay?

The PRP may be given based on GPMS/IPMS Cards and achievements more than 50% over the targets.

- 5.3 Whether performance related payment be allowed on the basis of distributable profit of the Enterprise? Section 8 companies under the Companies Act, 2013 by definition are not for profit companies and if the PRP is linked to distributable profit, their employees are denied performance incentives. How to reward the performance in Section 8 companies?

For the service industry like BSNL, where the obligation of Govt. of India is undertaken at the cost of BSNL profit. Hence the performance related payment be allowed on the basis of distributable profit of the Enterprise is not applicable to BSNL.

The individual Executive whose performance is outstanding, should be suitably rewarded by way of Performance Related Payment. In case the same is linked with the profitability of the CPSE, such Executive will prefer to go elsewhere i.e. to some profit making CPSE. This will lead to brain drain and will further affect the performance of the CPSE. On the other hand, if the performing Executive is suitably rewarded irrespective of the performance of the CPSE, they will feel motivated to perform and will ultimately bring the CPSE to a profit making stage.

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5.4 How do you rate the present system of PRP in vogue? Give your comments / suggestions in respect of each of the following:

- Rates i.e. % of Basic Pay payable as PRP at different grades in different Schedules of CPSEs
- Weightage for different MoU ratings
- Proportion and ceiling of PRP to be given out of current PBT and incremental PBT of a CPSE
- Performance Management System (PMS)

The system is yet to be implemented in BSNL hence no comments. The PRC should recommend compulsory implementation of PRP system in all the CPSEs except those which are under BIFR.

5.5 What are your views on Bell Curve approach being followed currently under the PMS? Give your suggestions for improving the PMS

It is not acceptable in BSNL since it has got a Govt. legacy. Moreover, the Bell curve approach is abandoned many new age companies and MNCs in India and abroad, since it is not truly reflecting the measurable performance of the employees.

5.6 Any suggestions to incentivise performance and to have a more equitable system

The system is yet to be implemented in BSNL hence no comments

6. Recruitment, Promotion, Attrition

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6. Recruitment, Promotion, Attrition

- 6.1 What is the number of executives leaving in each category during the last 5 years and its percentage to the total strength in the concerned category? Is it comparable with other CPSEs and Private companies operating in the same sector? What could be the main reasons for their leaving your CPSE?
- 6.2 What is the system of recruitment of management trainees or equivalent levels in your organization?
- 6.3 Are you recruiting management trainees through campus recruitments? If so, please indicate the names of institutions from which such campus recruitments have been made and criteria for identifying the institution.
- 6.4 What is the current promotion policy in your CPSE and there any changes in the offing?
- 6.5 Does your CPSE have a 'Succession Planning' in place? If so, please mention important points.

The Data relating to point 6.1, 6.2 and 6.3 are to be furnished by the BSNL Management.

Regarding 6.4 it is intimated that at present there is an Executive Promotion Policy (EPP) i.e. Time Bound Promotions on non-functional basis (upgradation of scales) First time bound promotion after 4 to 6 years and subsequent time bound promotions after every 5 years in the higher grades. The functional promotions are being governed as per the BSNL MS RRs on availability of posts i.e. post based promotions. BSNL is offering changes in the promotion policy by implementing CPSU cadre hierarchy wherein from JTO equivalent executives to DE equivalent executives functional promotions will be there on every 5 years irrespective of the availability of the posts with change of designation. The post based promotions shall be available from DGM and above.

Further, the promotion policies for several wings of BSNL differ widely. For an example for promotion to the grade of Executive Engineer (Civil/Electrical) a SDE(C/E) in service with Diploma qualification is not eligible whereas in other disciplines like telecom, finance, CSS qualification of existing employees is not an issue. Though management has issued some clarifications treating Diploma with 10 years of experience as degree in engineering as per DOPT & DOT letters, the issue remained unresolved. This kind of anomalies should be removed.

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Continued from earlier slide

It is also suggested that there should be time bound promotion upto the E-9 Executive Pay Scale on the basis of residency in the earlier pay scale and performance yardstick as per APAR. Such promotion should be without any linkage to the post and should bring added responsibility to the Executive. Beyond the E-9 pay scale, the promotion should be linked with the availability of posts and such promotion should be on the basis of "Selection" and "Interaction".

In the absence of any monitoring, BSNL has not yet formulated any Succession Plan till date though the CPSE came into existence on 01.10.2000. In this scenario, the posting of higher level Executives are done on the need basis and not on the basis of the capability of the Executive to deliver. At times this creates vacuum in the top leadership. It is suggested that there should be a monitoring mechanism wherein the Department of Public Enterprises should do periodical cadre review of the Executive cadres. Also, there should be guidelines for posting of Executives in their core area of competence only.

7. Relativity with Government / Private Sector / Multinational Corporations

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7. Relativity with Government/Private sector/Multinational Corporations

- 7.1 Should the new compensation packages in CPSEs w.e.f. 01.01.2017 onwards be based on the packages as they now exist, with some percentage increase, or would you suggest any other method?

Suggestions have already been given on earlier slides at P.4.1 & 4.2

It is also relevant to note that there is always a relativity of CPSEs with Government as well as Private Sector. The CPSEs are governed by the rules and regulations framed by the Government. The CPSEs have to fulfil the social obligations and commitments of the Government also. On the other hand, the CPSEs have to compete with the private players of the relevant industry. In such a scenario, the expectations of the Executives of CPSEs can only be met by allowing compensation in tune with the existing practice in the private sector.

- 7.2 Should CPSE pay scales and allowances have any linkage to the pay scales and allowances in the Government? If so, what are your suggestions?

Yes, to some extent. While the CPSE having pay scales and allowances on IDA pattern should have some definite linkage to the pay scales and allowances in the government (as the pension is the liability of government in BSNL), the growing Private Sector and the competition of CPSEs with this sector has also to be kept in view to keep the attrition from CPSEs at the lowest.

Continued ..

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Continued from earlier slide..

- 7.3 How do the current compensation package in CPSEs compare with their competitors in private sector or multinationals?

For the service industry like BSNL, where the obligation of Govt. of India is undertaken at the cost of BSNL profit. Hence the performance of the BSNL cannot be compared with their Competitors in Private Sectors or multinationals. The compensation package available in private sector or multinationals in the Telecom Industry cannot be compared with those available to BSNL Executives. There should be some linkage of pay package of CPSEs with the private sector or multinationals in the relevant industry.

- 7.4 Taking into account the advantages other than pay, derived by employees in CPSEs vis-à-vis the private sector like security of tenure, promotional avenues, retirement packages, housing and other invisibles, can there be any fair comparison between the salaries of public and private Sector?

Yes. All the facilities given in CPSEs can be quantified and it can be seen that even these benefits do not make up for the higher emoluments given by the Private Sector enterprises in the same field. Further, the private sector does enjoy higher pay scales besides huge autonomy in fast decision making, working from office/residence or anywhere, powers to spend in any activity, luxurious travel & stay, gratifying others to get their work done, no fear of CVC etc by which they stand atop in their business. This should also be taken into consideration.)

- 7.5 If parity of emoluments for CPSEs with that of private sector is recommended, what changes in CPSEs in terms of performance targets, evaluation, accountability and other conditions of service etc., shall be insisted?

In case of substantial increase in the packages of emoluments for executives of CPSEs differential scale may be devised to reward the executives giving better performance and having accountability on the basis of periodical evaluation. A well monitored structure can also be evolved to make the executives target oriented.

8. Issue of resource constraint and Pay revision in Sick/BIFR referred CPSEs

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8. Issue of resource constraint and Pay revision in Sick/BIFR referred CPSEs

- 8.1 Given the problem of resource constraints and the existing 'Affordability' clause in adopting revised pay packages, is there a way of bringing improvements in emoluments so as to attract and retain talent in CPSEs?

The enhancement in the overall compensation package will result in more dedicated, committed workforce and further attract and retain talent in the CPSEs. This will result in increase in revenue by way of increased production/services of CPSEs and thus the financial burden because of enhancement in the overall compensation packages can be negated/reduced.

The attractive pay package will stop the attrition from the Sick/BIFR companies and will motivate the Executives for dedicated work so that these Companies can be brought back to the level of profit.

- 8.2 In case of non-affordability, can the enhanced package be deferred and linked to the future performance of the CPSEs? How can the employees be rewarded without a direct or immediate burden on the organization? Schemes like stock option provide an appreciation in the value of the holdings of the employees through the capital market mechanism – what other schemes of this nature can be suggested?

The reply 8.1 above. Any deferment in the enhanced package or linking of it to the future performance of the CPSEs will only act negatively. The demotivated Executives cannot be expected to bring the best performance of the CPSE.

- 8.3 What should be the pay revision policy for sick / incipient sick / weak CPSEs?

The reply 8.1 above.

9. Long term Incentives and Superannuation benefits

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9. Long term Incentives and Superannuation benefits

9.1 Based on the earlier PRC, it was prescribed that 10-25 % of the PRP shall be given as ESOP. Has your company implemented this? Please give details and suggestions for improvement.

The PRP scheme is yet to be implemented in BSNL. It is suggested that once the Government takes a decision on the PRP, all the CPSEs should be directed to implement it in a time bound manner.

9.2 Can the ESOP be an option for deferred implementation / payment of revised package?

BSNL is not a listed company, hence ESOP cannot be an option for deferred implementation /payment of revised package.

9.3 Do you think that any change is required in the existing policy of granting 30% Basic Pay plus DA as superannuation benefits? If so give detailed comments/suggestions.

The superannuation benefits may be granted @ 40% of the Basic Pay plus DA as BSNL is a Govt. Department converted into PSU and therefore there are two type of employees' i.e. Absorbed in BSNL and Recruited by BSNL. Therefore to bring the parity between these two groups, it is necessary to give superannuation benefits to the BSNL recruited employees @ 40% of the Basic Pay plus DA. The absorbed employees in BSNL from DoT are governed by Govt. Pension Rule 37-A. Hence, 3rd PRC should recommend revision of IDA pension of BSNL pensioners also.

9.4 What should be the gratuity ceiling?

It should be Rs.20 Lakh, as per 7th CPC recommendations since majority of BSNL employees are governed under Rule -37A of Pension Rules 1972. Further, there should be provision for automatic upward revision of the gratuity ceiling by 25% once the DA reaches the level of 50% and by 50% once the DA reaches the level of 100%.

9.5 What should be the policy regarding leave encashment at the time of retirement on superannuation?

It should be as per 7th CPC recommendations.

10. Voluntary Retirement Scheme

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10. Voluntary Retirement Scheme

10.1 In addition to the VRS, would you like to suggest any other ways to rationalise manpower?

In BSNL already bumper retirement is taking place in coming few years and about 50% of its present strength would be retired by 2020. Hence, there is no need of VRS or any other mean to rationalise manpower.

10.2 Whether VRS scheme issued by DPE and amended from time to time should continue or VRS package should be modified? If yes, indicate the suggestions?

It is not required in BSNL as mentioned in Para 10.1 above.

Continued for Specific proposals

11. Specific proposals

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11. Specific proposals

11.1 How the functioning of CPSEs can be improved so as to make them more professional, citizen-friendly and delivery oriented?

Single window concept for efficient delivery of public service may be enforced in all PSU with emphasis on professionalism and citizen friendly environment. The CPSEs should be encouraged to have customer centric approach.

11.2 Please outline specific proposals, which could result in:

(a) Reduction and redeployment of staff

In BSNL already bumper retirement is taking place in coming few years and about 50% of its present strength would be retired by 2020. Hence, there is no need of VRS or any other mean to rationalise manpower. However, reframing of existing man power with proper training as per the job requirement is the need of the hour to make the existing manpower enable to face the new business environment and professionalism.

(b) Reduction of paper work

In BSNL ERP system has been implemented which is fully paper less.

(c) Better work environment

While the performance and target oriented culture with variable time frame may be adopted, a sense of belongingness in the employees can be cultivated by way of welfare measures based on the financial health of the CPSE. Performance based rewards system will also be very helpful in creating a congenial work environment with a dedicated workforce which can definitely be quantified in terms of increased revenue.

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11. Specific proposals

(d) Economy in expenditure

The expenditure can be curtailed by reducing paperwork to barest minimum and adopting latest technology in day to day work in CPSEs like BSNL. The Board of such CPSEs which face competition from private players, should be given more powers so that they can take immediate decision in the best interest of the Company without the fear of audit etc.

- (i) BSNL has three categories of employees. One is absorbed from DOT/DTS, 2nd one is BSNL recruited and 3rd one is un-absorbed officers. These unabsorbed officers are getting all kinds of perks & amenities which are frozen for other two categories in BSNL due to loss making. LTC is one of such example. In our view there should not be any frozen/ withholding of perks/amenities, but in case these are implemented it should be for all employees on roll irrespective of any backdrop.
- (ii) Many officers are visiting foreign countries on technical matters in the fag end of their career and BSNL failed to utilise them. This should be stopped.
- (iii) Pooling of cars for planning/administrative unit officers should be implemented in all offices.
- (iv) Official vehicles should be GPS enabled to differentiate official/ personal visit.
- (v) Pre paid electricity vouchers should be introduced in administrative offices to minimise un-judicious electricity consumption in office hours and as well as beyond office hours.

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11. Specific proposals

(e) Professionalization of services

Though there is no dearth of professionalism in service CPSEs, the employees may be trained as per latest requirement after framing a detailed action plan in this regard.

- (i) In BSNL it is not mandated that marketing unit will recruit a professional from marketing field only. The present policy can deploy anyone from any background. Similar is the case for HR also. We need these services being manned by professionals only at least as the head of that unit where Mktg/HR exist.
- (ii) The Business Area Heads/ Circle Heads should have some Mktg/finance qualification/exposure in addition to the core competence.

(f) Effective grievance redressal mechanism

In CPSEs such as BSNL, a lot of court cases are pending on service matters, mainly due to wrong interpretation and indifferent attitude of Management. The top level management may be trained to frame/interpret rules in such a manner that there is no need for the individual employees to seek judicial intervention.

A high power committee comprising 4-5 middle level officers should be constituted at every Circle office with a mandate to attempt to redress the grievances in a time bound manner. These officers may be chosen from all disciplines and should be kept under the direct control of the head of the Circle.

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11 Specific proposals

(g) Better delivery of services/product by CPSEs to their users

Proper training in the operation and marketing field will better the delivery of services/products to the end users.

- (i) Single window delivery system with computer savvy person should be the first criteria. The commercial/technical/accounts persons should act in tandem in CSC.
- (ii) The application forms should be simple and short. So is the tariff plan.
- (iii) In Customer Service Centres customer feedback forms should be obtained online for all transactions with the help of a PC placed inside the CSC exclusively for customers' feedback and it should be connected to the network for linking to their issues. The feedbacks should be given due weightage in the performance parameters of the employee.

(h) Any other suggestions

No

11.3 The concepts of contractual appointment, part-time work, flexible job description, flexi time etc. are expected to change the environment, provide more jobs and impart flexibility to the working conditions of employees? Share your experiences.

Based on the requirement of the CPSEs where the customer may require to contact the Company for a particular service, the flexi time concept (or any other concept as per requirement) may be introduced. However, in company such as BSNL, the existing employee can be trained to meet the requirement instead of making contractual appointment. However, there is no harm in engaging a top level professional on contract basis with a higher statue and pay etc. if the job assigned to him is such that it can be done by a person of his calibre only. But, this should not be a general practice giving scope for misuse by the top levels of CPSEs.

Thank You Sir

**(Prahlad Rai)
General Secretary
AIBSNLEA**