### **ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)**



(Regd. under The Trade Union Act 1926; Regd. No. 546 / 2016)
302, Block No. - 304, RamKrishna Enclave, Nutan Chowk, Sarkanda, Bilaspur (CG)
Website: www.aiace.co.in; Email: centralaiace@gmail.com; Ph. 9907434051

Ref No. AIACE/CENTRAL/2020 / 098

Dated 24.9.2020

To

The Secretary,
Public Enterprises Selection Board,
New Delhi – 110003.
E-mail- secypesb@nic.in

Sub:- Comments of AIACE on "Consultation on Reforms for selection of personnel for Board Level posts in CPSEs"

Dear Sir,

Kindly refer to your Office Memorandum No. 5/3/2020-PESB dt 27.8.2020 which seems to be a welcome measure in response to our letter no. AIACE/2020/076 dt. 31.7.2020 to Honourable Minister.

As required in the said memorandum, we are pleased to offer our Suggestions/comments in the attached proforma. This proforma is the same which has been circulated by you, except that, one more column has been added to reflect our views side-by-side with Existing and Proposed provisions.

We hope that our proposal will find takers among the decision makers in consultation process.

Regards,

Yours sincerely

(P.K.SINGH RATHOR)

**Principal General Secretary** 

All India Association of Coal Executives (AIACE)

СС

- 1. Dr Jitendra Singh, Hon'ble Minister of State, Personnel, Public Grievances and Pensions Email mos-pp@nic.in
- 2. The Secretary, Ministry of Personnel & Public Grievance, Govt of India, New Delhi. Email secy mop@nic.in

## 5. In view of the above, the following suggestive reforms are being circulated for wider consultation amongst stakeholders including CPSEs and Ministries.

S.No.	Existing Provisions	Changes proposed	AIACE Comments
1	Separate Job description for each post  Problem: Historically different Mandatory Qualification and experience have been prescribed for different CPSEs for identical posts. E.g. Mandatory experience criteria ranges from 2-8 years prescribed for similar/identical posts.  Disadvantages: Prescribing different mandatory qualification & experience is often seen as a distinct benefit to internal candidates, allows subjectivity and at times restrict competition.	Standardisation of the Job description for all identical posts- e.g. Chairmen/CMDs/MDs, Dir (HR/Pers), Dir (Fin), Dir (Marketing) &Dir (Tech)It is therefore proposed to prescribe: (i) Same qualification for all identical posts (ii) 5 years' experience for all posts across all CPSEs Advantage: Uniform mandatory qualification and experience will lead to more competition, transparency and bring about parity.	Proposed changes are welcome subject to followings:- (i) Keeping same Qualifications for all posts is a welcome move but Qualifications requirement should be pre-announced (ii) 5 years' experience in which Grade needs to be specified. Required experience should not be restricted strictly to the one Grade lower to the advertised post
2	Currently, each vacancy of a company is advertised separately.  Separate Advertisements are issued for each post, company wise, one year prior to the date of occurrence of vacancy.  Disadvantage: Since eligible candidates, as per extant guidelines, may be shortlisted four times in a year even if not recommended, they keep getting shortlisted within the available slots, viz; internal, sectoral, external	1. Posts of CPSEs are proposed to be grouped based on Schedule A & B together and Schedule C & D together by clubbing these post across each Cognate group of these two sets of Schedules:-  • Cognate groups wise for CMDs/MDs  • Cognate groups wise for posts other than Director HR/ Finance, such as Director Technical/ Marketing, etc.  2. Functions/ Disciplines wise for Director Finance & /HR for Schedule	Proposed changes are welcome subject to followings:- Except the post for Director HR/Finance, the other Group of posts need expansion. The reasons are explained below.  It has been proposed by PESB that Group of posts, based on merit-cum preference be restricted to following:  Chairman/ CMDs/ MDs Director(Marketing) Director(Technical) Director (Finance), Director(HR)

Government etc. This blocks chances of others who are otherwise eligible. This leads to Restrictive Pool in shortlisting of candidates, repetitive appearance, time consuming, procedural delays, duplication of process, and denial of opportunity to other eligible candidates. Some eligible officers continue to get not shortlisted. The system losses on younger talent due to repetitive shortlisting of seniors, who often appear 4 times in a year that too without getting recommended.

A & B together and Schedule C & D together by clubbing these post across cognate groups in these two sets of Schedules. Advertisements to be issued for vacancies falling during 1st July to 30th June, one year prior to the date of vacancies, for the following posts and a panel will be submitted for following group of posts, based on merit-cum preference:

- Chairman/ CMDs/ MDs
- Director(Marketing)
- Director(Technical)
- Director (Finance),
- Director(HR)

Advantage: The above proposal will widen the pool, assess comparative merit, eliminate repetitive interviews amongst the same pool, optimise the selection process and will help to select and appoint the best talent suited for the post. The panel can also be operated for unanticipated vacancies.

However, it appears that as reported on 30.8.2020, the board of Coal India Ltd has approved creating an additional board level post in the PSU and its subsidiaries as per Companies Act, 2013, Listing Regulations and DPE guidelines. Moreover, in one of its subsidiary, there exists a post of Director (R&D). Similarly other PSEs may have some Directors in other Functional areas.

So let the Director level vacancy for various Functions, be expanded and kept open for the new field of function.

# 3 Allocation of Slots Amongst Various Categories.

As per the existing guidelines 12 slots are allocated to the following categories for shortlisting:

Internal: 6Sectoral: 2External: 2

Govt./SPSEs/Pvts.: 2

Total 12

In view of clubbing of posts, encouraging applications from all sector, it is proposed to increase the minimum number of slots as below for short-listing from 12 to 16:

- Internal: 8
- External: 2
- Central Government/
   Govt. Cos/Autonomous/
   SPSEs/ State Govt. Services: 4
- Private 2

#### Total 16

(Note: Sectorial candidates will benefit from clubbing across Schedules/ Cognate groups, becoming at par with the internal.)
Advantages: Widening the pool will infuse talent from the entire Schedule / Cognate group and also from outside leading to competition and better performance and management of the CPSEs.

Proposed increase in shortlisting from 12 to 16 is welcome.

However, AIACE proposes distribution of slots in the following way:

- Internal: 8
- External: 2
- Central Government: 1
- Govt. Cos: 1
- Autonomous: 1
- SPSEs: 1
- State Govt. Services: 1
- Private:1

Further, to allow level playing field, especially in case of Internal candidates, a pre-screening of all applicants in a category be done to allow shortlisting of a Junior applicant, who otherwise may be more competent than his/her seniors in the Seniority List prepared for the category.

4	No existing provision.	Distribution of 16 Slots for	Moreover, it is also observed that, candidates with lesser experience and younger in age are able to qualify for applying compared to their counterparts from CPSEs. So Junior applicants from CPSEs must be given chance to prove their merit.
4	New provision is being added	Short listing: Since vacancies are being clubbed cognate/schedule-wise arising during the period 1st July, to 30th June, and proposed to be advertised in one go, the Shortlisting ratio is proposed to be 6 times for one vacancy across groups of clubbed vacancies or 16 whichever is more and distributed amongst categories in the ratio as applicable for 16 slots. For example, shortlisting slots would be 16upto 2 vacancies, 18 for 3 vacancies, 24 for 4 vacancies, 30 for 5 vacancies and so on. (Note-1. Shortlisting ratio of 6 times the vacancy, as proposed, is in line with the present trend of participation on the basis of analysis of data during Apr'17 to Aug'18, as in Table 2, where average number of candidates interviewed per post was about 5.5. This included all category of candidates.  2. An illustrative table showing computation for likely vacancy for Director (Fin)/ HR in Sch. 'A' CPSEs is enclosed as Annexure-I)  2. Size of selection panel A panel in the ratio of 1:2 for vacancy up to 4 posts and 1.5 times for higher vacancies will be recommended based on Merit cum Preference. (For example, a panel of 4 for 2 vacancies, 6 for 3, 8 for 4, 8 for	Proposed changes are welcome

	T	I = 0.6 0 · · · ·	<u> </u>
		5, 9 for 6 and so on in order of merit cum preference will be recommended.  3. The shortlisted candidates would be required to fill up their preferences for all the advertised posts. Allocation of CPSEs to successful candidates would be based on their preference cum merit in interview which would be based, inter alia, on experience, leadership, educational qualification, APARs, & broad knowledge sectoral issues, performance in the interview, etc.  Advantage: Slots for shortlisting are utilised to the maximum limit permissible thus providing wider pool of talent. It is also envisaged that such a change will provide wider choice leading to selection of competent and capable candidates, as per merit in order of schedule/Cognate group of companies. The extended panel will also take care of unanticipated vacancies, if any falling during the currency	
	Francis ilian of Manage	of the panel.	
5	Fungibility of Vacant Slots is not	In order to avoid slots to go unutilised, and to expand the	Proposed changes are welcome
	allowed.	pool, in the event of less	
		number of eligible applications in	
	12 slots are presently	any one category, it is proposed	
	allocated to the following categories	to provide fungibility in the slots remaining vacant. It is proposed	
	for shortlisting:	to distribute the vacant slots in	
	Internal: 6	"internal/sectoral category"	
	Sectoral: 2	amongst other groups in the present order	
	<ul><li>External: 2</li><li>Govt./SPSEs/Pvts.: 2</li></ul>	(External/Govt/SPSEs/Pvt.) and	
	• Total 12	ratio in a roster format. For e.g.	
	Disadvantage: Non-	5 vacant slots in internal	
	fungibilty leaves many slots	category will be distributed as follows:	
	vacant due to non-receipt of applications/non-	• 1 <sub>st</sub> to External	
	eligibility in a particular	2nd to Central Govt/     Contral Automatical	
	category, thus limiting the	GovtCos./Central Autonomous	

6	pool and as a consequence limiting the pool of talent. Many a times applicants are not shortlisted for all the 12 slots despite eligible candidates being available in other categories.  No existing provision.	/SPSE/ State Government • 3rd to /Private • 4th Back to External and so on. • Similarly, vacant slots in other categories will also be distributed in same order amongst categories other than "Internal" in roster format. • In case there are no eligible applicants from categories other than "Internal", for reappropriation, vacant slot(s), if any, will be allocated to "Internal" category.  Advantage: Portability of vacant slots will enlarge the pool of applicants appearing for selection and would address the problem of vacant slots being faced presently as evident from the data analysis at Table 2  In line with the Government policy of Zero tolerance towards	Proposed changes are welcome
	New provision being added.	policy of Zero tolerance towards corruption, applicant during currency of Minor/ Major punishment, inclusion in 'Agreed'/ ODI list as on the date of advertisement inviting applications will not be considered for shortlisting.	
7	Timelines for Sending Recommendations by PESB to Ministry/depts. for Foreseen/Unforeseen vacancy: (a)PESB 6 months before the date of Vacancy (b) 4 months from the date of vacancy (c) As per the existing guidelines only one name is recommended and sent to the ACC for approval. Only upon rejection of the recommended name the 'reserved candidate' is disclosed	In view of the proposed selection panel both foreseen and unforeseen vacancies (chain vacancies), will be filled from the panel itself and thereby ensuring that posts do not remain vacant for long periods.  Advantage: Selection timelines will substantially get compressed.	Proposed changes are welcome

8	The existing guideline does not limit the number of times an individual can apply during a year. However, he/she can only be shortlisted 4 times during a calendar year.  Disadvantage: Repeat applications from undeserving individuals denying chances to more deserving younger applicants	Maximum Chances for Applying.  Since posts are proposed to be clubbed, an applicant would not be required to apply repeatedly. However, Candidate will continue to get in total 4 chances in a panel year in any of the following categories:  Cognate groups wise for CMDs/MDs  Cognate groups wise for posts other than Director HR/ Finance, such as Director Technical/ Marketing, etc  Functions/ Disciplines wise for Director Finance & /HR for Schedule A & B together and Schedule C & D together by clubbing these post across these two sets of Schedules.  Individual CPSEs, if advertised separately due to non-inclusion in any of the above categories. A fresh panel would be prepared every year for each of the above categories.  Advantage: This will weed out weak candidates, who keep applying multiple times, getting shortlisted due to their seniority, scale etc. despite repeated rejections in the interview, and restrict the opportunities for	Proposed changes are welcome
		other eligible candidates.	
9	Preference to internal	Removal of the phrase	Proposed changes are welcome
	candidates in interview unless others are	"Markedly better" from Resolution dated 3.March 1987	
	'Markedly Better	is proposed, as internal	
		candidates have more in-depth	
		knowledge and expected to reflect it during interview.	
10	Different Upper Age	It is proposed to introduce a	Proposed changes are welcome
	Limits for different	uniform upper age limit for all	
	candidates-	categories of applicants- The upper age limit for all posts	
		in CPSEs both for internal	
		category and other categories (Sectoral, External, Government	
		Services/Cos.,State Govt.	
		Services/SPSEs, Private) is	
	1	proposed to be 57 years of age	

		where the retirement age is 60 years and 55 years where the retirement age is 58 years.  Advantage: This will allow level playing field for all categories of applicants. Further nurturing younger talent will go a long way in professionalization of CPSEs.	
11	Minimum Service in the Eligible Pay Scale Internal candidates: 1 year External Candidates: 2 years Disadvantage: Preferential treatment to one category of candidates restricts expansion of pool, talent etc.	Uniform Eligibility Criteria – • 01 year of service in the eligible grade for all candidates from CPSEs. Advantage: This will allow level playing field for all candidates. Not applicable to Government/Armed Forces/SPSEs/Private candidates.	Proposed changes are welcome
12	Criterion for Eligibility of SPSE/Private candidates is linked with the Annual Turnover (ATO) of the company where candidates for selection of a post are being considered. For example: a.) ATO (i)Schedule 'A': Maharatna :Rs. 10000 Cr. or more Navratna:Rs. 5000 Cr. or more Mini Ratna: Rs. 2000 Cr. or more Others: Rs. 1500 Cr. more (ii) Schedule 'B' Miniratna: Rs 1000 Cr. or more Others: Rs. 750 Cr. or more. (iii). Schedule 'C': Rs. 500 Cr. or more. (iv) Schedule 'D': Rs. 250 Cr or more (b). Applicants from SPSEs & Private Sector should be	It is observed that the pool from SPSE/ Private Sector is quite restricted, especially in sectors where private sector has, for variety of reasons including near monopoly of PSEs, not reached the turnover limits prescribed in the present eligibility criterion.  i. It is therefore proposed to revise ATO criteria as the last three years average of the company in which he/she is applying.  OR  ii. Candidates from SPSE/Private has on an average of last 3 years' salary has drawn double of the last 3 years' average salary of the post applied for.  Advantage:  The existing eligibility stipulation are quite restrictive as in case of private companies, majority of the Board level posts are often held by promoters- family	Proposed changes are welcome  However, ATO criteria require an in-built mechanism such that a Private sector candidate with a history of employment in the same PSU is not eligible to apply. Very often seen that, when a Junior in a PSE sees less chances of promotion jumps to Private sector of low ATO and again returns to the original PSE. This practice, though legal, is not appreciated by AIACE

	minimum below Board level executives for the Posts of Director.  c)Only Board level executives from SPSE &Pvt. are eligible to apply for the posts of Chairman/CMDs/MDs  Disadvantage: Disparity in the eligibility criteria esp. to sectors where private sector companies are not big players. E.g. Coal, Petroleum, hydro-power etc.	members/ relatives leaving small number to professionals. Thus, besides existing provisions of Board/below Board level eligibility condition, the applicants may also be considered eligible provided their average salary for the last three years is 2 times more than the advertised posts  Advantage: This will attract larger pool of talent from private sector and will provide level playing field to all categories of applicants.	
13	Continuation of	Participation of candidates	Proposed changes are welcome
	Participation of Candidates from	from SPSEs and Private sector is allowed up to 9th June	
	SPSE/Private Sector.	2021only as per the ACC	
	As per the Government	approval. It is proposed to	
	Resolution dated 10/6/2016	extend this till further orders.	
	participation of SPSEs /	Advantage: Continuation of	
	Private is for a period of 5	participation of candidates from SPSEs & Private sector would	
	years. <b>Disadvantage</b> : The	provide wider pool and wider	
	participation of SPSE /	choice and create a healthy	
	Private candidates was	competition.	
	initiated in 2008 for a		
	period of 5 years and		
	subsequently, after a gap of 3 years the same was		
	extended for another 5		
	years upto 9/6/2021.		
14	Inclusion of Candidate	In order to expand the pool, all	Proposed changes are welcome
	from Autonomous	Central Government services	
	Bodies under Govt.	including unorganised Services/	
	Category Prospective Candidates from	Government Companies (as defined in Indian Companies	
	Autonomous Bodies,	Act, 2013) may be permitted	
	certain Government	to be included in the slot	
	Organisations i.e. DMRC,	earmarked for Government.	
	NHAI, Indian Bureau of	Since private sector candidates	
	Mines (IBM), other	are allowed to apply, there is	
	Government Companies etc. are <b>not eligible</b>	nothing that stops other Government services and	
	to apply.	companies to be eligible to	
		apply. Further, since SPSE	
	Further, Under Central	candidates are eligible to apply,	
	Government Category	State Government Services are	
	only organised Group 'A'	proposed to be included.	

	services are eligible	Advantage: The above	
	to apply. In this regard,	proposed inclusion will enable	
	there are many other	wider pool of talent,	
	Central Government	and a healthy competition.	
	Services which are not a		
	part of the organised		
	service i.e. Indian		
	Bureau of Mines.		
	<b>Disadvantage</b> : Pool gets limited.		
15	Applications submitted	The Ministries / Departments /	Proposed changes are welcome
	by the candidates	PSUs will be mandated to verify	
	on-line but often forwarded	and forward the applications to	
	by the concerned	PESB in <b>on-line mode only.</b>	
	PSU/Ministry off-line to	There will be <b>no</b> physical	
	PESB.	movement of applications for all	
	Disadvantage: Off-line	future advertisements.	
	verification delays	Advantage: Paperless or	
	submission of duly verified	minimise the use of paper, no	
	applications thereby	postal delays, reduce	
	leading to disqualification.	complaints/grievances regarding	
	More carbon footprint.	nonreceipt/ delays in receipt of	
		applications and will provide	
16	No guidelines on the	easy traceability.  If in Selection Meeting, the	AIACE is against lowering of pay
10	subject exist.	Board does not find suitable	scale for repeat SM and feels that
	Subject Calst.	candidate and decides	this lowering will de-motivate
	Problem: If in Selection	to "see more candidates", it is	fresh younger candidates to
	Meeting(SM), the	proposed that	apply for selection process.
	Board does not find	During next round of	apply for selection process.
	suitable candidate and	applications, candidates not	
	decides to "see more	cleared for specific post for a	
	candidates", same	Company in interview, will not	
	candidates get shortlisted	be considered eligible for the	
	due to seniority, for	repeat interview, if readvertised	
	next SM, providing little	within the same panel year.	
	option in repeat SM.	Eligibility in terms of pay scale	
		would be lowered by one scale	
		for repeat SM during the same	
1		panel year. However, the	
		original pay scale will be	
1		restored for eligibility during the	
		next panel year.	
		Advantage: This will allow fresh	
		younger candidates to appear,	
		facilitating deeper selection and	
17	Povious of Douformanas of	younger Boards.	Duan and about the same
17	Review of Performance of Directors/CMDs/MDs	Review of Performance for Confirmation:	Proposed changes are welcome
	At present review of		
	At present review of	To streamline the process and	

performance is undertaken only at the time of confirmation after one year or at the time of extension of tenure after 5 years' tenure. At the time of confirmation, if the performance of a candidate is assessed as below benchmark i.e. less than 37.50 out of the total of 50. the instructions provide for joint appraisal by PESB and concerned administrative Ministry / Department.

- (No meaningful review is possible in one year as neither results can get declared nor the APARS be available
- No provision for midterm review)

There is no provision for mid-term review

### Disadvantage:

Assessment of performance for confirmation after one year is not meaningful as Financial Results & APAR are available only after one year.

- to make the performance result oriented, it is proposed that midterm review of performance based on 2 years SPR may be introduced as proposed below:
- All the incumbents who score a minimum of 90% & above marks in the SPRs would be processed for the full term.
- Below 90% may be referred to PESB for Joint Appraisal (JA) along with the concerned Administrative Ministry/ Department for confirmation/ nonconfirmation Thereafter, approval of ACC is to be obtained in case of Schedule 'A'&'B'. For Schedule 'C' & 'D' the competent authority would be the Minister-incharge. The contract would be recommended for termination in case incumbents do not qualify in the mid-term review or are under suspension or have charge-sheet pending / any penalty imposed. In spite of obtaining the minimum score of 90% in the SPR, the Ministry / Dept. if for reasons other than performance such as vigilance does not want to accord confirmation, must do so with the approval of the ACC, at least 30 days in advance of the date of expiry of the scheduled tenure.

Advantage: The performance of executives can be assessed objectively based on his/ her performance with reference the financial results of the company and his/her APARs. This will result in more meaningful assessment.

**Extension in Tenure**:

At present an incumbent is considered for extension of **Extension in Tenure**:

Extension of tenure up to 6 months' subject to the date of

Extension should be done at least for 2 years who meet the prescribed criteria because 6

18

	tenure for another term subject to age of superannuation and further subject to availability of Vigilance clearance and the incumbent meeting minimum performance benchmark of 80% in SPRs.  Disadvantage: The present process involves varying and time consuming procedure for approval of even if the	superannuation for Chairman / CMD / MD & functional Directors:  • Fast track for those who meet the benchmark of 90%,  • Referring those with SPR score below 90% for Joint Appraisal (JA);  • In case of CMD/MD/Functional Directors who meet the benchmark, but for reasons other than performance such as vigilance or the Ministry /Dept. is not inclined to extend the tenure shall be referred to ACC 6 months before the expiry of the	months is too less considering the fact that the person on extension will do nothing except routine jobs for fear of any adverse event during extended period.
	extension is for one month	tenure.  Advantage: This will simplify the processes and curtail avoidable delays.	
19	APAR for CPSE Executive  • At present timeline for completion of APARS for CPSE Executive have been prescribed by DPE but it is not being followed in letter and spirit by the administrative Ministry / Department and CPSEs.	APAR for CPSE Executive APARs to be mandatorily implemented from the year 2020-21 through SPARROW on the same lines as for AIS and Central Service Officers. Director (HR) in each CPSE will be personally responsible. No APARs without SPARROW to be accepted from the year 2021-2022. Advantage: Provide measureable based APARs and verifiable assessments.	Proposed changes are welcome
20	Non-Availability of Vigilance to PESB during Shortlisting &Interview At present for appointments, additional charge arrangements and extension of tenure of the incumbents, vigilance clearance from CVC sometimes take time and panel may also get scrapped due to denial of vigilance clearance, post selection. Disadvantage: Non- Updation of 'SOLVE'	Updating Vigilance Clearance/ Status Online on quarterly basis (As followed by DoPT in the case of AIS officers)  To fast-track the vigilance clearance process, it is proposed that online Vigilance status for officers working in eligible grades, is regularly done by CVOs of CPSEs in "SOLVE" where like for AIS officers, short listing is done on the basis of Vigilance status of the previous quarter. The CVOs of the CPSEs and	Proposed changes are welcome

Portal by CPSEs. Vigilance status from CVOs / Ministries takes time which further delays the appointment process. As per practice applicants get shortlisted in the absence of vigilance status. In the absence of vigilance status during interview also there is a serious inherent possibility of recommendation of a candidate who is later denied vigilance clearance. It reflects poorly on the selection process.

Ministries/Deptts. are proposed to be mandated to maintain and provide Vigilance status online on quarterly basis on "SOLVE", DoPT.

Advantage: Mandatory update of Vigilance status of all CPSE employees from General Manager and above on quarterly basis. This will enable weeding out applicants who are not clear from vigilance angle from the short-listing process, thereby giving a chance to other eligible candidates and will increase the available pool for selection and will reduce the selection time.

21 Recommendation of PESB Sent to the Ministry/Deptt.

immediately after the selection meeting. In case there is a reserve candidate, the same is retained in PESB. The name in the reserve candidate is disclosed only with the approval of ACC in the event, the primary candidate recommended for the post is not approved by ACC.

The full selection panel would get published on PESB website post completion of interviews and would be forwarded to the concerned Ministry / dept., ACC Secretariat and CVC (For simultaneously initiating the process of vigilance status).

Advantage: It will enhance the transparency of the process of selection. It will also provide a pool of eligible candidates for the appointing authority to choose from.

To ensure Transparency and confidence in the system, biodata of all shortlisted candidates be forwarded to the concerned Ministry / dept., ACC Secretariat and CVC (For simultaneously initiating the process of vigilance status) and it should be available one week prior to the publication of full selection panel.