

CHAPTER II **PERSONNEL POLICIES**

(c) Service Matters

26.

DPE/Guidelines/II(c)/26

Optimization of direct recruitment to posts in PSUs.

The Department of Personnel & Training in their O.M. No. 2/8/2001-PIC dated the 16th May, 2001 issued detailed instructions on optimization of direct recruitment to civilian posts in Ministries/Departments/Organizations, autonomous bodies—wholly or partly financed by Government, statutory corporations/bodies, etc. A copy of the same is enclosed.

2. The question as to whether these instructions should be extended to Central Public Sector Undertakings (CPSUs) was considered in this Department. Needless to mention that efficiency and cost effectiveness are far more important for public enterprises. Among other things, over staffing has been the bane of public enterprises. However, public enterprises have shown an awareness to this handicap and have used VRS to good effect. While DPE does not consider it desirable for DOPT instructions to be implemented literally in CPSUs, there is need for Ministries/Departments to impress upon all the CPSUs under their charge the importance of rightsizing. In this background, it is important for each CPSU to prepare a manpower plan and suitably restrict fresh recruitment.

3. All the administrative Ministries/Departments are requested to bring this decision to the notice of PSUs under their administrative control for information and necessary action.

(DPE O.M. No. 24(1)/2002(GL-037)/GM dated 21st March, 2002)

(Copy of Department of Personnel & Training's O.M. No. 2/8/2000-Pt dated the 16th May, 2001.)

Optimization of direct recruitment to civilian posts.

The Finance Minister while presenting the Budget for 2001-2002 has stated that "all requirements of recruitment will be scrutinised to ensure that fresh recruitment is limited to 1 per cent of total civilian staff strength. As about 3 per cent of staff retire every year, this will reduce the manpower by 2 per cent per annum achieving a reduction of 10 per cent in five years as announced by the Prime Minister".

1.2 The Expenditure Reforms Commission had also considered the issue, and had recommended that each Ministry/Department may formulate Annual Direct Recruitment Plans through the mechanism of Screening Committee.

2.1 All Ministries/Departments are accordingly requested to prepare Annual Direct Recruitment Plans covering the requirements of all cadres, whether managed by that Ministry/Department itself, or managed by the Department of Personnel & Training, etc. The task of preparing the Annual Recruitment Plan will be undertaken in each Ministry/Department by a Screening Committee headed by the Secretary of that Ministry/Department with the Financial Adviser as a Member and JS (Admn.) of the Department as Member Secretary. The Committee would also have one senior representative each of the Department of Personnel & Training and the Department of Expenditure. While the Annual Recruitment Plans for vacancies in Groups 'B', 'C' and 'D' could be cleared by this Committee itself, in the case of Group 'A' Services, the Annual Recruitment Plan would be cleared by a Committee headed by Cabinet Secretary with Secretary of the Department concerned, Secretary (DOPT) and Secretary (Expenditure) as Members.

2.2 While preparing the Annual Recruitment Plans, the concerned Screening Committees would ensure that direct recruitment does not in any case exceed 1% of the total sanctioned strength of the Department. Since about 3% of staff retire every year, this would translate into only 1/3rd of the direct recruitment vacancies occurring in each year being filled up. Accordingly, direct recruitment would be limited to 1/3rd of the direct recruitment vacancies arising in the year subject to a further ceiling that this does not exceed 1% of the total sanctioned strength of the Department. While examining the vacancies to be filled up, the functional needs of the organization would be critically examined so that there is flexibility in filling up vacancies in various cadres depending upon their relative functional need. To amplify, in case an organization needs certain posts to be filled up for safety/security/operational considerations, a corresponding reduction in direct recruitment in other cadres of the organization may be done with a view to restricting the overall direct recruitment to one-third of vacancies meant for direct recruitment subject to the condition that the total vacancies proposed for filling up should be within the 1% ceiling. The remaining vacancies meant for direct recruitment which are not cleared by the Screening Committee will not be filled up by promotion or otherwise and these posts will stand abolished.

2.3 While the Annual Recruitment Plan would have to be prepared immediately for vacancies anticipated in 2001-02, the issue of filling up of direct recruitment vacancies existing on the date of issue of these orders, which are less than one year old and for which recruitment action has not yet been finalized, may also be critically reviewed by Ministries/Departments and placed before the Screening Committees for action as at para 2.2 above.

2.4 The vacancies finally cleared by the Screening Committees will be filled up duly applying the rules for reservation, handicapped, compassionate quotas thereon. Further, administrative Ministries/Departments/Units would obtain beforehand a No Objection Certificate from the Surplus Cell of the Department of Personnel & Training/Director General, Employment and

Training that suitable personnel are not available for appointment against the posts meant for direct recruitment and only thereafter place indents for Direct Recruitment. Recruiting agencies would also not accept any indents, which are not accompanied by a certificate indicating that the same has been cleared by the concerned Screening Committee and that suitable personnel are not available with the Surplus Cell.

3. The other modes of recruitment (including that of 'promotion') prescribed in the Recruitment Rules/Service Rules would, however, continue to be adhered to as per the provisions of the notified Recruitment Rules/Service Rules.

4. The provisions of this Office Memorandum would be applicable to all Central Government Ministries/Departments/organizations including Ministry of Railways, Department of Posts, Department of Telecom, autonomous bodies—wholly or partly financed by the Government, statutory corporations/ bodies, civilians in Defence and non-combatised posts in Para Military Forces.

5. All Ministries/Departments are requested to circulate the orders to their attached and subordinate offices, autonomous bodies, etc. under their administrative control. Secretaries of administrative Ministries/Departments may ensure that action based on these orders is taken immediately.