

Appointment & Promotion Policy

Appointments to the higher echelons

6.1.1 Presently, three All India Services exist viz. Indian Administrative Service, Indian Police Service and Indian Forest Service. Apart from All India Services, Central Civil Services exist which are categorized as Group A. The All India Services are common to the Centre and the States whereas Civil Services of the Central Government are controlled only by the Central Government. The Central Civil Services account for more than 2/3 of the total Group A posts under the Central Government and can be broadly classified as non-technical and technical services. The latter includes engineering and scientific services.

Career aspirations

6.1.2 The aspirations of candidates appearing for AIS/Organized Central Civil Services Group A are high, as they enter the Government at the highest entry level available. The incumbents to these posts always aspire to reach the highest level available in the Government. While the aspirations are justified, however, any reasonable cadre structure can only be pyramidal having lesser number of posts at the apex level. Accordingly, it needs to be appreciated that not everyone can rise to the top position even after joining the AIS/Organized Central Civil Services.

Demands made during oral submissions

6.1.3 During the course of oral submissions, almost all the Organized Group A Service organizations had conveyed the dismal state of career advancement which leads to acute stagnation. Consequently, almost every service organization had desired creation or upgradation of additional posts in the higher grades. The Commission has not considered demands of individual cadres as they have taken a conscious decision not to undertake any individual cadre reviews. Most of the Group A /AIS associations also stressed on the need to herald a work culture in the Government that will reward performance. In such a system, the employees will have an incentive to work harder to prove themselves. The Indian Civil & Administrative Services (Central) Association, in their oral deposition before the Commission, emphasized the need for introducing a transparent and merit-driven placement and promotion framework which has uniform and transparent applicability across services and cadres.

Present state

6.1.4 Despite the dismal state of career progression pointed out by most of the organizations, the Commission has observed that in the recent past, almost every cadre review of an organized Group A Service has resulted in creation of a large number of additional posts in the higher grades. While some of these upgradations would undoubtedly have been on functional considerations, the others were given primarily to alleviate stagnation and provide suitable promotional channels to the officers in the cadre. While such upgradations have resulted in a top heavy organization in most cases, still the problem of stagnation and finding suitable career advancement avenues for the officers of the respective cadres has not been appropriately addressed as most of the organizations\cadres are still perturbed about their career advancement prospects. Within the structure being recommended by the Commission, there will be flexibility to fit people in running pay bands. In para 3.3.12 of the Report, recommendation for grant of the higher scale on non-functional basis has been made. This will address the problem of stagnation effectively in all organized Group A Central Services.

Selection to deputation posts

6.1.5 The guiding beacon of the Commission's report is to improve productivity and to bring about a result orientation with quantifiable and deliverable benefits across all Government organizations. The Commission wishes to bring in a work culture in the Government that will reward performance. In such a system, the employees will have an incentive to strive harder and deliver results. As mentioned earlier, most of the services as well as Indian Civil & Administrative Services (Central) Association have desired introduction of a transparent and merit driven placement and promotion scheme that has uniform and transparent applicability across services and cadres. It is, therefore, high time to implement the much needed corrections in the process of selection for manning higher level deputation posts in the Government. This will mean a change in the existing scheme where selections to these posts are, as a matter of fact, primarily based on seniority. Faster selections of the deserving employees will not only give them an incentive to work hard but also lower the age profile.

Existing problems

6.1.6 To attain the aforesaid goals, the Commission is of the view that the procedure for appointments in the higher echelons of Central Government has to be modified so that due emphasis is placed on selecting performers who are suitable for specific jobs and whose performance can be monitored. The main problem faced by various Organized Group 'A Services in deputations is the inordinate time taken for their empanelment for placement under the Central Staffing Scheme. Due to this, most of the Group A

service officers are not able to get empanelled to the post of Joint Secretaries and above. This has led to a feeling of resentment in various Group A services that needs to be addressed. The Commission has, therefore, recommended appropriate changes in the existing scheme to address these issues. While doing this, care has been taken not to change the existing provisions that are time tested and already provide a level playing field to all, at least in theory. The Commission's recommendations are just a reiteration of the principles laid down in the 1970s and 1980s regarding the constitution of the common management pool for manning the higher level posts in the Government. Selection for inclusion on the panel of officers adjudged suitable for appointment to various SAG/HAG level posts in the Government of India is open to all suitable officers subject to approval of ACC of the proposals submitted by the Cabinet Secretary. The Cabinet Secretary is assisted by a special Committee of Secretaries for formalizing proposals to be considered by the ACC. The rules provide drawing up of panel of suitable officers on an annual basis and for strict selection and evaluation of various relevant qualities for inclusion in the panel.

*Need for
transparency*

6.1.7 While the system appears to be very equitable on paper, it is non-transparent and does not inspire confidence amongst the concerned officers about its fairness. The modifications proposed by the Commission will remove opaqueness that has crept into the extant system. The system recommended follows the extant principles which have been freed from any bias and which, the Commission hopes, would give confidence to all the eligible officers about the fairness and impartiality of the selection process.

*Proposed
procedure*

6.1.8 The Commission is recommending the following measures for appointment to the various SAG/HAG posts in the Government that are to be filled up on deputation basis:

- (i) All posts at SAG level and all HAG level posts that are presently not encadred in any service/cadre/organization will henceforth be filled by a new selection process that will be open to all the eligible Central Government officers.
- (ii) Some of the identified SAG/HAG posts that require technical or specialized knowledge shall be opened up to the eligible candidates whether inside the Central Government or outside it.

These measures are discussed in detail in the succeeding paragraphs.

*Selection to
Senior
Administrative
Grade and Higher
Administrative
Grade*

6.1.9 The Commission recommends opening up of all the deputation posts under Central Staffing Scheme or outside it to all the eligible officers whether belonging to AIS or Group A Central Civil Services. The Commission is fully aware that in theory these posts are already open to all AIS as well as Central Group A Services. However, in practice, the selection procedure for these posts has been made so non-transparent that the credibility of the entire selection procedure is now being questioned. The pressing need is to ensure a selection process that is open, transparent and gives equitable chance to all the eligible officers. To attain this end, all the posts filled by deputation in the Senior Administrative Grade and Higher Administrative Grade should be filled through an open selection process conducted by an independent agency. The function of the independent agency should be done by the UPSC by involving few outside experts in the relevant field. For selection to SAG/HAG levels posts, all Group A officers who are already in the SAG/HAG levels respectively in their own cadre including those who have been given the scale non-functionally on personal basis would be eligible.

6.1.10 Additionally, for officers belonging to AIS, appointment of any one officer of the service in any State cadre in the scale attached to the posts in SAG or HAG, as the case may be, would be a sufficient condition for consideration of all the officers of a particular year of allotment. This is in consonance with the extant provisions.

6.1.11 The procedure for applying to these posts, whether in SAG or HAG, will also be transparent with eligible officers applying for these posts directly through a central official website, which would host all the upcoming vacancy circulars for such posts specifying the eligibility criteria. The format of the application should be such that it brings out the core competence of the aspirant. There shall be no separate empanelment for selection to these posts. All the applications for any specific post(s) shall be considered by the independent agency, which will shortlist few candidates for every upcoming vacancy on the basis of pre-defined transparent parameters. All the names of the candidates found to fulfill such prescribed criteria will then be sent to the concerned administrative ministry/department/organization who may thereafter select any candidate from that list.

Benefits

6.1.12 The scheme recommended in the preceding para will have the following benefits: -

- (i) It will ensure widest range of suitable candidates for filling any of the SAG or HAG (other than those relating to core governance) level posts in the Centre.

- (ii) It will ensure that domain expertise is the major criteria for selection to a post.
- (iii) It will facilitate infusion of younger persons that have excelled in their field and break the nexus between seniority and selection to such posts with high emphasis on performance.
- (iv) It will ensure a level playing field for members of different services/AIS cadres and will afford an equal opportunity to the high performers irrespective of the service to which they happen to belong.
- (v) The scheme will be transparent, equitable and assure the applicants of the fairness and impartiality of the selection process.

Lateral entry at higher grades

6.1.13 Apart from opening up the process of selection for deputation to the higher level posts, the Government should also identify some of the SAG and HAG posts requiring technical or specialized knowledge and which are not encadred in any of the service. These posts would be open for being filled by suitable officers within the Government as well as by the outsiders. The Government can also suggest some names for consideration of the selecting agency. The selection for deputation to these posts could be made by the UPSC irrespective of their working in the Government or outside it. Government employees applying for these posts will, at the time of applying, have the option of either:-

- continuing on normal pay and allowances in case they are selected (After their tenure in the post they will revert to their cadre); or
- being given market driven salary on selection.

In case a Government employee chooses the option of appointment on market driven salary, he/she will have to sever all ties with the Government before applying for the post. The employee will have to either resign or take retirement at the time of applying, as an outside candidate. Candidates selected from outside the Government will invariably be appointed on contract for a fixed tenure and their remuneration fixed as dictated by the extant market forces. Their appointment will be for a fixed term that could, however, be renegotiated once the term expires at the option of the employing agency. This will ensure availability of the best talent for higher level posts in the Government and will also bring a higher sense of participation amongst citizens who would

have an opportunity to contribute in the higher echelons of the Government provided they possess the right qualifications and experience for the job. Initially, the Government could consider filling some of the non-sensitive posts in the technical /other branches in this manner.

Ban on creation of additional SAG/HAG posts in individual cadres

6.1.14 Once the aforesaid method of selection for holding deputation posts in SAG/HAG in Centre is implemented, **a total ban on creation of any fresh posts in SAG and HAG in various Central Civil Services/AIS should be placed. No fresh creation of posts should take place in any cadre. Any further creation has to be based on functional considerations and the post so created would be an open post not encadred in any service.**

Promotion Policy

ACPS

6.1.15 Promotion policy exists to provide adequate career progression to the employees. The Fifth CPC was of the opinion that the Government should formulate a promotion scheme that caters to the promotion aspirations of Central Government employees in general. They recommended the Assured Career Progression Scheme (ACPS) for the general employees in the Government. The Fifth CPC had also recommended use of cadre review mechanism to bring uniformity in the career prospects of Group A central services. Department of Personnel & Training (DOPT) was also advised to issue detailed guidelines for cadre reviews of posts belonging to Groups B, C & D so as to ensure timely review thereof. The scheme of ACP recommended by the Fifth CPC envisaged three time bound promotions for Group A posts after 4, 8 & 13 years of service. For posts in Groups B, C & D, two time bound promotions were to be provided on completion of 8 & 16 years of service for Group B, 10 & 20 years for Group C and 12 & 24 years of service for Group D. The Government accepted this recommendation in a modified manner and introduced the ACPS for Groups B, C & D and isolated posts in Group A where two financial upgradations were to be provided on completion of 12 & 24 years of service. The financial upgradations were to be in the next higher grade in the existing hierarchy. Benefit of pay fixation under FR-22(1) (a) (i) was to be given at the time of these financial upgradations but no change in designation or functions accompanied such upgradation. The scheme, therefore, did not envisage a change in the status or rank of the employee who continued in the same post but only extended the next higher pay scale available in the hierarchy. ACPS has, by and large, alleviated the problem of stagnation and also allowed higher rate of increments in the higher scale extended under it. However, it has given rise to many other problems, mainly because the financial

upgradations in the extant scheme follow the existing hierarchy. This gives uneven benefit to employees existing in the same pay scale in different organisations with a different hierarchical pattern. Employees working in organisations having more intermediate grades suffer because financial upgradation under ACPS places them in a lower pay scale vis-à-vis a similarly placed employee in another organisation that has lesser intermediary grades. This, in a few cases also leads to a situation where the benefit of higher pay scale is not available because the next post in the hierarchy also exists in an identical pay scale. In such cases, benefit under ACPS is limited to increase in salary in the same pay scale on account of fixation under FR-22(1)(a)(i). The Commission has received many representations seeking a uniform benefit under ACPS or seeking abolition of intermediary grades merely with a view to get higher jumps in pay scales under ACPS. While layering of Government machinery is desirable and the Commission has made numerous recommendations to achieve the same, abolition of intermediary levels just to give better jumps under ACPS, even though the same are not desirable functionally, cannot be considered. The only other way is to bring systemic changes in the existing scheme of ACPS so that all employees, irrespective of the existing hierarchical structure in their organisation/cadre, get same benefit under it. **The Commission, therefore, recommends that the existing scheme of Assured Career Progression may, in future, be continued with two financial upgradations being allowed as at present with the following modifications:-**

- i) **The scheme will also be available to all posts belonging to Group A - whether isolated or not. Organised Group A services will, however, not be covered under the scheme.**
- ii) **Benefit of pay fixation available at the time of normal promotion shall be allowed at the time of financial upgradations under the scheme. Thus, an increase of 2.5% of pay and grade pay shall be available as financial upgradation under the scheme.**
- iii) **The grade pay shall change at the time of financial upgradation under this scheme. The grade pay given at the time of financial upgradation under ACPS will be the immediate next higher grade pay in the hierarchy of revised pay bands and grade pay being recommended. Thus, grade pay at the time of financial upgradation under ACPS can, in certain cases where regular promotion is not between two successive grades, be different than what is available at the time of regular promotion. In such cases, the higher grade pay attached to the next promotion post in the hierarchy of the**

concerned cadre/ organization will be given only at the time of regular promotion.

- iv) Financial upgradation under the scheme will be available whenever a person has spent 12 years continuously in the same grade. However, not more than two financial upgradations shall be given in the entire career as was provided in the extant scheme.

The scheme with aforesaid modifications shall be called modified ACPS and will ensure suitable progression uniformly to all the employees in Central Government.

Flexible
Complementing
Scheme/
Dynamic
Assured Career
Progression
Scheme

6.1.16 Scientists and Doctors are presently covered under separate promotion schemes viz. Flexible Complementing Scheme and Dynamic Assured Career Progression Scheme respectively. The Commission has considered these schemes in Chapters 3.5 & 3.6 of the Report.

Limited
Departmental
Competitive
Examination for
posts in Groups
B & C

6.1.17 Promotion channels are not very attractive for many posts in Groups B & C. Many times, highly qualified persons join these posts but get demoralized on account of prevailing stagnation. While running pay bands and Modified ACPS will address the problem of stagnation, the Commission is of the view that these employees need to be allowed a fast track promotion mechanism wherein the brighter employees will be able to get promoted faster, irrespective of their seniority, subject to their selection in the prescribed examination. **The Commission recommends that 10% of the vacancies hitherto filled by direct recruitment for all posts in Group B and C (apart from those in pay band PB-1 with grade pay of Rs.1800) will now be filled by Limited Departmental Competitive Examination (LDCE). All employees possessing minimum qualifications prescribed for direct recruitment shall be eligible for this examination irrespective of their present grade and the period of incumbency therein.** Thus, even an employee in pay band PB-1 with grade pay of Rs.1800 will be eligible to appear in LDCE for a post in PB-2 with grade pay of Rs.4800 provided he/she possesses the necessary qualifications. **This will be over and above any existing scheme of LDCE for filling up posts in various grades.**

Age of superannuation and voluntary retirement

<i>Age of superannuation</i>	6.2.1 Age of superannuation was increased from 55 years to 58 in 1962. The age of retirement for Group 'D' employees and workshop employees in the Central Government was maintained at 60 years. The Fifth CPC recommended an upward revision of this age to 60 years with the proviso that there will be total ban on extension of service except for Scientists and Medical Specialists who could be granted extension in service on a case to case basis upto the age of 64 years.
<i>Existing Position</i>	6.2.2 The present position is, therefore, that age of superannuation in Central Government is 60 years. Certain posts like those of Cabinet Secretary, Home Secretary and Defence Secretary have been made tenurial and incumbents in these posts continue for the duration of their tenure even after completing 60 years of age.
<i>Demands</i>	6.2.3 The Commission has received many demands for increasing the age of superannuation further keeping in view the increased longevity and better health care facilities leading to improved health standards. Ministry of Health & Family Welfare had sent a proposal seeking enhancement of the age of superannuation of General Duty Medical Officers (GDMOs) of Central Health Service to 62 years.
<i>Recommendations</i>	6.2.4 It is observed that the Fifth CPC increased the age of superannuation to 60 years precisely on these very considerations. The same grounds cannot, therefore, be justifiably used to further increase the age of superannuation. Another reason that prompted the Fifth Pay Commission to increase the age of superannuation to 60 years was the tendency on the part of senior officers to seek extension of service for further two years so that they could serve till 60 years. The Fifth CPC, in their wisdom, thought that a general increase in the age of superannuation coupled with total ban on extension of service except for certain specified categories, will remove this tendency to seek extension beyond the prescribed age of superannuation. This has clearly not happened. The tendency amongst the senior officials to seek extension of service

beyond stipulated age of superannuation of 60 years has not abated at all. The argument for any further increase in the age of superannuation, therefore, becomes all the more unsustainable. Economic Survey, 2006-07 shows that out of the entire population of 111.2 crore, 3.57 crore is below 15 years, 69.9 crore between the age of 15-64 years and only 5.6 crore of and above the age of 65 years. According to the Technical Group on Population projections constituted by the National Commission on Population, the demographic dividend will manifest in the proportions of population in the working age group of 15-64 years increasing steadily from 62.9 per cent in 2006 to 68.4% in 2020. As such, a younger pool of manpower is and will be available for the requirements of the Government. This shows that India is a youthful nation with a majority of population in the working age group and this youthful profile will only increase in the decades to come. Besides, the entire import of this Report is towards maintaining a youthful profile of the bureaucracy that will be more dynamic, result oriented and better attuned to the needs of their constituents. In fact, the Commission has recommended liberalization of the extant pension rules with full pension being granted on completion of 20 years service so as to facilitate early exit of willing employees from the Government. In such a scenario, no rationale exists for recommending any further increase in the age of superannuation. The Commission is also not in favour of recommending a blanket increase in the age of superannuation for all General Duty Medical Officers belonging to Central Health Service. **The Commission recommends that the current age of superannuation should be maintained. Further, except in the case of Scientists and Medical Specialists, no extensions should be given in any other case. Tenure based posts should be filled by incumbents who have sufficient period of service left before the stipulated age of retirement. Medical Specialists and Scientists may, however, be allowed extension of service of upto 2 years on a case to case basis.**

Voluntary retirement

6.2.5 Presently, all employees on completion of 30 years qualifying service can take voluntary retirement by giving 3 months' notice. Group A & B Officers who had entered service before the age of 35 years have the right to retire after attaining the age of 50 years by giving a similar notice. Group A & B Officers who had entered the service after 35 years of age and all Group C & D employees can also take voluntary retirement at their option. Retirement becomes effective on the expiry of notice period. No formal approval is necessary unless the official is under suspension. Employee can also retire voluntarily by giving 3 months' notice on completion of 20 years qualifying service. However, in this case, acceptance by the Appointing Authority is necessary.

<i>Present position</i>	6.2.6 Pension on voluntary retirement is payable only if 20 years of qualifying service or more has been put in. In case of superannuation, pension is payable on completion of 10 years qualifying service or more. However full pension, whether on superannuation or voluntary retirement, is presently payable only on completion of qualifying service of 33 years. Weightage of upto 5 years for purposes of reckoning qualifying service for pension/gratuity is allowed in case of voluntary retirement provided the total qualifying service including the weightage does not exceed 33 years and the period does not go beyond the date of normal superannuation.
<i>Pension on completion of 20 years</i>	6.2.7 In Chapter 5.1 of the Report, the Commission has recommended payment of pension equal to 50% of the average emoluments/last pay drawn on completion of 20 years of qualifying service. This will ensure that the willing employees leave the Government at a relatively younger age without waiting to complete 28 years of qualifying service that along with the weightage of 5 years, would entitle them for full pension under the extant rules. No further inducement is, therefore, required for employees who have completed 20 years of qualifying service in the Government. However, employees who are still to complete 20 years of qualifying service are not eligible for pension in case they take voluntary retirement. Grant of full pension irrespective of the qualifying service put in will, therefore, not be of any help in their case.
<i>Pensionary benefits after 15 years of service</i>	6.2.8 The Commission is of the view that some benefit needs to be provided in respect of such of those employees who want to leave Government after putting in service of 15 years or more but less than 20 years. Presently, such employees are eligible for service gratuity equal to half months' emoluments for each completed six monthly period of qualifying service in addition to death-cum-retirement gratuity that is available at the rate of 1/4 th emoluments for each completed six month period of qualifying service subject to the pecuniary limit of Rs.3.5 lakhs and further subject to the ceiling that the amount shall not exceed 16.5 times the average monthly emoluments at the time of retirement. Thus, a person taking voluntary retirement after 15 years of service is presently entitled to 22½ times of the average monthly emoluments. For every additional completed year of service, an additional amount equal to 150% of the average monthly emoluments is paid. This is not very attractive especially because the retiring employee is not eligible for any other pensionary benefit. A need clearly exists to give a more attractive package to this category of employees as well.

Analysis

6.2.9 The Commission has received many demands to the effect that employees seeking voluntary retirement after completing 15 years of service should also be made eligible for payment of pension. This, however, will entail payment of pension and family pension for many decades to an employee who has put in only 15 years of service with attendant problems of cost as well as accounting. However, the lump-sum payment payable to this category of employees at the time of voluntary retirement has to be made more attractive. If the average life span of a Government employee is taken as 80 years, it will mean that the Government will pay pension for 35 years to an employee who retires at the age of 45 years after putting in 20 years of service. Additionally, Death-cum-Retirement Gratuity (DCRG) for 10 months will also be payable. In terms of monthly pay at the time of retirement, the total pensionary benefit in the case of this employee, therefore, work out to monthly emoluments for 220 months. The benefits will be somewhat lower for an employee retiring at a higher age. The average pensionary benefit can, however, be safely assumed as pay for 200 months in case of employees retiring after putting in 20 years of service. An employee retiring after 15 years of service should rightly be given retirement benefits which are at least 40% of the retirement benefits accruing to an employee who quits service after 20 years of service.

Recommendations

6.2.10 **The Commission, accordingly, recommends that all Central Government employees seeking voluntary retirement on completion of qualifying service equal to or more than 15 years but less than 20 years should be paid one time, lump-sum, retirement benefit equal to 80 months' salary last drawn or average salary, whichever is more beneficial to the retiring employee inclusive of benefits like service gratuity and death-cum-retirement gratuity that shall stand subsumed.** The proposed dispensation would increase the present benefits available to an employee seeking voluntary retirement after 15 years of service by more than three times. At the same time, the benefits available on completion of twenty years of service will be substantially higher as then the employee will be eligible to receive lifetime monthly pension equal to 50% of the average emoluments and will additionally also be eligible for gratuity equal to 10 times the average monthly emoluments. Thus, the employees who had joined the Government before 1.1.2004 and are not covered under the New Pension Scheme will continue to have incentive for putting in minimum 20 years of service so that they are eligible for receiving pension from the Government.

Towards Effective and Responsive Administration

Introduction

6.3.1 The Commission has not directly addressed the issue of general administrative reforms in Government because a separate Administrative Reforms Commission (ARC) is already looking into this aspect. However, changes in the pay structure being recommended in the Report are geared towards ensuring an effective administration which is responsive to the needs of end consumer. This was necessary as pay is at the centre of the human resource management framework. High performance work practices where high achievers are rewarded have to be made an integral part of the pay structure of the Government employees. Terms of Reference of the Commission also enjoin the Commission to evolve a comprehensive pay package that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and process within the Government, with a view to leveraging economy, accountability, responsibility, transparency, assimilation of technology and discipline

Common man's perception of everyday governance

6.3.2 For the common man, bureaucracy denotes routine and repetitive procedures, paper work and delays. This, despite the fact that the Government and bureaucracy exist to facilitate the citizens in the rightful pursuit of their legal activities. Rigidities of the system, over centralization of powers, highly hierarchical and top down method of functioning with a large number of intermediary levels delaying finalization of any decision, divorce of authority from accountability and the tendency towards micromanagement, have led to a structure in which form is more important than substance and procedures are valued over end results and outcomes. Non-performance of the administrative structures, poor service quality and lack of responsiveness, and the subjective and negative abuse of authority have eroded trust in governance systems which needs to be restored urgently.

Administrative Reforms Commission (ARC)

6.3.3 The ARC in its approach paper on '*Reforms in Governance and Administration*' mentions that the State apparatus is generally perceived to be inefficient, with most functionaries serving no useful purpose. The bureaucracy is generally seen to be tardy,

inefficient, and unresponsive. The positive power to promote public good being is restricted, making it difficult for even the most conscientious and competent functionaries to deliver optimal results. It has also been stated that the privileged position of even the lowliest of public servants gives them enormous power over most of the citizens, given the abject poverty, illiteracy, excessive centralization of power, a culture of exaggerated deference to authority, hierarchical tradition in society, and the legacy of colonial traditions and practices. ARC has observed that empowerment of local governments/stakeholders with effective and sufficient delegation and accountability at every level to deliver should be the cornerstone of governance reform.

Restoring pride in public service and core service values

6.3.4 Government employees are generally demotivated, with poor self perception reflected in low morale and low performance. This is notwithstanding the fact that at recruitment stage, through competitive procedures, the best quality is available to the Central Government at all levels. The problem, therefore, lies in retaining this excellence through designing motivating jobs with greater responsibility, accountability and recognition of merit. A system rewarding performance in terms of the results achieved has to be heralded. Pride in public service and core public service values with effective and responsive delivery have to be rebuilt.

Restructuring for better delivery with delegation and accountability

6.3.5 The existing administrative system needs to be transformed to leverage better public value to improve service delivery and increase effectiveness and responsiveness. **There should be decentralization and delegation of powers with clear accountability at each level of delivery combined with flatter management structures so that responsibility is pushed down to the operational level and to the employees who are close to the cutting edge.** A reduction in the existing bureaucratic processes with simplification of procedures and process re-engineering to allow effective service delivery is vital. **The centralized command and control systems that focussed on process compliance and input control have not been effective in securing performance and often resulted in excessive micro-management. These will, therefore, need to be changed. Simultaneously, the definition of accountability has to be revised so that it is seen as the ability of the system to deliver timely results and quality services effectively and in a responsive manner.**

Employee motivation

6.3.6 Employees are the most important asset of any organization. This holds true in case of Government employees as well and a holistic treatment with opportunity to grow and develop their potential in Government has to be heralded for them. **The 'machine model' approach to jobs with the employee as a cog in the wheel and extreme division of work has to be replaced by a**

'learning organization approach' where employees are continually enhancing their capabilities and skills in high performance work cultures. Incentivising and rewarding innovation, creativity and responsive administration with inclusive outcomes on the part of employees have to be at the core of the new growth in productivity of services. **A need also exists to increase representation of women, socially diverse groups, persons with disabilities in the bureaucracy for improved responsiveness and increased inclusiveness of these sections.** Improving the work-life balance for employees is an important way to make Government service more attractive and satisfying.

Measures contained in the Report for achieving the stated goals

6.3.7 In the Report, the Commission has recommended several measures to ensure the attainment of the above goals. These include changes in the pay structure to reduce layers and hierarchy in Government, prevent stagnation and reward merit; giving importance to the delivery levels and up gradation of the cutting edge; creating an environment of growth and intrinsic satisfaction in work for the employees; ensuring availability of the best possible talent for Government; promoting autonomy and self regulation in functioning and introducing Performance Related Incentive Scheme (PRIS) for rewarding performance.

Changes in the pay structure to reduce hierarchy in Government, prevent stagnation and reward merit

6.3.8 The Commission has recommended merger of many pay scales which will bring about a structural reduction of layers in the Government, accelerate the decision making process and improve flexibility in functioning. Introduction of running pay bands will remove stagnation. Variable increments will provide the employees an incentive to excel and herald greater orientation towards performance outcomes.

Delegation with accountability-restoring importance to delivery and the cutting edge

6.3.9 Restoring delegation with accountability at each level in the decision making process is one of the main thrust areas proposed by the Commission. Upgradation of critical cutting edge jobs like teachers, staff nurses, constables etc. has been recommended. Strengthening the decentralized levels with parity between field offices and the Secretariat has also been recommended as the motivation and performance of the field and programme offices is critical to improve service delivery to the common man.

Multiskilling, Annual Direct Recruitment Plan & Fresh recruitments

6.3.10 The Commission has recommended multiskilling of the Government employees which would increase their operational efficiency while simultaneously optimising the staff strength. It is, however, noted that while rightsizing in Government is necessary given the changes in work process due to technology and consequent reduction of layers, a blanket ban on filling of vacant posts across the board can impact effective functioning. More flexibility is required in this policy for effective service

delivery and care has to be taken that administrative delivery structures do not become hollow or thin in critical areas. **It is, therefore, essential that the Government revise the Annual Direct Recruitment Plan (ADRP) in terms of which only one third of the vacancies can be filled up.** This instruction has resulted in an aging bureaucracy which does not easily adapt itself to technology. An active and younger profile in Government employment is the need of the hour. Further, strengthening of the cutting edge for efficient delivery is required. **New guidelines, where reduction in manpower and levels of fresh manpower intake would be assessed and prioritized by the individual Ministry or Department keeping its work processes, service delivery and functional requirements and budgetary savings at centre stage should, therefore, be issued.**

Creating an environment of growth and satisfaction through work

6.3.11 Government employees have to be motivated to take pride in public service. Holistic job design with high performance work practices, multi-skilled work and greater employee engagement in the decision making process is central to employee motivation. **The Commission has recommended various measures for job enhancement and job enrichment. The functions presently being discharged by Assistants and Private Secretaries will now be carried out by Executive Assistants. Upgradation of all posts in Group D in the Government to Group C along with their retraining and multiskilling will provide enlargement and enrichment of functions and responsibilities to a large section of government employees. Measures like fast track promotions through limited departmental competitive examinations will motivate the employees towards lifelong learning and equip them to meet changing work place requirements. Recommendations have been made for training as a means of actualizing life long learning and upgrading of competencies.**

Making Government service attractive for better representation and work - life balance

6.3.12 The Commission has also made recommendations for giving enhanced facilities and improved working conditions for women and employees with disabilities. **As part of the package to create an enabling and satisfying inclusive work environment, improved work-life balance and family-friendly employment practices, the Commission has proposed measures like flexible working hours, child care leave, enhanced education allowance, etc. for women employees. Special measures have also been recommended for employees with disabilities that will allow them to perform the office work more efficiently.**

Ensuring the availability of the best possible

6.3.13 Lateral entry at higher echelons in the Government to ensure availability of the best possible talent from within and outside Government with performance contracts has been

*talent for
Government*

recommended. This will ensure entry and retention of talent in the Government even for those jobs that have a high demand and premium in the open market. A higher start and better incentives have been given at the initial entry level so as to attract a younger talented profile. No increase in retirement age is recommended as an active younger employee profile is best suited for the tasks ahead.

*Performance
Related Incentive
Scheme*

6.3.14 The introduction of Performance Related Incentive Scheme (PRIS) is designed to reward performance, innovation, creativity and responsive delegated administration with institutionalization of stakeholder interface for inclusive outcomes and service delivery. This will be a budget neutral tool for results based management with performance targets, standards and indicators and greater accountability. The Commission has proposed benchmarking of the annual budget expenditure by Ministries and Departments in the year 2005-2006 with flexibility given to the individual Ministry/Department to use the savings generated. Savings from reorganization of work, rightsizing, improved efficiency and productivity, reduction in wasteful expenditure, non essential travel and consumables and outsourcing would now be available to the organization for deployment towards its own priorities including payment of performance related incentive to the levels where these savings occurred as reward for effectiveness. The model proposed is essentially decentralized and flexible to be implemented voluntarily by Heads of Departments. It will enable re-engineering of the decision process with integration of ICT and technology with greater accountability and employee participation. The result will be greater transparency and faster decision making through change in processes.

Conclusion

6.3.15 The Commission is not making specific recommendations regarding restructuring of individual services and cadres as this task will be better performed by the Ministries and departments. The main recommendations of the Commission relate to rationalization of pay structures for promoting effective and responsive service delivery and motivating employees and encouraging changes in processes with greater delegation, accountability and stakeholder orientation through the mechanism of variable increments and Performance Related Incentive Scheme (PRIS). **It is expected that the recommendations of the Sixth Central Pay Commission contained in this Report will provide an enabling framework for desired change towards innovative, effective and responsive service delivery to stakeholders in the entire Government machinery in a sustainable manner.**

Training Academies & Staff Colleges

*Introduction:
Importance of
Training and
Recent
Developments*

6.4.1 Human resource development is critical for the enhancement of knowledge, skills and competencies and provides a critical input for greater performance focus for improved service delivery. Training Academies and Institutes are centres of expertise and excellence for the Government employees. They are important for the morale of cadres. Strengthening training faculty by attracting the best talent available, with provision of very good infrastructure and resources is important given the growing importance of this sector with provision of not only induction level training but life long learning through mid-career in-service training at various points during the career progression. The dialogic process of learning and exchange of knowledge with peers in an environment which supports questioning and analysis of field experience with critical tools is an essential ingredient for accretionary change in our Government organisation and work culture.

6.4.2 Highly developed in-service training is an essential part of the human resource framework to change the work ethos and improve delivery orientation. The Railways provide for training inputs accompanying every change in functional level to equip the officers to adapt to the changing roles and responsibilities. Consequent to the Yugandhar Committee Report on Training, compulsory in-service training has also been introduced at mid career level for the All India Services. Completion of training has been made essential for career progression to the next higher grade. The Lal Bahadur Shastri National Academy of Administration (LBSNAA) imparts in-service training before the Junior Administrative Grade (Phase III), the Super Time Scale (Phase IV) and Phase V training in the 26th and 28th year of service. The Indira Gandhi National Forest Academy (IGNFA) also imparts training at mid-career level in the 10th, 17th and 27th year of service. The Sardar Vallabhbhai Patel National Police Academy (SVPNPA) and the National Academy of Direct Taxes (NADT) are also planning mid-career training programmes with comprehensive inputs at the time of each promotion involving change in job profile. The quality of competencies and inputs for training at these

levels requires strengthening of these National and Central 'Group A' Training Establishments to enable them to attract and retain the best possible talent.

Existing Training Allowance and Sumptuary Allowance

6.4.3 Consequent to the Report of the Fourth Central Pay Commission, the Department of Personnel and Training (Training Division) in 1987 provided for training allowance at the rate of 30 % of basic pay for Government officials working as faculty members other than permanent faculty members for autonomous training institutions aided by the Central Government which trained Group A Government officials. It further provided that only faculty members who were classified as outstanding should be retained. The provision for training allowance at the rate of 30% of basic pay was revised in 1992 and reduced to 15% given the resource crunch. It was further clarified that a faculty member proceeding for study or tour within the country would not be entitled to Training Allowance during the study period. The Government, on the recommendation of the Fifth Central Pay Commission, continued this allowance at the rate of 15% of Basic Pay in the revised scale of Pay. This allowance was not granted to the permanent faculty members of the training institutes and trainers.

6.4.4 A sumptuary allowance of Rs.250 per month had also been sanctioned to the Heads of the training institutions in 1987 to meet the expenses of entertaining small groups of students, faculty and visiting faculty. This was revised to Rs.500 per month with effect from 1.10.1999. It was further clarified that sumptuary allowance was exempt from Income Tax under Section 10(14) of the I.T. Act and may be treated at par with transport allowance. Sumptuary allowance is also not admissible during absence from duty exceeding 30 days due to leave, training or tour etc.

Recommendations

6.4.5 The Commission heard the leading Central Training Academies and Institutes and recommends better incentives to attract talented faculty for the National and Central Training Establishments for Group A Officers.

Training Allowance and Sumptuary Allowance

6.4.6 **The training allowance should be raised to 30% of basic pay for deputationist trainers drawn from Government, universities and academic institutions working as faculty members in the National/Central Training Academies and Institutes for Group A officers. This allowance may continue to be drawn for the period the trainer is on study or tour related to training activities. Separate deputation allowance will not be payable to these trainers. It may continue at the existing rate for other training establishments. Similarly, the Sumptuary allowance may be raised to Rs.3500 per month for the Director or Head of these**

National /Central Training Establishments for Group A Officers and also be extended to Course Directors and Counselors at the rate of Rs 2500 and Rs 2000 per month respectively.

Flexible contracts 6.4.7 The need for constant skill up-gradation and attracting quality faculty requires powers for appointments on contract to be delegated to a search committee headed by the Director/Head of Department (HoD) with authorization to negotiate the terms and conditions of contracts- tenures, salary, and remuneration structure with appropriate incentives in order to attract highly qualified candidates. The Training Academies referred to the large number of vacancies in faculty positions which they had not been able to fill. **The Commission recommends that HoDs should be empowered to engage experts required for projects, R&D and capacity building to enable them to fill vacant positions for one year or the life of the project, whichever is earlier, extendable up to three years by a Committee chaired by the HoD. The remuneration structure may be fixed anywhere in the pay band in the grade pay attached to the post with appropriate incentives linked to market conditions and last package drawn linked to the candidates expertise, qualifications, publications etc, in order to attract highly qualified experts and practitioners with a flexible pay package. This flexibility to pay higher rates on contract should attract experts, academicians and practitioners to work with the Training Academies.**

Flexibility in operation of faculty posts 6.4.8 Further, HoDs should be given the flexibility to create faculty positions with savings from their budget with no additional budgetary requirement under the head salaries.

Fees and honorarium 6.4.9 Currently, certain Academies are paying Rs 500 per session to serving officers (total amount not to exceed Rs 5000 in a year) and Rs.1000 to non-serving officers as approved by the Department of Personnel and Training for the LBSNAA. **The remuneration, fees and honorarium structure payable to experts/eminent persons coming as guest faculty may be made flexible with the upper limit being raised to Rs.4000 per session with full delegation of powers to the Heads of Departments within the budget ceiling. The pattern followed by the DOPT and LBSNAA may be made applicable to all other Central Training Establishments for Group A officers. Instructions under FR 46 B, which provide for a ceiling of Rs 5000 for honorarium to Government employees, may be amended for in-service training resource persons to provide for a ceiling of up to 30 days or 60 sessions in a year, whichever is lower, for this category.**

Parity in pay and allowances with 6.4.10 The Commission has received requests for parity in pay and allowances between the staff of the Training Academies and that of

the Central Secretariat Staff and Central Para Military Forces

Central Secretariat and Central Paramilitary Forces etc. **The Commission is recommending parity between various posts in the secretariat and field offices. Insofar as posts in training academies to which personnel from any of the police forces are appointed, the parity should be maintained with reference to the pay band and grade pay of the post in the police organisation from which recruitment/appointment, whether on deputation or otherwise, is made.**

Rent Free Accommodation

6.4.11 **Rent free accommodation may be provided to all faculty and staff of National/Central Training Academies as the duty hours are long and constant interaction with the trainees in the residential campus is required.**

Up gradation of required competencies and certification for all employees leveraging ICT

6.4.12 **Life-long learning and regular courses with certification for required competencies to make employees more effective and equip them to meet changing work place requirements is necessary. Greater in-service training with certification for desired competencies and skill up gradation is necessary for all levels of Government employees and training for employees of other groups should also not be confined merely to the induction level.**

Date of effect

*Date of Effect-
Previous
recommendations
& demands*

6.5.1 Pay scales recommended by the Fifth Central Pay Commission were implemented from 1/1/1996. The Fifth CPC had also recommended that the date of implementation of the recommendations by the Sixth Central Pay Commission should be pre-determined as 1/1/2006. Most of the staff associations and other employees, during the course of written as well as oral submissions before the Commission, had demanded implementation of the revised pay scales from 1/1/2006.

6.5.2 The Commission has devised the revised scheme of pay bands and grade pay on the basis of price index as on 1/1/2006. **Consequently, the revised structure of pay bands and grade pay being recommended in this Report would need to be implemented from 1/1/2006.** The Government will have to pay arrears of salary on account of fixation of pay in the revised pay bands and grade pay retrospectively with effect from 1/1/2006.

6.5.3 Recommendations on pay scales will also affect the pensions because the latter is paid as a percentage of the average salary. This, however, does not hold true in so far as the recommendation regarding payment of full pension on completion of 20 years of qualifying service for Government employees other than the Personnel Below Officer Ranks (PBORs) in Defence Forces is concerned. Consequently, **the recommendation regarding payment of full pension on completion of 20 years of qualifying service will take effect only prospectively for all Government employees other than PBORs in Defence Forces from the date it is accepted by the Government.** PBORs are presently eligible for pension with reference to the maximum of the pay scale from which they retire. As discussed in Chapter 5.1, **for PBORs, the pension on completion of 15 years or more of reckonable service will, from 1/1/2006, be computed at the rate of 50% of the pay last drawn or average emoluments (including grade pay, military service pay and classification pay), whichever is beneficial.** All other recommendations relating to pension will take effect retrospectively from 1.1.2006. Insofar as commutation of pension is concerned, the Commission would like to clarify that **the revised commutation table will only be used for all future**

commutations and will not be applied for the past commutations. In respect of post 31/12/2005 pensioners who have already commuted their pension, the revised commutation table shall be used only to compute the amount of pension that has become additionally commutable on account of retrospective implementation of the revised pay scales, in case such an option is exercised by the retiree. For all future pensioners, the commutation of pension shall be computed and paid as per the revised commutation table.

6.5.4 The Commission is of the view that prospective revision of various allowances is justified as their retrospective revision will give unintended benefits and may also, in some instances, cause loss to the employees as in the case of City Compensatory Allowance. **Accordingly, the Commission's recommendations relating to allowances shall take effect prospectively. All recommendations relating to other facilities, benefits and conditions of service shall also take effect prospectively.**