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No. AIBSNLEA/CMD/2014

Date: 07.01.2015

To,

Sri A.N. Rai,
CMD, BSNL
New Delhi-110001.

**Sub: Draft proposal for BSNL Man Power Plan & Staffing Norms for Territorial Circles
Comments of AIBSNLEA regarding.**

Ref : Vide letter .No.4-1/2010-Restg Dtd 26/12/2014.

Respected Sir,

In the above cited reference and subject matter we are submitting our comments, interalia, of the **AIBSNLEA**. we would like to make it clear that the draft proposal for BSNL Man Power Plan based on the Deloittee Committee recommendations, circulated vide letter referred above, are not at all acceptable to us. The first & foremost reason is that the management principles have not been applied uniformly throughout the organization. The report is tilted towards betterment of the top management at the cost of lower and middle level executives. The reasons for it being that the consultant did not make any consultation with major stake holders of the company like the employees or their representatives before making such far reaching recommendations. **Deloittee Committee has reduced BSNL to a private company by comparing it exclusively with private players that too by ignoring the government policies, DOPT norms and age old practices etc. This is tantamount to trivializing the contributions made by the Associations and Unions who are engaged at different levels including that of government levels for ensuring BSNL's revival.** It is a pity that the report is silent about unnecessary govt. interference, delay in finalization of tenders and getting necessary approvals from controlling Ministry, continuance of deemed deputation, un-economic services in rural areas, superfluous expenditures by the bureaucrats etc. We fail to understand as to how a top heavy management in the shape of an inverted pyramid will help reduce the salary expenses and revival of BSNL can be ensured. It is surprising that such non-representative, non-comprehensive and controversial recommendations are finding favour with BSNL Board. In this connection AIBSNLEA along with United Forum have written many letters, the latest being our letter dated 24/12/2014 which are to be referred to **Annexure-I**.

Coming to the proposed organizational pyramid, we find that it is very wider at top and the span of management or span of control has been fixed injudiciously. The proposed strength of GMs & DGMs are 564 & 1331 respectively thereby fixing the ratio at 2.36; whereas the ratio of DGM to AGM is kept at 4.64 and whereas the ratio of AGM to SDE&JTO jointly is fixed at 6.

By fixing the ratio at 2.36 we believe that GM's ability will not be utilized fully and the DGMs may not get adequate autonomy of work. When the GMs are well trained and experienced and are provided with secretarial staff and modern amenities, their span of control shall have been widened which is missing in this proposal. Therefore the number

of proposed GM posts and PGM posts needs review. The rightsizing of man power shall start from the top management only which will induce confidence among all employees and will reflect the leadership spirit and belongingness of the top BSNL Management.

However, Deciding the man power plan is urgently required as DOT nominated Board of Directors members in BSNL board has set this as precondition for approval of various HR issues, many of which are for the executives of BSNL. Hence keeping the issue unsettled may result in indefinite delay for vital pending HR proposals causing hardship to BSNL executives.

The recommendations of M/s Deolitte are too harsh and cannot be accepted by any Associations/Unions. But the proposal prepared by the Restructuring Wing of BSNL CO on the basis of BCG recommendations, seems to be quite rational and practical.

The para wise comments to the draft proposal are as under:

- 1) **Para-1.1:** It has been stated that there have been significant changes in technology, business model & business processes which necessitates framing of staffing norms based on current requirement of business. But the consultant/ management failed to give detailed accounts of previous business model/processes vis-à-vis present model/ processes which necessitated curtailment of lower & middle level managers but simultaneously increasing the top level management.. This needs clarification and further discussion.
- 2) **Para-1.2:** It has been stated that some of the important and critical areas such as sales & marketing, CS, QOS improvement etc. gets neglected. The basis for such conclusion (Like the nos of employees required in comparison to presently employed staff SSA wise or whatsoever) and the responsibility of such lapses must also be highlighted so that the new model can inspire hopes. Otherwise it will not evoke any good response. It is learnt that no central government PSU has a large chunk of Sales & Marketing executives like private players. The private company depends more on the sales & marketing executives for the fact that they have less or nil infrastructure in all business areas, since they hire those professionals at lower costs or out sourced and can also retrench them in case they don't meet the huge target etc. But this is not in the case of BSNL. Here in BSNL the maximum elements of sales/mktg like branding, pricing, value addition, channels of distribution, free samples, trial offers, premiums, sales promotion in electronics media, etc. are being handled centrally at Corporate Office. We have our well equipped offices and staff at every locations. We can't encourage unethical working nor can we employ underpaid executives. **We believe that quality of service and customer cares are two more important factors of service delivery to customer than to deploy sales and marketing executives in large scale to fetch customers. Customers will come to us if they are satisfied with us. Even when customers are willing to take our service, we are unable to provide them connections due to short supply of SIM cards, less number of mobile towers, Modems and other stores.** Moreover, for Sales and marketing, BSNL has its own structure up to the SSA level apart from franchises, DSAs etc. The executives at other places can also act as commercial/ sales/ marketing executive as is being done by our SDOs in field unit. Of course this needs a little streamlining and motivation can be inculcated by introducing some incentives. It is also a fact that many of our executives have acquired management degrees in marketing and their services can well be utilized. **In this back drop, the assessment of the consultant to recruit fresh 13000 sales & mktg executives from market will be an unnecessary financial burden on BSNL. It is our submission that a few numbers of sales/mktg professionals shall only be employed for marketing management core tasks at Corporate Office level or at best at Circle level from our internal available human resource.**
- 3) **Para-1.3:** It is stated that as per the MOU the HR restructuring was required to be finalized by 31/12/2014. It is surprising that management has circulated the draft proposal only on 24/12/2014, merely less than one week before the dead line.

The signing of MOU with the DOT strengthens the fact that the HR plan of BSNL shall be in conformity with model employers like CPSEs, but not in line with private players. **So the concept of posting the JTO and SDE interchangeably, reporting of JTO directly to AGM by diluting**

the hierarchy system are some of the black spots in the proposed draft policy. The management also failed to recognize the fact that JTOs have no financial & statutory powers whereas the SDEs have. If a post of SDE is being manned by a JTO without any financial / statutory powers, how can he control the office/exchange. This will also put overburden on the part of the AGM. The BSNL CDA Rules again need to be redrafted which may require deviation from the DOPT norms. It is another fact that in Civil/ Electrical wing the EEs/ SDEs are empowered to technically sanction the project estimate and call or accept of tenders as per their delegated financial powers. In the changed scenario the proposed hierarchy shall be impractical.

We would also like to advance our argument that if the skill set of JTO & SDE are same, the skill set of DGM & GM are also same. Does the management consider posting of DGM and GM interchangeably? If not, how then management decides to single out the basic cadres of JTO/SDE for this purpose who are actually the back bones of the organization and toil their blood in the field for BSNL.

It is also proposed in para 9(v) that the ratio of the AGM to SDE/JTO may be kept at 1:6 for all streams. But it is seen that the ratio of CGM/PGM to GM alone is kept at 1:9 and if compared jointly with DGM, the ratio stands at 1:30. What BSNL wants to achieve by creating an inverted pyramid structure? Will it reduce the staff payment? Will the service delivery system in the field be faster? This type of structure does not exist in the market.

So it is our submission that BSNL Management must tread cautiously in this line without any partisan approach and must arrive at consensus in this regard. The principles shall be adopted uniformly across all cadres and all streams without fail. The sanctioned strength of SDE/AO,AGM/ CAO,DGM/DGM(F) must be maintained in tact and may be increased in view of introduction of new services so that the minimum promotional avenues remain available to the basic cadre JTOs/JAOs in all the wings.

- 4) **Para-1.4:** The thrust of this para is to reduce the expenses on staff cost. We also strongly believe that management shall explore positive & practical solutions to this problem. Last year when BSNL decided to create 35 nos SAG level posts by upgrading DGM headed SSAs, we were appreciative of the fact that some subordinate posts would also be created which would help increasing the promotional avenues to JTO/SDE cadres. But that did not happen. Again, by proposing more SAG/HAG level posts in the name of revival of BSNL, the management has reduced this concern to a mockery.

We would like to put on record that the expense towards salary of a SAG level officer is around 3 times the salary of a JTO/SDE. If we will add the indirect expenses, this will rise to 8 times or more. All these actions of the management show that they are not serious in this agenda, rather inclined to safeguard the interest of top management at the cost of lower cadres.

There is no logic or justification whatsoever that higher level posts will be created by surrendering the basic cadres of JTO/SDE.

- 5) **Para-2:** It is worthwhile to mention that BSNL has been failed to implement the HR Plan of KPMG, BCG or the staffing norms issued vide CO Ir. NO. 4-01/2010-Restg. Dtd 23/04/2010 completely due to many flaws and this time the same is going to happen. The foregoing paras and as well as the following paras substantiates our stand that Deloittee Committee Recommendations are anti staff and anti BSNL and hence not acceptable to us.

It has been threatened that delay in finalization of HR Plan would cause delay in approval/ decision of BSNL Board on several important HR matters. **It is a pity that BSNL Board is unnecessarily linking these two independent issues and lingering on the legitimate demands of staffs. The proposed HR Plan needs thorough discussion and therefore needs**

time to address all the issues raised by the Associations & Unions. It is therefore requested that all HR issues cleared by the BSNL management must be passed by BSNL Board without waiting for this draft HR Plan to be finalized. This will also create a conducive atmosphere for further dialogue.

- 6) **Para-3:** This is a statement and needs no comments.
- 7) **Para-4:** We don't accept the recommendations of Deloittee Committee Recommendations as it is. Our stand point has been elaborated in foregoing paras and as well as following paras. **Rather we would like to demand to conduct performance audit to all those committees constituted by BSNL but yielded no positive result.**
- 8) **Para-5:** This being a scenario of manpower needs no comments.
- 9) **Para-6.1:** The consultant has recommended increasing the strength of executives at the level of CGM/PGM from the working strength of 41 to 95 against the sanctioned strength of 71. and GM posts from working strength of 397 to 626. We would like to know in which organization this kind of structure exists in the market, whose top management is heavier than the middle level? Is it AIRTEL, VODAFONE or AIRCEL? Or is it Railway, SAIL, Banking sector? But for the cadres of DE/SDE/JTO, the proposal recommends for curtailment of 30000 posts. This is amply clear that the report is very much partisan and tilted towards top management only. **There is no iota of doubt that top management are adopting this route for securing their promotions in BSNL and depriving middle/lower level management.**
- 10) **Para-6.2 :** Matters relate to NE and hence no comments.
- 11) **Para-7.1:** Matters relate to NE and hence no comments. But prima facie, the assessment of the consultant seems to be on conservative sides and needs review.
- 12) **Para-7.2:** Matters relate to NE and hence no comments. But prima facie, the assessment of the consultant seems to be on conservative sides and needs review.
- 13) **Para-7.3:** This is a matter of facts & figures and requires no comments.
- 14) **Para-7.4:** Matters relate to NE and hence no comments. But prima facie, the assessment of the consultant seems to be on conservative sides and needs review.
- 15) **Para-8.1:** It is proposed to have 18 PGM headed areas and 149 GM headed areas. And for a PGM headed area, 6 GMs & 12 DGMs are proposed. In one hand 18 PGM headed areas are on higher side. In other hand the number of area GMs are worked out to be $18 \times 6 + 149 = 257$ Nos. But total no. of GM posts is projected as 564. Thus there will be $564 - 257 = 307$ GMs in administrative departments that means around 11 GMs in each circle office only. This kind of top heavy management is not in the interest of BSNL.
- 16) **Para-8.2:** We don't accept clubbing of JTO/SDE/AGM. In case it is clubbed the cadre of DGM/GM/PGM shall also be clubbed. There shall not be two principles for same executives in the same organization. The figures are also laughable. If we will distribute the total nos of PGM/GM/DGM posts uniformly among 28 Circles, the number of these posts per Circle will be 70. This is too high and hence needs thorough review.

Regarding Civil/ Elect/Arch/TF/Sectt Streams our views stand submitted to the management vide our letter dated 24/12/2014. However, we would like to reiterate that these cadres are our backbone and specialized to provide basic Infra support services without which the core business can't be rolled out and maintained in SSA/Circle. And their continue presence is must in the BSNL for better delivery of telecom service to the customer and needs proper implementation of HR policy for nurturing these cadres instead of imposing curtailment. The SDE/JTO post reduction with respect to work load particularly in Electrical/Civil wing is not at all

acceptable Telecom service can not be imagined without power and infra availability. Which is evident from our past that BSNL(earstwhile DoT) has created and maintained such huge assets in last six decades with the help of these cadres.

With regard to Telecom finance stream, it is seen that consultant has projected requirement of only 2815 executives for 2016-17, which is much less than 2013-14 projected number of executives 8494. The justification of continuation and more executive posts in Account stream which is not at all acceptable is enclosed at **annexure –II**

Regarding clubbing of JTO/SDE/AGM cadres and maintaining the ratio of AGM to SDE/JTO at 1:6 in all the disciplines our views stand submitted in foregoing paras.

Regarding creation of Sales/ Mktg cadres our views stand submitted in foregoing paras. It is our submission that mktg/sales executives can be well deployed from within the organization having requisite qualification. Furthermore there is a need to strengthen the distribution channels, franchises, DSAs and to top it all, involvement of top management in this area of operation.

- 17) **Para-9.1:** We don't agree to the recommendation of the consultant for higher number of officers at PGM/GM level, the reasons of which are stated in the foregoing paras. Rather there is ample scope to reduce the HAG posts in non territorial circles, major TDs, training centers, Civil/Electrical/Architecture/TF disciplines. However, for the time being the sanctioned posts may be continued.
- 18) **Para 9.2:** Already explained in foregoing paras.
- 19) **Para-10:** No comments.

It is therefore requested to kindly consider the above mentioned comments / suggestions of this Association for the betterment of BSNL and its all cadres.

With warm regards

Yours Sincerely,
Sd/-
(Prahlad Rai)
General Secretary

Copy for kind information & n/a to:

- 1) The Secretary(T), DOT, New Delhi
- 2) The Spl Secretary(T), DOT cum Director, BSNL Board, New Delhi.
- 3) All Directors, BSNL Board, New Delhi.
- 4) All Executive Directors, BSNL CO, New Delhi.
- 5) PGM(BW)/ PGM(EW)/ PGM(Arch)/GM(TF)/ GM(Pers)/Sr. GM(SR)/GM(Restg)/GM(FP), BSNL CO, New Delhi.