

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

(Estd. 1965, Regd. No.1329, Website <http://www.irtsa.net>)

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No:IRTSA/ CHq/ 7CPC/2014-1

Date: 5th May, 2014

Chairman,
7th Central Pay Commission,
P. O. Box No. 4599,
Hauze Khas P. O. New Delhi-110016.

(Through –Secretary, Seventh CPC by Email to secy-7cpc@nic.in)

Sir,

Subject:- Reply to Seventh CPC Questionnaire by IRTSA.

Ref:- Secretary Pay Commission, Letter No. 7CPC/15/Questionnaire, dated 9th April 2014.

We hereby submit the Reply to Seventh CPC Questionnaire under, for the kind consideration of the Seventh Pay Commission with reference to Secretary Pay Commission, D.O No. 7CPC/15/Questionnaire, dated 9th April 2014.

1. INTRODUCTION ABOUT IRTSA & PRAYER FOR HEARING-

IRTSA (Indian Railways Technical Supervisors Association) represents nearly 70,000 Technical Supervisors / Supervising Engineers (Junior Engineers, Senior Section Engineers, Chemical & Metallurgical Assistants, Chemical & Metallurgical Superintendents, Depot Material Superintendents, Chief Depot Material Superintendents & Senior Engineer/IT, Lecturers & Instructors etc) working in various departments on the Indian Railways.

IRTSA was established over 48 years back (in 1965). IRTSA has represented and appeared before 3rd, 4th & 5th Pay Commissions and committee appointed by 6th Pay Commission (beside other Fora) – not only regarding the issues relating to the Technical Supervisors / Supervising Engineers (J.Es & SSEs) on the Indian Railways but also other vital issues of common interests concerning the Railway-men and Central Govt. employees, at large.

We earnestly pray that our submission on reply to questionnaire made now and our subsequent Memorandum may kindly be given favourable consideration by the Pay Commission

We may kindly be given an opportunity to be heard in person about the issues relating to the Technical Supervisors / Supervising Engineers (Junior Engineers & Senior Section Engineers etc.) on the Indian Railways and also other vital issues of common interests concerning the Railway-men and Central Government employees.

Yours faithfully,

(Harchandan Singh),
General Secretary, IRTSA

Encls: Reply to Seventh CPC Questionnaire

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Sir,

Subject:- Reply to Seventh CPC Questionnaire by IRTSA.

Reference:- Secretary 7th Pay Commission, DO letter No. 7CPC/15/Questionnaire, dated 9th April 2014.

We, hereby, submit the Reply to Seventh CPC Questionnaire as under, for the kind consideration of the Seventh Pay Commission with reference to Secretary Pay Commission, letter cited above.

REPLY TO THE 7TH CPC QUESTIONNAIRE

1. Salaries

1.1 The considerations on which the minimum salary in case of the lowest Group 'C' functionary and the maximum salary in case of a Secretary level officer may be determined and what should be the reasonable ratio between the two.

1.1.1 Instead of determining the Minimum Salary, the Maximum Salary should be determined first.

1.1.2 Maximum Salary should be determined based on the following factors:

i) Maximum Salary should be Comparable to that of similarly placed personnel in the corporate and private sectors.

ii) It should be as per (%age) rise of per capita NNP (National Net Product) at factor cost on constant prices between the years 2005-06 and 2015-16 (as adopted by 5th CPC for determining Minimum Pay).

OR ii) It may be worked out by merging 100% DA with Maximum Basic Pay + Projected DA from 1-1-2014 to 31-12-2015 + Proposed Fixation Benefit for reducing the disparity with PSUs & Others (BP +100% DP +40% Proj. DA + 50% Fixation)

1.1.3 In order to ensure social justice a broad ratio of 1:9 to 1:10 may be maintained between the Minimum and the Maximum Salary.

1.1.4 The minimum salary for the lowest Group-C functionary should be fixed based not only on the basic needs of a person, but also considering the rightful aspirations of common man in present socio-economic conditions.

1.2 What should be the considerations for determining salary for various levels of functions falling between the highest level and the lowest level functionaries?

- i. Salaries at various levels should be based on Classification Method for Job evaluation (as adopted by several Countries – including the USA for all jobs under the Federal Government under the Classification Act).
- ii. Job Difficulties & requirements at each level should be predefined (*separately for Technical, Non-Technical, Supervisory, Managerial and Scientific Staff*).
- iii. Job descriptions for each post should be compiled and placed at the respective level as per the said predefined Job Difficulties and Requirements.

2. Comparisons

2.1 Should there be any comparison/parity between pay scales and perquisites between Government and the private sector? If so, why? If not, why not?

Yes, there should be comparison / parity between pay scales and perquisites between Government, private and corporate sectors.

The principles of equity and social justice cannot be achieved by paying less to the Government employees. Since Government employees are the arms of the Government by which the policies and projects of the Government are to be implemented and therefore they have to be strong and independent.

The financial independence & soundness will help the Government employees to make decisions more boldly and judiciously, in the best interest of the country.

The employees' financial dependence, on sources other than salary, will make him liable for corrupt practices, which will defeat the purpose/objectivity of not only the post he is holding but also the objective of Government itself.

2.2 Should there at all be any comparison/parity between pay scales and perquisites between Government and the public sector? If so, why? If not, why not?

There is a strong need for comparison/parity between pay scales and perquisites between Government and Public Sector, because nature of functioning of both Government and PSU are comparable.

Following main disparities in the pay scales and other perquisites need to be addressed.

- i. For similar entry level the pay scales are on higher side in the Public Sector Undertakings.
- ii. Central Government Employees are not entitled for perks/incentives/ ex-gratia payments which are available to the PSU employees.
- iii. PSU employees are paid lucrative sum as Bonus, but in Government jobs Bonus is paid only for a few sections of employees.
- iv. Productivity linked bonus (PLB) paid to Group-C & D employees of Railways is not paid in realistic terms – especially in respect of maximum ceiling limit.
- v. Loans and Advances to the employees in the PSUs, are adequately available for their requirements and the interest charged is nominal which is around 4 to 5% far below the prevailing market rate, whereas the Central Government employees are not getting these facilities on their required moment and they get it with a ceiling (which most of the times defeat the basic purpose of the loan) and the interest is as high as 10%.

2.3 The concept of variable pay has been introduced in Central Public Sector Enterprises by the Second Pay Revision Committee. In the case of the Government is there merit in introducing a variable component of pay? Can such variable pay be linked to performance?

No, there should not be any variable component of pay as it leads to discontentment due to subjectivity and favouritism.

Performance linked variable pay can boost morale of the employee only when transparency can be ensured in assessing performance. Otherwise, it will become a tool in the hand of the superiors to exploit and take undue advantage of the subordinates.

In any case, in Government jobs, it is always a team work which decides the performance as a whole.

3. Attracting Talent

3.1 Does the present compensation package attract suitable talent in the All India Services & Group A Services? What are your observations and suggestions in this regard?

Present compensation package do not attract suitable talent in the Government services, as far better packages are offered by the private & corporate sectors. As a result, talented people are staying away from Govt. Services or leaving at first chance. In every selection for the technical posts, it is seen that all the posts are not getting filled up due to lack of suitable candidates applying for the same.

3.2 To what extent should government compensation be structured to attract special talent?

Government pay should be fixed at par with corporate & PSU employees. Special compensation should be there for professional qualifications like Medical and Engineering as well as for more arduous nature of jobs – like those on the Railways.

Payment should be comparable to the best in the market. Apart from that, working environment should be such where professionals can work more liberally and freely.

The promotional package as well as other related service benefits should be also made attractive.

4. Pay Scales

4.1 The 6th Central Pay Commission introduced the system of Pay Bands and Grade Pay as against the system of specific pay scales attached to various posts. What has been the impact of running pay bands post implementation of 6th CPC recommendations?

i) System of running Pay Bands has reduced stagnation. But adoption of dual system of Pay Band and Grade Pay at lower & middle levels and Pay Scales at top level (S 30 to S 32) has caused serious misgivings about the whole matter – creating doubts about the purpose behind it – instead of having a uniform system from top to bottom.

ii) Grade Pay from one level to the next did not have a uniform rise nor appropriately determined by the Sixth Pay Commission.

iii) Even the Formula used for determining the Grade Pay at 40% of maximum of the merged scale (vide Para 1.2.3. of 6th CPC Scale) was arbitrarily adopted by the 6th CPC without disclosing the reason for the same.

iv) All this had caused maximum resentment at various levels – instead of promoting job satisfaction – which is the basic purpose of a Pay Commission.

v) Placing the cadre of Supervisors and the category being supervised by them in the same Grade Pay resulted in hierarchical confusion. (In Railways Senior Technicians working under Junior Engineers are placed in the same Grade Pay and Chief OS working under Senior Section Engineers are placed in the same Grade Pay).

4.2 Is there any need to bring about any change?

Yes, following changes are suggested:

i) There should be one system from top to bottom;

ii) Grade Pay at each level should be rationally and scientifically determined with a well-defined uniform system of (pyramidal) rise from one Grade pay to the next. Technical posts should be fixed at least one Grade Pay higher than non-technical posts – allowing due weightage to specialised qualifications, training and skill required for the same.

Fixation of Pay on Promotion at par with Entry Pay in the Revised Pay Structure for Direct Recruits

Basic Pay on Promotion should not be less than Entry Pay in the Revised Pay Structure for direct recruits (as indicated in Section-II of Revised Pay Rules, 2008) in the case of those cadres which have an element of direct recruitment.

4.3 Did the pay bands recommended by the Sixth CPC help in arresting exodus and attract talent towards the Government?

No, quantum of Pay Bands & Grade Pays are insufficient to arrest exodus happening in Technical Departments of Government and for the same reason talent attraction towards Government is also not happening.

Increase in the Basic pay (3% increment + difference in the Grade Pay) during promotion is very much insignificant.

On promotion at least 10% rise of Pay should be allowed.

Further, the Technical Supervisors in Rlys. who were paid higher pay than their counterparts in Accounts, Nursing and Teaching Depts in earlier Pay commissions were unjustly placed in lower Grade pay than the Accounts, Nursing and Teaching Staff, after the 6th Pay Commission.

4.4 Successive Pay Commissions have reduced the number of pay scales by merging one or two pay scales together. Is there a case for the number of pay scales/ pay band to be rationalized and if so in what manner?

Yes, there is a strong case for rationalising the Pay Bands and Grade Pay.

Following are some of the examples:

i) Grade Pay of Rs.1800 & Rs.1900 should be merged

ii) Grade Pay of Rs.2000 should be abolished & upgraded.

iii) Grade Pay of Rs.4800 PB 2 and Rs.5400 PB 2 need to be merged and upgraded to GP Rs.5400 PB 3.

iv) For Technicians cadre of Railways & Defence, the existing four tier (Grade Pays Rs.1900, Rs.2400, Rs.2800 & Rs.4200) should be made as three tier ie. Grade Pays Rs.1900, Rs.2800 & Rs.4200

4.5 Is the “grade pay” concept working? If not, what are your alternative suggestions?

Concept of Grade Pay is working. But there should be one uniform system from top to bottom and the rise of Grade Pay should be based on equitable and uniform %age rise at each level.

5. Increment

5.1 Whether the present system of annual increment on 1st July of every year uniformly in case of all employees has served its purpose or not? Whether any changes are required?

System of annual increment on 1st July of every year has created following problems:

i) The new system has forced the establishment staff to do one year's increment related work in a month's time.

ii) Those promoted or appointed between February and June every year are losing one increment.

If this system is to continue, such problems should be addressed by the 7th CPC or else the previous system of annual increments on completion of one year service in a grade should be restored.

5.2 What should be the reasonable quantum of annual increment?

Reasonable quantum of annual increment should be 5% of Basic Pay.

5.3 Whether there should be a provision of variable increments at a rate higher than the normal annual increment in case of high achievers? If so, what should be transparent and objective parameters to assess high achievement, which could be uniformly applied across Central Government?

There is no need to have a provision of variable increment at a rate higher than the normal annual increment in the name of high achievers. High achievement / performance improvement are the result of team work. Awarding individuals in the form of variable increment will result in negative performance growth of an organisation / section / department.

5.4 Under the MACP scheme three financial up-gradations are allowed on completion of 10, 20, 30 years of regular service, counted from the direct entry grade. What are the strengths and weaknesses of the scheme? Is there a perception that a scheme of this nature, in some Departments, actually incentivizes people who do not wish to take the more arduous route of qualifying departmental examinations/ or those obtaining professional degrees?

To some extent MACP scheme brought relief for those who didn't have the chance for promotion. Present MACP scheme is not an alternative to promotion. It only compensates for the financial benefits of promotion. All the benefits attached to

promotional posts should be granted in MACPS also. In MACPS, same Grade Pay as in promotion should be allowed.

Major Weakness of the Scheme

- i. Grant of financial up-gradation under MACP Scheme is on Grade hierarchy instead of promotional hierarchy.
- ii. Non-inclusion of training period for the purpose of financial up-gradation under MACPS, which discriminates the Technical employees compared to the non-technical employees recruited in the same Grade Pay in the same period. The spirit of Department of Personnel & Training's O.M. No. 16/16/89-Estt (Pay-I) dated 22.10.90 (Railway Board's letter No.E(NG)/90/IC1/1, dated 04.02.1991) in removing the disadvantageous position of Technical employees in getting their annual increment, pensionary benefits, pass eligibility etc. should also be followed in MACP scheme for employees belonging to Technical Department and having longer training period.
- iii. Non-grant of third financial upgradation under MACPS on completion of 20 years of service from the first promotion.

6. Performance

What kind of incentives would you suggest to recognize and reward good performance?

Existing cash award system to recognize the good performers should be enhanced and strengthened.

Cash reward of adequate amount, like one month's basic pay or more, depending on the financial aspect of the performance, may be considered.

Advance increment may also be considered.

Other rewards like tours or incentives in kind may also be useful.

7. Impact on other organizations

Salary structures in the Central and State Governments are broadly similar. The recommendations of the Pay Commission are likely to lead to similar demands from employees of State Governments, municipal bodies, panchayati raj institutions & autonomous institutions. To what extent should their paying capacity be considered in devising a reasonable remuneration package for Central Govt. employees?

The working environment and conditions of Central Govt. and other organisations are entirely different. Hence, such comparison does not arise. Also, financial condition of different State Governments and other institutions are varied. Central Government need to implement the same pay structure for all its employees placed around the country.

Pay fixation should be done based only on job evaluation.

The Central Government Employees are liable to be transferred anywhere in India, whereas the employees of State Governments, Municipal bodies etc. are not so inconvenienced and, therefore not disadvantaged like the former. In view of the above transfer liability to the Central Government employees, they are further disadvantaged in Improving their (self) educational qualification, like Post Graduate Studies/PhD, Children's education, Payment of lumpsum amount of several thousands of rupees

for securing/ hiring of private accommodation, where there is no Govt. Accommodation available.

Therefore, the Central Government employees' pay and allowances should be higher than the State Government, Municipal & local body employees.

Since the employees of State Government and local bodies are employed locally and attending to their jobs mostly at their hometown/home state, they are not required to incur much extra expenditure for attending to their jobs.

8. Defence Forces

8.1 What should be the considerations for fixing salary in case of Defence personnel and in what manner does the parity with civil services need to be evolved, keeping in view their respective job profiles?

In the era of Global terrorism & internal separatists movements, Defence forces face many risks, inconvenience, inhospitable field conditions, essentiality of the services, restriction of their freedom etc. need to be considered while determining their Pay and Perks.

8.2 In what manner should the concessions and facilities, both in cash and kind, be taken into account for determining salary structure in case of Defence Forces personnel.

The armed forces personnel may be allowed a 30% increase in pay and allowances, when compared to Central Civil Service personnel, in addition to all the prevailing benefits.

8.3 As per the November 2008 orders of the Ministry of Defence, there are a total of 45 types of allowances for Personnel Below Officer Rank and 39 types of allowances for Officers. Does a case exist for rationalization/ streamlining of the current variety of allowances?

No comments. Defence organisations representing Defence forces to comment.

8.4 What are the options available for addressing the increasing expenditure on defence pensions?

No comments. Defence organisations representing Defence forces to comment.

8.5 As a measure of special recognition, is there a case to review the present benefits provided to war widows?

No comments. Defence organisations representing Defence forces to comment.

8.6 As a measure of special recognition, is there a case to review the present benefits provided to disabled soldiers, commensurate to the nature of their disability?

No comments. Defence organisations representing Defence forces to comment.

9. Allowances

9.1 Whether the existing allowances need to be retained or rationalized in such a manner as to ensure that salary structure takes care not only of the job profile but the situational factors as well, so that the number of allowances could be at a realistic level?

Existing allowances need to be enhanced to make them more meaningful and realistic. Allowances should be linked to Price Index and DA should be paid thereon.

CCA – City Compensatory Allowance should be revoked to meet the peculiar needs especially of the big cities and Metros, towards payment of Professional Taxes to the Local Governments/Local Authorities, Miscellaneous expenses, higher expenses of dependent children for attending to distant schools and colleges, etc.

Education Allowance has to be enhanced and to be extended to college and Professional education also.

Communication Allowance should be extended to Technical Supervisors & Inspectorial staff.

Time and again, several Pay Commissions have recommended Design Allowance to Drawing & Design Staff.

Similarly, Stores and C&M Staff should be granted PCO Allowance since they are ensuring quality of work just as Inspection wing.

Technical Supervisors should be granted “Hazardous / Arduous Duty Allowance” – especially in the Civil Engineering (P-Way), Bridges, Over Head Electrification (OHE), Track Temping Machines and in Signal Telecommunication Departments etc. on the Railways.

9.2 What should be the principles to determine payment of House Rent Allowance?

- i. Principle of population criteria to classify towns & cities shall be continued.
- ii. Payment of HRA shall be continued to pay in percentage to Basic Pay.
- iii. Existing 30%, 20% & 10% has to be enhanced.
- iv. HRA should be made inflation proof.
- v. Cities / towns with tourism importance should be upgraded one level higher for the purpose of HRA to compensate the high level of cost of living.

10. Pension

10.1 The retirement benefits of all Central Government employees appointed on or after 1.1.2004 are covered by the New Pension Scheme (NPS). What has been the experience of the NPS in the last decade?

All the employees recruited before or after 1.1.2004 should to be brought under Defined Benefits Pension (DBP) instead of Defined Contributory Pension (DCP), at least departments like Railways have to be given free hand to decide on the pension scheme to be followed for their employees.

NPS has led to extreme discontentment and resentment amongst the concerned employees as it tantamount to the following anomalies and disparities:

- I. Withdrawal of an existing benefit.
- II. NPS is a Contributory Pension Scheme which is against the spirit of Supreme Court's judgement in D. S. Nakara case, which had defined Pension as a - Deferred Wage for the Past services rendered during active years of service.

- III. Lesser net wages to Post 2004 appointees by 8.33% of Pay thus discriminating between the similarly placed employees working at the same place/ on the same job/same post.
- IV. Pension scheme is a deferred payment and a social security. New Pension Scheme, which is unduly dependent on fluctuations of the market, is not able to fulfill this goal. Security, especially at the old ages is more essentially required than unknown benefits.
- V. The service conditions on the Railways are very hazardous, involving higher responsibilities which are totally different from other Central Government Employees. As such the Railways should in any case be exempted from NPS, as rightly recommended by the Minister For Railways to Minister of Finance (vide letter No. No. 2012/F(E)III/1/4-Part, dated 29th March 2014 - copy attached).

10.2 As far as pre-1.1.2004 appointees are concerned, what should be the principles that govern the structure of pension and other retirement benefits?

- I. Following principles should govern the structure of pension and other retirement benefits of all Pensioners:
- II. Parity between Pre and Post (7th) Pay Commission Pensioners – including parity between Pre-1986, Pre-1996 and Pre-2006 & Pre 2016 Pensioners with Post 2016 Pensioners.
- III. Effective Implementation of “One Rank one Pension” – both for Defence Forces, Civilians and other Central Government Pensioners.
- IV. Dearness relief: 100% neutralization with automatic Merger with Pension whenever DA goes to 50% - to offset the impact of long gap in periodicity of revision of Pay and Pension.
- V. Additional Pension: 5% enhancement in pension be granted every five years’ after the age of 60 years & upto 80 years & thereafter as per existing dispensation (as in Punjab, Himachal & some other States) – for enhanced medical requirements etc. in old age.
- VI. Pension to be net of Income Tax – as recommended by Fifth Pay Commission and as available to Foreign Services.
- VII. Restoration of commuted value of Pension in 12 years – (as the amount gets recovered in less than 12 years – with interest thereon, on reducing balance.
- VIII. Hassle free health care facility to Pensioners/family pensioners and their dependents.
- IX. “Smart Card” for Health Care to all Pensioners – with cashless medical facilities across the country – in Government, CGHS, Railway and more of Empanelled Specialised Hospitals – spread all over the country.
- X. Adequate Fixed Medical Allowance (FMA) (of at least Rs.2000 per month) – linked to inflation to all Pensioners residing in Non-CGHS areas who opt out of CGHS / RELHS or from the OPD facilities there under.
- XI. Grievances Redressal Mechanism for Pensioners / Family Pensioners at all levels – with JCM like machinery from National, Departmental, Zonal and Local levels to deal with Pensioners issues in real time frame.

11. Strengthening the public governance system

11.1 The 6th CPC recommended upgrading the skills of the Group D employees and placing them in Group C over a period of time. What has been the experience in this regard?

The change has helped in upgrading the skills of Group D staff to some extent and to prepare them better for the skilled jobs.

However the Departments like Railways, Defence etc. are still having large number of manual and labour intensive jobs. More purposeful and effective skill upgrading mechanism has to be implemented.

11.2 In what way can Central Government organizations functioning be improved to make them more efficient, accountable and responsible? Please give specific suggestions with respect to:

Better working environment, abolition of British system of working, fixing combined responsibility to Group of employees consisting of Officers, Supervisors & Staff, etc.

a) Rationalisation of staff strength and more productive deployment of available staff;

Performing Department like Railways should be given free hand to maintain the staff strength in accordance with the manpower requirement, particularly of Technical departments.

Rationalisation of staff strength is required. A large number of staff retired in recent past. All those vacancies are not filled up. However, neither the population of the country, whom the government employees serve nor the workload has reduced. Action should be taken to fill up these vacancies. Also, when there is acute shortage of staff at field level, secretariats and other administrative areas are overstaffed. The so called 'white collar jobs' are given more weightage over 'blue collar jobs'. This mentality should be changed.

b) Rationalisation of processes and reduction of paper work; and

Paperwork in Government department is overwhelming at times. This should be reduced. Processes should be streamlined for smooth working. Responsibility and accountability at all levels should be strictly ensured.

All inter departmental & within the department communications / orders should be done through E-mail, system generated SMS, etc.

c) Economy in expenditure.

Expenses done on transport of employees, materials, files etc. can be rationalized. Feudalism like huge residential bungalows sprawling over several acres, large number of servants' quarters, retinues of personal staff, bungalow peons, use of uniformed personnel as batmen, ceremonial duties etc. should be abolished.

Legacies of British Raj like huge bungalows, peons, attendants, telephone man should be abolished. Use of official facilities for personal benefit by high officials like use of office car for family purpose, engaging office staff in personal work should be strictly stopped. Superfluous expenses like those made for welcoming any high officials, propaganda advertisements etc. should be severely restricted.

12. Training/ building competence

12.1 How would you interpret the concept of “competency based framework”?

HRD activities/training facilities should be enhanced for improving technical abilities and the quality of service by the employees.

A combination of employee applying knowledge, skills and behaviours that creates competitive advantage for an organization can be termed under competency based framework.

12.2 One of the terms of reference suggests that the Commission recommend appropriate training and capacity building through a competency based framework.

a) Is the present level of training at various stages of a person's career considered adequate? Are there gaps that need to be filled, and if so, where?

The present level of training at various stages of a person's career is not adequate. There are some gaps that needed to be filled.

At present, trainings given during service are inadequate and not given much importance.

Only Technical Staff and Technical Supervisors are given both Induction Training as well as periodic on-job training – even when they are recruited with Professional qualifications (like Diploma in Engineering & Graduate in Engineering)

Ministerial Staff are not given any Induction or in-service Training. This causes loss & deficiencies in their work.

Acquiring higher professional qualifications depends upon the employee, often with no further assured benefit.

Training should be framed on the following principles,

- I. Scientific and useful training module.
- II. The training should be less class-room based and more on-the-job based.

b) Should it be made compulsory that each civil service officer should in his career span acquire a professional qualification? If so, can the nature of the study, time intervals and the Institution(s) whose qualification are acceptable, all be stipulated?

Yes

c) What other indicators can best measure training and capacity building for personnel in your organization? Please suggest ways through which capacity building can be further strengthened?

- I. Specific training module should be developed for a job.
- II. While designing the module concerned staffs should be involved.
- III. An attractive incentive may be awarded after successful completion of training and regular implementation of it.
- IV. The training programme should be compulsory for all.

- V. The success/implementation/ capacity building should be made a criterion of career advancement.
- VI. The training institutions should be modernised.
- VII. On-line solution help-desk may be developed.
- VIII. Staff may be sent to other similar organisations for training.

13. Outsourcing

13.1 What has been the experience of outsourcing at various levels of Government and is there a case for streamlining it?

Indiscriminate outsourcing has only handicapped the performance of Government departments.

Outsourcing has resulted in dilution of quality and safety on the Railways.

Even if number of employees or salary costs goes down as a result of outsourcing, the total cost of operations for a department need not necessarily decrease. Department who outsource do not always take into account qualitative measures such as productivity and quality service but tend to focus on quantitative factors such as wages. Most departments can't accurately measure their productivity and costs prior to and after outsourcing. In Department using outsourcing several key factors are being overlooked, such as productivity and customer satisfaction.

For example outsourcing of linen management, catering and coach interior cleaning & pest control have brought lot of customer dissatisfaction to Indian Railways.

In outsourcing, the issues involved more than just saving money. Outsourcing discourages future in-house developments, by doing so, Government risk total reliance on outsourcing.

Quality is not ensured in outsourcing. Rather, it is seen that outsourced jobs are regularly reworked in-house for making them suitable for fitment, which consumes both manpower and time.

Employees of organisations which receive the outsourcing work from Government are compelled to jump ship and voluntarily seek new employment opportunities for better prospects. Worker morale degrades even more as previously loyal workers are replaced with contracted employees having little personal connection to the organisation. These workers often do not share the same corporate vision and drive to excel as the original employees, and the quality of service is bound to suffer.

13.2 Is there a clear identification of jobs that can be outsourced?

No, any specific job cannot be identified for outsourcing permanently.

14. Regulatory Bodies

14.1 Kindly list out the Regulators set up under Acts of Parliament, related to your Ministry/ Department. The total number of personnel on rolls (Chairperson and members + support personnel) may be indicated.

No comments

14.2 Regulators that may not qualify in terms of being set up under Acts of Parliament but perform regulatory functions may also be listed. The scale of pay for Chairperson /Members and other personnel of such bodies may be indicated.

No comments.

14.3 Across the Government there are a host of Regulatory bodies set up for various purposes. What are your suggestions regarding emoluments structure for Regulatory bodies?

Regulatory bodies should be rationalized. Regulatory bodies not qualify in terms of being setup under Acts of Parliament may be closed.

15. Payment of Bonus

One of the terms of reference of the 7th Pay Commission is to examine the existing schemes of payment of bonus. What are your suggestions and observations in this regard?

Bonus is deferred wages payable to employees irrespective of gain or loss.

Government Departments, for example, Indian Railways is concentrating only on maximization of service, not on maximization of profit.

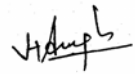
For Indian Railways employees Productivity linked bonus (paid in terms of number of days) not really shown much monetary increase as like increase in number of days.

Unrealistic ceiling of Rs.3500 for the purpose of Bonus calculation should be changed. Minimum amount for Bonus calculation should be at least equal to Minimum basic pay recommended by 7th Pay Commission + DA admissible from time to time. Employees belonging to higher Grade Pays should be paid Bonus at higher rates in proportion to the Grade Pay.

Bonus should be equal to at least one month's basic pay or more, depending upon the Productivity.

All the employees up to the highest level of Government employees (in Group A, B & C) should be eligible for the bonus.

Yours faithfully,



**(Harchandan Singh),
General Secretary, IRTSA**

**MINISTER FOR RAILWAYS
GOVERNMENT OF INDIA
NEW DELHI**

No. 2012/F(E)III/1/4-Part

29 MAR 2014

Dear Shri P. Chidambaramji

Through this letter, I wish to draw your attention to a long standing demand raised by both Staff Federations of Railways on National Pension Scheme (NPS) for employees of Indian Railways. The Federations have been expressing resentment over operation in the Railways of the National Pension Scheme, which is perceived as a lower social security cover for Railway employees. Their contention is that there are enough grounds for Railway employees to be treated differently from other civil employees of the Government, and that Indian Railways should operate the traditional defined benefit pension scheme available to pre-01-01-2004 appointees.

You will recall that a few organizations/categories of Government employees were specifically exempted from the purview of NPS on consideration of special, riskier and more onerous nature of duties. The Federations have been drawing parallel with of nature of duties performed by most categories of Railway employees with those in the Armed Forces. They contend that during British period, Railways was conceived and operated as an auxiliary wing of the Army. It was also realized that by virtue of its complex nature, Railways required a high level of discipline and efficiency to be able to perform its role as the prime transport mode. Railways is an operational organization required to be run round the clock through the year. Railway employees have to work in inhospitable conditions, braving extreme weather, unfriendly law and order scenario, and inherent risks associated with the Railway operations itself. As in the Armed Forces, many have to stay away from their families for long periods while performing duties in areas where adequate facilities are lacking.

I feel that there is considerable merit in the contention of the Staff Federations. Besides the critical and complex nature of duties of Railway employees, the hazards involved are also high. Despite best efforts for enhanced safety measures, a large number of Railway employees lose their lives or meet with serious injuries in the course of performance of their duties each year.

During the period 2007-08 to October 2011, the number of Railway employees killed during the course of their duty has been more than number of passengers/other members of public killed in Rail related accidents including accidents at unmanned level crossings. While the nature of duties of Railway employees is inherently high risk during peace time, they also perform functions of critical importance during war time and times of natural calamities, in moving men and materials across the country to maintain supply of essential commodities and safeguard integrity of the nation.

In my view, there are adequate grounds for the Government to consider exemption for Railway employees from the purview of NPS. The Implications of this would be that Government expenditure would reduce over the next few years through discontinuance of Government Contribution under the NPS, but the long term liabilities would increase, as financial commitments in the defined benefit pension scheme would be higher. Since Railways are required to meet the pensionary outgo from their internal resources, switchover to defined benefit pension scheme would call for a more systematic provisioning under the Pension Fund through appropriate revenue generating measures. With Rail Tariff Authority on the horizon, I believe that this would be possible.

In the light of the above, I suggest that our request for exemption from operation of the NPS be considered sympathetically and necessary approvals communicated.

A copy of each demands raised by the two Federations is enclosed.

With regards,

Yours sincerely

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(Mallikarjun Kharge)