

MTNL EXECUTIVES' ASSOCIATION

CENTRAL HEAD QUARTERS, NEW DELHI

[Affiliated to National Confederation of Officers' Associations of Central Govt. PSUs (NCOA)]

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DATE: 22/9/14

To

Shri N K Joshi
General Manager (HR)
MTNL Corporate Office, New Delhi

Copy

Subject: HR integration issues in the event of Merger of MTNL & BSNL-reg

Sir,

It is in reference of your letter no MTNL/CO/Pers/MTNL & BSNL merger/2014/1070 dated 18-09-2014 and subsequent meeting held on 19-09-2014 wherein your good-self have sought views of our association (MEA) on identified issues concerning integration of HR issues in the event of merger of MTNL & BSNL.

Seeing the interest of both the companies and their employees, merger of MTNL and BSNL is a well stated demand of our association and we have been pursuing for it since very long time. Today, both the companies are facing stiff competition in telecom sector with not only domestic but global(managed) companies having advantages of pan India presence in their operations, while neither BSNL nor MTNL is having Pan India Presence, so they find it difficult to attract and retain Enterprise Customers and a sizable segment of pan India business entities because of Pan India absence.

Both the companies, MTNL/BSNL, also have to incur otherwise redundant, twofold expenditure in maintaining establishments and administrative units because of their separate entities. Merger of both the companies in single entity will bring solution to many of the problems and will definitely help revive and make a strong state own Telecom Company to fulfill the government's socio-economic commitments and also to keep the telecom market under control.

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In our view, no such financial and operational issues will come in the way of merger, however integration of HR issues will certainly need special attention and is a major issue which will play a very critical role in the event of MTNL & BSNL merger and can be resolved without difficulty in MTNL if MTNL management takes few prompt and proactive actions required at their end swiftly. We are placing our views on three issues as identified and stated in the aforesaid letter.

1. **Issue of Integration of Pay scales in MTNL and BSNL**---MTNL pay scales were decided earlier to BSNL, matching to the standard pay scales as recommended by 2nd PRC and in conformity with DPE orders. BSNL decided intermediate pay scales later on, which have not been approved by DPE. This has been a contentious issue of resentment among BSNL cadre being agitated at various forums, so BSNL has no option but to implement standard pay scales. There is already an agreement with MTNL Unions and Associations that MTNL and BSNL will move towards parity of pay scales in 3rd PRC. So the issue can be resolved by upgrading BSNL's pay scales to match standard pay scales in parity with MTNL.
2. **Issue of Integration of Recruitment Rules of MTNL and BSNL**—Recruitment rules in both the companies in all the cadres in different disciplines are almost the same except SCF (Seniority cum Fitness) quota percentage in DE cadre which is 75% in BSNL, same is under active consideration for quite some time in MTNL also. Hence the issue can be resolved simply by increasing the quota ratio at par with BSNL and by ordering promotions immediately to bring it at par with BSNL. Any delay in this regard is bound to rise resentment in MTNL cadre.

In MTNL there is a separate cadre in HR, Marketing, Legal & CS at AM level and recruitment already done, but no promotion rules for the next cadre are available for them. Therefore, RRs for promotion from AM to DM in these cadres be promulgated for promotion from AM to DM at par with RRs in Telecom/Finance/Civil wing, and first promotion should be given to them according to these RRs and in the event of merger they may be clubbed with their parallel cadres in other disciplines in BSNL.

3. **Issue of Integration of Inter-se-Seniority in MTNL & BSNL**---All India seniority of officers of different disciplines used to be maintained by DOT/BSNL under a set of rules, which may be invoked in the event of MTNL and BSNL merger to fix the inter-se-seniority of DOT recruited officers, and for MTNL recruited officers, seniority may be decided according to year of recruitment and date of joining in a particular cadre in different disciplines. **However, before fixing the inter-se-seniority in the event of merger, MTNL shall have to fill up all vacant posts in different disciplines i.e Telecom/Finance/Civil/ OL**

/HR/Mktg/legal etc according to the RRs after modifying them at par with BSNL, in case of DE promotion where BSNL has issued regular promotion orders against 75% posts of SCF where as MTNL is going to fill up these posts against 50% SCF quota. In SDE cadre BSNL has been regularly conducting LICE against competitive quota so a good number of JTOs upto the year of recruitment of 2005 have become SDE, but in MTNL, JTOs upto the recruitment year of 94/95 got promotion and only one LICE for SDE was conducted in 2011, result of which struck in legal tussle and stayed by court of law. Therefore, management must get stay vacated and result declared to give equal opportunity according to RRs before merger takes place.

Filling up of all vacant posts in MTNL is the basic prerequisite for further discussion in resolving this issue?

Above views have been given on the basis of the Recruitment rules and Promotion policies prevailing in both the companies, but to make the HR integration issues more easy for smooth merger of both the companies without any hitch and deterrent, the proposal of all Executive Associations of both the companies regarding time bound functional promotion with financial up gradation at least upto E6 level should be accepted by both the managements. Acceptance of this proposal will help in ending all litigations on the seniority of executive cadres, and also to enhance understanding between stake holders which not only make merger easy and smooth but will also help in the revival of companies' with the motivated work force.

With Kind regards

Yours sincerely



(V K Tomar)

Copy to:

1. Shri P K Purwr, CMD/DF for n/a pl
2. Shri Sunil Kumar, Director (HR) for n/a pl