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TENTH REPORT

SECOND ADMINISTRATIVE REFORMS COMMISSION

REFURBISHING OF PERSONNEL
ADMINISTRATION
- Scaling New Heights

NOVEMBER 2008

GOVERNMENT OF INDIA

SECOND ADMINISTRATIVE REFORMS COMMISSION

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PREFACE

The roots of the civil service go back a long way in human history. The key to the survival of the ancient Egyptian civilisation that flourished as early as 3,000 BC, was the civil service – the historical model of all later bureaucracies. The waterways for the whole country needed central management, which required a body of scribes and officials. Once in place, the scribes and officials found their second realm of business in the extensive construction activities which were organised along military lines. It was only a matter of time before they took over the administration of the entire state.

In China where the civil service has lasted from at least 200 BC, it played a crucial role in the preservation of the Chinese Empire from the time of Shi Hwangti. In China, the civil servants were recruited on the basis of merit and enjoyed a well-defined career path and security of tenure. Serving the state was considered a great privilege bestowed only on a chosen few with demonstrated talents. In Japan, the civil service provided continuity of administration since the Taika reforms of 645 AD, and that too, in spite of change of systems and transfer of power from one regime to another. The numerous Negro empires existed only briefly because they lacked an apparatus of officials. The unity of the Carolingian empire was under serious strain once its organisation of officials disintegrated.

The nuclei of intensive modern states in the Middle Ages developed concomitantly with bureaucratic structures. Developing a civil service was an essential step in the process of nation-building in Europe. The modern bureaucratic state evolved in Europe, where the concept was considered such a breakthrough in administrative technology that it was transported to other countries. So the concept journeyed eastward in Europe to the German principalities and Russia. In Prussia, the bureaucracy introduced extensive regulations to modernise the economy and the educational system on the pattern of the French; the system worked well only because the civil society was sufficiently developed to moderate the process of bureaucratisation. When the concept travelled further east to Russia, the state became excessively bureaucratic in the absence of a developed civil society to restrain it. In spite of valiant efforts by Peter the great, and Mikhail Gorbachev in recent times, the civil society in Russia has not been able to develop itself on the Western European model and act as a check on the bureaucratic state.

In India, the legends of the Aryans speak of the evolution of the administrative apparatus. The gods, at war with the demons, were on the verge of defeat. In desperation, they got together and elected a king to lead them. The origins of the early Aryan administrative system may perhaps be traced to these legends.

Kautilya's Arthashastra stipulates seven basic elements of the administrative apparatus. These elements are embodied in the doctrine of the Prakrits. They are: Swamin (the ruler), Amatya (the bureaucracy), Janapada (territory), Durga (the fortified capital), Kosa (the treasury), Danda (the army), and Mitra (the ally). According to Arthashastra, the higher bureaucracy consisted of the mantrins and the amatyas. While the mantrins were the highest advisors to the King, the amatyas were the civil servants. There were three kinds of amatyas: the highest, the intermediate and the lowest, based on the qualifications possessed by the civil servants. The key civil servant was the samahartr, who prepared the annual budget, kept accounts and fixed the revenue to be collected. The other key civil servant was the samnidhatr who kept records of the body of taxes realised and was in charge of the stores.

A new stage in the evolution of the administrative order came at the time of Delhi Sultanate. The Sultanate was initially a classical conquest state and it was necessary for the rulers to establish and consolidate their authority and control over the newly conquered territories. This was done by assigning land on a temporary basis to the followers, who became the civil servants, while, at the same time, by transferring the holders of these assignments as frequently as possible to establish control over them. Such a system – the system of simultaneously appropriating a sizeable part of the social surplus and distributing it to the members of the ruling elite – so successfully introduced by the Delhi Sultanate – was adopted by contemporary states outside the Sultanate such as in Orissa and Vijayanagara.

This system was responsible for bringing about a new conception of civil service which, through radically different from the Mauryan practice defined, in general, the structure and role of public bureaucracies in later years. The Mughal bureaucracy, for example, was based on the mansabdari system. Every mansabdar was invested with a mansab (a rank or a command) which determined his position in the Mughal bureaucracy. The mansabdari system was essentially a pool of civil servants available for civil or military deployment. The mansabdari system, as it finally evolved, became a combination of the higher civil service, the peerage and the army, all rolled into an omnibus civil service organisation.

The civil service system in India during the British times was based essentially on the Mughal system, albeit with certain refinements. But the big changes came with the implementation of Macaulay's Report. The Macaulay Report recommended that only the best and brightest would do for the Indian Civil Service. The Report said, 'It is undoubtedly desirable that the civil servants of the Company should have received the best, the most

liberal, the most finished education that the native country affords'. The Report insisted that the civil servants of the Company should have taken their first degree in arts at Oxford or Cambridge.

The Macaulay Committee cannot be faulted for its enthusiasm to get the best and the brightest for the ICS. After all, the interests of the Empire itself demanded that the civil service of colonial India attract the best talents of the British universities. The Report suggested that the educational background of the colonial administrator should be even more comprehensive than that of the civil servant in England. In the words of the Committee, 'Indeed, in the case of the civil servant of the Company, a good general education is even more desirable than in the case of the English professional man; for the duties even of a very young servant of the Company are more important than those which ordinarily fall to the lot of a professional man in England'. The advocacy for the best talents of England to look after the imperial interests in India could not have been done with greater sophistry.

In 1835, Lord Macaulay did admit before the British Parliament: "I have travelled across the length and breadth of India and I have not seen one person who is a beggar, who is a thief. Such wealth I have seen in this country, such high moral values, people of such calibre, the very backbone of this nation, which is her spiritual and cultural heritage". But Macaulay's Report was a product of the times. At the time that the Committee reported, British political supremacy in India had matured into a paramount sovereign power capable of imposing its will through its bureaucratic agency. From Wellesley through the Marquis of Hastings to Dalhousie, the political authority of the British in India kept growing; and the scope of operations of the Empire had increased substantially. Clearly, the services of the best and brightest were called for to sustain the Empire, maintain its territorial integrity and impose order.

The ICS men were trusted agents of the British Government even though there were also many patriots among them. The ICS was the instrument of the imperial power, and the leaders of the Indian National Congress had made it clear during their struggle for independence that they wanted to abolish the ICS and all it stood for. Jawaharlal Nehru was 'quite sure' in 1934 that 'no new order can be built in India so long as the spirit of the Indian Civil Service pervades our administration and our public services', it being therefore 'essential that the ICS and similar services must disappear completely'. Yet in the years afterwards the ICS tradition not only survived, it prospered. In the spring of 1964, Nehru was asked at a private meeting by some friends what he considered to be his greatest failure as India's first Prime Minister. He reportedly replied, 'I could not change the administration, it is still a colonial administration'. Nehru then went on to elaborate his belief that the continuation of that colonial administration 'was one of the main causes of India's inability to solve the problem of poverty'.

Prime Minister Indira Gandhi was even more critical. Replying to the debate on the President's address in the Parliament in March 1966, she said, "what India needed today, was a 'revolution in the administrative system' without which no enduring change could be brought about in any field". In an interview she gave to a news agency on completing 100 days in office, she observed:

"The problem of administration has added to the difficulties of the country. All along the line, administration has deteriorated – at the Centre, in the States, and even in the lower rungs of the governmental set up. Toning up would have to be done, new procedures might have to be evolved, and even fresh recruitment at all levels would have to be considered".

In her convocation address to the University of Roorkee in November 1967, she noted that, "Administrators sometimes lag behind the situations they are supposed to administer. If a large proportion of the investment we have made under the plans remains unutilised, the cause is to be found in administrative shortcomings".

It is ironical that there has been no sincere attempt to restructure the civil service although more than six hundred committees and commissions have looked into different aspects of public administration in the country. Rather, the Indian reform effort has been unfailingly conservative, with limited impact. While there has been some improvement in civil service recruitment and training procedures, other incremental reform measures such as O&M, vigilance committees and commissions, citizens' grievance organisations, Whitleyism, manpower planning, and the institutions of Lok Ayukta have achieved very little. Civil service reform in India has neither enhanced the efficiency nor the accountability of the civil service in any meaningful manner. As S.R.Maheshwari commented, India's efforts at reform have amounted to 'correction slips to the inherited administrative system'. Maheshwari was being charitable. The Indian civil service reform efforts were not even correction slips – they were more in the nature of endorsement slips.

Rapid and fundamental changes are taking place in the political, economic and technological fields. These call for major changes in the civil service. Far-reaching changes in the global economy have made it necessary to build a competent, well-functioning civil service. As a result of recent changes induced by globalisation, countries are competing internationally not only in the market place but also on the quality of their governance structures. The changed policy of deregulation, liberalisation and competition has suggested a new role for the civil service, emphasising the strategic management of the economy in less prescriptive and more market-driven approaches. The changes in the economic structure raise new demands related to control and accountability of the civil service as well as new definitions of professional obligations. In addition, the role and importance of civil society organisation and of the private sector in the Indian economy and the society in general have increased substantially over the years. As a result, it is important for the civil servants to

see the private sector and civil society organisations as partners in the process of economic and social development of the country.

As instruments of public service, civil servants have to be ready for change. The common experience, however, is that they resist changes as they are wedded to their privileges and prospects and thereby, have become ends in themselves. In the political field, the 73rd and 74th Amendments to the Constitution have brought about major changes. Rural and urban local governments have been enabled to become institutions of self government. In order to make it meaningful, the existing system of administration of departments and the District Collectorate has to undergo fundamental changes. This has not happened to the extent envisioned. One of the principal reasons is the marked reluctance on the part of the civil service to accept the changes in control and accountability as well as the altered roles and responsibilities. This is because of the fact that most of the civil servants have been socialised to act in a manner that accentuates command and control methods rather than respond to people's needs and aspirations.

Despite these momentous changes, the attitude of civil servants does not seem to have changed at all. This is because the civil servants still believe in the Hegelian prescription that they represent the universal interest of the society. Hegel argued that the most important institution in the state was the bureaucracy which represented "the absolutely universal interests of the state proper". To Hegel, the bureaucracy was a transcendent entity, a mind above individual minds. He regarded the bureaucracy as the universal class, synthesizing the particularism of the civil society with the general interests of the state. For Hegel, the exercise of power by the bureaucracy was a mission sanctioned by God.

It will not be an exaggeration to say that the civil service in India has continued to be faithful to the Hegelian dictum. It believes that its authority and legitimacy is derived not from the mandate of the people but from an immutable corpus of rules that it has prescribed for itself, without any correspondence to the needs and aspirations of the people it serves and the democratic ethos. That is why the functioning of the civil service is characterised by a great deal of negativity, lack of responsiveness to what the people want and the dictates of democracy. It is sad but true that the civil service in India evokes the metaphors of what Michel Crozier calls 'bureaucratic behaviour'; the normal association that people have with the "vulgar and frequent use of the word 'bureaucracy'" which as Crozier explains, "evokes the slowness, the ponderousness, the routine, the complication of procedures, and the maladapted responses of 'bureaucratic' organisations to the needs which they should satisfy, and the frustrations which their members, clients, or subjects consequently endure".

That is why the civil service has to change. But not in the incrementalist manner that barely touches the basic structure. It has to be a total change, a thorough transformation, a metamorphosis. It has to be like Avtaras in the Hindu Pantheon, in which a new Avtara

takes its form afresh without any correspondence to the persona of its predecessor. For such a transformation to take place, the old structure has to fall away and the new one created; as Pablo Picasso said, ‘unless you destroy, you cannot create’. It is like Rajiv Gandhi destroying the old shibboleths before ushering in modernity or like Manmohan Singh burying the old system before ringing in the new economic order. There was no continuity, not even the faint hint of a compromise. The change in the civil service has to be equally transformative: uncompromising and a clean rupture with the past.

I am encouraged by the fact that transformative structural changes are taking place in civil service systems across the world. Particularly transformative are the changes brought about in Commonwealth countries such as the United Kingdom, Australia and New Zealand, with whom we have shared a common ancestry of civil service traditions, mores and structures. The changes in these countries have been brought about in response to the demand that the civil service should be fully accountable to the community they serve, reflect the hopes and aspirations of the citizens who pay for its upkeep and be responsive to democratic ethos.

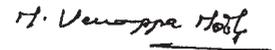
I am also encouraged by the latest developments in the area of public administration such as the New Public Management and the reinventing-the-state which emphasize the importance of measuring results, and highlight the outputs and outcomes rather than inputs and processes. They focus on the benefits that people derive from the use of government funds and seek to establish a framework in which it can be ascertained what quantifiable outcomes have been achieved in enhancing the quality of life of the citizens. We need to realise that civil service is the instrument created for achieving the ends of public service. It is sad but true that, wedded to their permanent privileges and prospects, this instrument in India has become an end in itself. As a result, change and reform essential for efficient public service, which is citizen-oriented, is resisted and to that extent, the concept of sovereignty of the people is jeopardised.

With this in view, this Commission has advocated a total change, a radical transformation. It has proposed a wide-ranging agenda of reforms, that includes reforms relating to recruitment, training, tenure, domain competency, creation of a leadership cadre incorporating some elements of a position based Senior Executive Service, performance management, exit mechanisms, creation of executive agencies, accountability for results, a code of ethics and enactment of a civil service legislation. I am confident that with the implementation of the slew of reform initiatives proposed in this Report, India will have a civil service

- that is valued by ministers, and is a superb source of expert, objective policy advice;

- that delivers world-class, customer-focussed services, day-in and day-out, frequently in partnership;
- that attracts the best talents from every area of the society;
- in which the civil servants are honest, objective, impartial, and act with integrity;
- in which the civil servants are accountable, result-oriented and transparent in their dealings;
- in which the civil servants are proud of, and passionate about their work, committed to doing what they have to do with the pace that India needs and expects in the twenty-first century, and with the right professional skills; and
- every part of which commands the confidence and respect of the public it serves.

New Delhi
November 05, 2008



(M. Veerappa Moily)
Chairman

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms and Public Grievances

Resolution

New Delhi, the 31st August, 2005

No. K-11022/9/2004-RC. — The President is pleased to set up a Commission of Inquiry to be called the Second Administrative Reforms Commission (ARC) to prepare a detailed blueprint for revamping the public administration system.

2. The Commission will consist of the following :

- (i) Shri Veerappa Moily - Chairperson
- (ii) Shri V. Ramachandran - Member
- (iii) Dr. A.P. Mukherjee - Member
- (iv) Dr. A.H. Kalro - Member
- (v) Dr. Jayaprakash Narayan - Member*
- (vi) Smt. Vineeta Rai - Member-Secretary

3. The Commission will suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government.

The Commission will, inter alia, consider the following :

- (i) Organisational structure of the Government of India
- (ii) Ethics in governance
- (iii) Refurbishing of Personnel Administration
- (iv) Strengthening of Financial Management Systems
- (v) Steps to ensure effective administration at the State level
- (vi) Steps to ensure effective District Administration
- (vii) Local Self-Government/Panchayati Raj Institutions
- (viii) Social Capital, Trust and Participative public service delivery
- (ix) Citizen-centric administration
- (x) Promoting e-governance
- (xi) Issues of Federal Polity
- (xii) Crisis Management
- (xiii) Public Order

Some of the issues to be examined under each head are given in the Terms of Reference attached as a Schedule to this Resolution.

4. The Commission may exclude from its purview the detailed examination of administration of Defence, Railways, External Affairs, Security and Intelligence, as also subjects such as Centre-State relations, judicial reforms etc. which are already being examined by other bodies. The Commission will, however, be free to take the problems of these sectors into account in recommending re-organisation of the machinery of the Government or of any of its service agencies.

5. The Commission will give due consideration to the need for consultation with the State Governments.

6. The Commission will devise its own procedures (including for consultations with the State Government as may be considered appropriate by the Commission), and may appoint committees, consultants/advisers to assist it. The Commission may take into account the existing material and reports available on the subject and consider building upon the same rather than attempting to address all the issues ab initio.

7. The Ministries and Departments of the Government of India will furnish such information and documents and provide other assistance as may be required by the Commission. The Government of India trusts that the State Governments and all others concerned will extend their fullest cooperation and assistance to the Commission.

8. The Commission will furnish its report(s) to the Ministry of Personnel, Public Grievances & Pensions, Government of India, within one year of its constitution.

Sd/-

(P.I. Suvrathan)

Additional Secretary to Government of India

*Dr. Jayaprakash Narayan – Member, resigned with effect from 1st September, 2007
(Resolution No. K.11022/26/207-AR, dated 17th August, 2007).

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms and Public Grievances

RESOLUTION

New Delhi, the 24th July, 2006

No. K-11022/9/2004-RC (Vol.II) – The President is pleased to extend the term of the second Administrative Reforms Commission by one year upto 31.8.2007 for submission of its Reports to the Government.

Sd/-
(Rahul Sarin)
Additional Secretary to the Government of India

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms and Public Grievances

RESOLUTION

New Delhi, the 17th July, 2007

No.K-11022/26/2007-AR – The President is pleased to extend the term of the second Administrative Reforms Commission (ARC) by seven months upto 31.3.2008 for submission of its Reports to the Government.

Sd/-
(Shashi Kant Sharma)
Additional Secretary to the Government of India

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms and Public Grievances

RESOLUTION

New Delhi, the 14th February, 2008

No.K-11022/26/2007-AR – The President is pleased to extend the term of the second Administrative Reforms Commission (ARC) by six months upto 30.9.2008 for submission of its Reports to the Government.

Sd/-
(Dhruv Vijai Singh)
Additional Secretary to the Government of India

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms and Public Grievances

RESOLUTION

New Delhi, the 5th September, 2008

No.K-11022/26/2007-AR – The President is pleased to extend the term of the second Administrative Reforms Commission (ARC) by six months upto 31.3.2009 for submission of its Reports to the Government.

Sd/-
(P.K. Jha)
Joint Secretary to the Government of India

ORGANISATION

Second Administrative Reforms Commission

1. Dr. M. Veerappa Moily, Chairman
2. Shri V. Ramachandran, Member
3. Dr. A.P. Mukherjee, Member
4. Dr. A.H. Kalro, Member
5. Smt. Vineeta Rai, Member-Secretary

Consultant of the Commission

1. Shri S. K. Das, IAS (Retd.)

Officers of the Commission

1. Shri A.B. Prasad, Additional Secretary
2. Shri P.S. Kharola, Joint Secretary
3. Shri R.K. Singh, PS to Chairman
4. Smt. Ruchika Choudhary Govil, Director*
5. Shri Sanjeev Kumar, Director
6. Shri Shahi Sanjay Kumar, Deputy Secretary

* This post of Director was temporarily transferred from the Department of Personnel & Training for the period 04.02.2008 to 08.10.2008.

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LIST OF ABBREVIATIONS

Abbreviation Full Form

ACC	Appointments Committee of the Cabinet
ACRs	Annual Confidential Reports
AGS	Accused Government Servant
AIS	All India Services
APS	Australian Public Service
ARC	Administrative Reforms Commission
ASCI	Administrative Staff College of India
ATIs	Administrative Training Institutions
BFR	Budgeting for Results
BIS	Bureau of Indian Standards
BPR	Business Process Re-engineering
BPR&D	Bureau of Police Research and Development
CAG	Comptroller and Auditor General
CAT	Central Administrative Tribunal
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
CCF	Chief Conservator of Forests

CCS (CCA)	Central Civil Services (Classification Control and Appeal)
CEO	Chief Executive Officer
CEP	Currently Estimated Potential
CGHS	Central Government Health Scheme
CII	Confederation of Indian Industry
CPC	Central Pay Commission
CPMFs	Central Para Military Forces
CPO	Central Police Organization
CPWD	Central Public Works Department
CrPC	Code of Criminal Procedure
CSB	Civil Services Board
CSCS	Central Secretariat Clerical Service
CSE	Civil Services Examination
CSS	Central Secretariat Service
CSSS	Central Secretariat Stenographers Service
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
D'Etat	State Council (France)
DANICS	Dellhi Andaman and Nicobar Islands Civil Service
DFID	Department for International Development
DOPT	Department of Personnel & Training
DPC	Departmental Promotion Committee
ENA	'Ecole Nationale d'Administration' or 'National School of Administration'
EU	European Union
FC	Foundation Course
FICCI	Federation of Indian Chambers of Commerce and Industry

FMI	Financial Management Initiative
FPARC	Provisional Council on Administrative Reforms (Japan)
FPSC	Federal Public Service Commission
FR	Fundamental Rules
GDP	Gross Domestic Product
GOI	Government of India
HAG	Higher Administrative Grade
HCMRIPA	Harish Chandra Mathur Rajasthan State Institute of Public Administration
HRD	Human Resource Development
IA&AS	Indian Audit & Accounts Service
IAIs	Independent Administration Institutions (Japan)
IAS	Indian Administrative Service
ICS	Indian Civil Service
ICT	Information Communication Technology
IFoS	Indian Forest Service
IFS	Indian Foreign Service
IGP	Inspector General of Police
IGNFA	Indira Gandhi National Forest Academy
IIM	Indian Institute of Management
IIPA	Indian Institute of Public Administration
IIS	Indian Information Service
INGAF	Institute of Government Accounts & Finance
INTAN	Institute Tadbiran Awam Negara, Malaysia
IO	Inquiry Officer
IPoS	Indian Postal Service
IPS	Indian Police Service

IRAS	Indian Railways Accounts Service
IRIMEE	Indian Railways Institute of Mechanical and Electrical Engineering
IRS	Indian Revenue Service
IRTS	Indian Railways Traffic Service
ISTM	Institute of Secretarial Training and Management
JS	Joint Secretary
KPI's	Key Performance Indicators
LBSNAA	Lal Bahadur Shastri National Academy of Administration
LDCs	Lower Division Clerks
LDP	Liberal Democratic Party (Japan)
MDI	Management Development Institute
NACEN	National Academy of Customs, Excise and Narcotics
NADT	National Academy of Direct Taxes
NDA	National Defence Academy
NEFA	North East Frontier Agency
NGOs	Non-Governmental Organisations
NIFT	National Institute of Fashion Technology
OBC	Other Backward Classes
PAB	Personnel Administration Branch (Singapore)
PAP	People's Action Party (Singapore)
PAR	Performance Appraisal Report
PM	Prime Minister
PMS	Performance Management System
PMSC	Personnel Management Steering Committee (Singapore)
PO	Presenting Officer
PRIS	Performance Related Incentive Scheme

PS21	Public Service for the 21st Century (Singapore)
PSC	Public Service Commission
PSD	Public Services Division (Singapore)
PSUs	Public Sector Undertakings
RBSS	Railway Board Secretariat Service
RTI	Right to Information
SAG`	Senior Administrative Grade
SC/STs	Scheduled Castes/Scheduled Tribes
SCOS	Special Committee of Secretaries
SCS	Singapore Civil Service
SES	Senior Executive Service
SHO	Station House Officer
SPARC	Second Provisional Administrative Reforms Commission (Japan)
SPIPA	Sardar Patel Institute of Public Administration
SQIU	Improvement Unit (Singapore)
SVPNPA	Sardar Vallabhbhai Patel National Police Academy
TERI	The Energy and Research Institute
UDCs	Upper Division Clerks
UK	United Kingdom
UPSC	Union Public Service Commission
USA	United States of America
UTs	Union Territories
YASHADA	Yashwantrao Chavan Academy of Development Administration

INTRODUCTION

1.1 The Second Administrative Reforms Commission was set up with a wide mandate to prepare a blue print for revamping the public administration system and to suggest measures to achieve a pro-active, responsive, accountable, sustainable and efficient administration for the country at all levels of government.

1.2 There is a growing realization that many agencies of government are functioning sub-optimally, and government programmes have not always yielded the desired results. While the achievements of the public services are praiseworthy in dealing with the vast expanded responsibilities since Independence and especially during difficult periods of crisis, they are often deficient in crucial areas such as productivity, responsiveness, accountability and integrity. Authority frequently appears to be divorced from accountability, leading to a system of realistic and plausible alibis for non-performance. Inefficiency, corruption and delays have become, in public perception, the hallmarks of public administration in India.

1.3 Administration should be reformed to bring about improved transparency, greater accountability and streamlining of the structure of government, based on decentralization, civil services reform, an open and responsive government, rule of law, fiscal and environmental sustainability and elimination of all forms of corruption. There is need to restructure our governance institutions and rejuvenate our administrative system so that it can respond to the growing challenges of governance. The State needs to reorient its focus on the core functions of government such as maintaining peace and stability in the country and the task of social investment and provision of public goods through investment in the social sectors like health and education, as these are critical to lifting people out of abject need, preventing inter-generational transmission of poverty, long term development of human capital, achievement of full human potential and promotion of rapid, sustainable and equitable economic growth.

1.4 Public servants today are at the helm of complex challenges of administration in critical sectors like policing, education, healthcare, transportation, land management, infrastructure, skill promotion, employment generation, rural development and urban management. All these are intricate issues, which call for domain expertise, long experience in the sector, and

deep insights into the social and economic realities, besides qualities of leadership and the capacity to manage and respond to change. Processes of civil service recruitment, periodic training, promotion and posting strategies and career management have to be reformed urgently to help the public servants develop such skills. There is need to foster excellence in the public systems, and attract continuously the best talent and expertise while ensuring that they are citizen-centric.

1.5 Administration must become far more accountable and effective in delivering results with the same expenditure. In order to accomplish these goals, there should be conscious efforts to establish the links and fuse authority with accountability. While compliance with processes is important to ensure objectivity and fairness, the processes themselves need to be simplified and changed from time to time. Priority needs to be given to ensuring that the intended outcomes benefit society. There is need to redesign our delivery mechanisms in an innovative manner based on past experience and best practices and deploy the nation's finest talent for this purpose.

1.6 Although several Commissions and Committees have been set up in the past to examine various aspects of public administration, a comprehensive review of the entire public administration system was last done by the First Administrative Reforms Commission, which was set-up in 1966. Since then, several important changes and developments have taken place driven by the pressing need to reform, rapid changes in technology including information technology and significant institutional changes like the emergence of a constitutionally-mandated system of local government in our country. This has obviously necessitated the need for a comprehensive review of public administration as mandated for this Commission.

1.7 In any system the quality of public servants is the key determinant of outcomes. It is in this context that this Report of the Commission, on Refurbishing of Personnel Administration, is critical to its wider mandate. Specifically under this Term of Reference, the Commission is required to look into the following aspects of administration:-

- (i) Review the policy relating to and all methods of recruitment, training and placement and suggest changes, if required.
- (ii) Provide guidelines for enhancing performance of civil servants and its appraisal.
- (iii) Improved methods of cadre management focusing on career progression, motivation and productivity enhancement.

- (iv) Strategies for upgradation of skills and competencies of civil servants and administrative cadres and appropriate interventions for capacity building.
- (v) Linking of performance of Civil Servants and Government personnel to social and economic objectives and outcomes.

1.8 To get a deeper understanding and feedback on the issues pertaining to the civil services, the ARC formulated two comprehensive questionnaires [Annexures I(1) and I(2)]. The questionnaires also highlighted the Commission's approach to the key principles of civil services reform which need to be particularly emphasized. These are mentioned below:

- *Setting right the asymmetry of power:* It was noted that there is an imbalance in the exercise of power in governance. Often systemic rigidities, needless complexities and over-centralization make public servants ineffective and helpless in achieving positive outcomes. On the other hand, negative power of abuse of authority through flagrant violation of law, petty tyranny and nuisance value is virtually unchecked. This situation is further aggravated by the asymmetry of power in our society. The 'privileged' government position gives even the lower government functionaries, enormous power over most of the citizens given the abject poverty, illiteracy and a lingering feudal culture. This needs to be set right in any effort towards public services reforms.
- *Insulating civil servants from undue political interference:* In a democracy, the civil service has to be answerable to the elected government. There is criticism, however, that increasingly partisan intervention and cronyism are undermining the Rule of Law, distorting incentives and condoning corruption. This is adversely affecting the morale of public servants. The relationship between the political executive and the civil services needs to be transformed on the basis of mutual understanding, respect and recognition of each other's distinct roles and responsibilities.
- *Professionalisation with stability of tenure and competition:* There is need to recognize the complex challenges of modern administration in various spheres of activities. Meeting such challenges require domain expertise and long experience in the sectors concerned. There is also need to foster excellence in the public system. Existing procedures and practices do not adequately help in developing domain expertise, nor do they help in utilizing the available domain expertise.
- *Citizen-centric administration:* The fact that the functioning of the civil services has an impact on the quality of governance and thus on the well being of the citizen

and the welfare of the community as a whole is often forgotten. The perception of the civil services today is of a vast impersonal organization without commitment to human needs and values. It is necessary to redress the situation particularly in this era of participative democracy by making the governance apparatus an instrument of service to the people.

- *Accountability:* There is a general feeling that existing mechanisms of accountability are inadequate. On the one hand, there are alibis for non-performance and on the other, competence and integrity are not adequately recognized or rewarded. Therefore, innovative and effective mechanisms need to be put in place to protect public money, guarantee intended outcomes and enforce accountability.
- *Outcome orientation:* Monitoring in government is primarily through measurement of expenditure against outlays and at best through defined outputs. Clearly, there is need to move towards measurement of outcomes. A change in this direction has already started with the initial outcome budgeting exercises. In order to engineer this shift to outcomes, major changes in attitudes, monitoring and evaluation systems, incentives and accountability measures are necessary.
- *Promoting public service values and ethics:* Apart from the traditional civil service values of efficiency, integrity, accountability and patriotism, it is necessary for civil servants to inculcate and adopt ethical and moral values including probity in public life, respect for human rights and compassion for the downtrodden and commitment to their welfare.

These core principles and the issues emanating from them have been analyzed in detail in various chapters of this Report.

1.9 During its visit to the States, the Commission held detailed discussions with the Governors and Chief Ministers, retired civil servants, eminent public personalities, officers of State Governments and members of the public and the media. The Commission also organized a series of consultations with the Central and All India Services. The Commission held two workshops organized jointly with the Management Development Institute (MDI), Gurgaon and the Indian Institute of Public Administration (IIPA), New Delhi respectively. Discussions were also held with the Secretaries to the Government of India and Heads of Departments. In addition, the Commission took assistance of several experts to get a deeper understanding of the different aspects of administration. The Commission had discussions with heads of the Confederation of Indian Industry (CII), Federation of Indian Chambers

of Commerce and Industry (FICCI) and several corporate leaders. The Commission also visited Singapore, Australia, Thailand, France and the United Kingdom and had extensive discussions with the authorities there in order to understand the process of reform of public administration in those countries.

1.10 The Commission would like to thank Shri S.K. Das, Consultant of the ARC for providing very important inputs in drafting this Report. The Commission is grateful to Prof D.P. Agarwal, Chairman, UPSC, Shri Subir Dutta, Former Chairman, UPSC and Shri K. Roy Paul, Member, UPSC for sharing their views on civil services reforms. The Commission acknowledges the valuable suggestions of Dr. N.R. Madhava Menon on the subject of post-school grooming for civil servants. The Commission would also like to thank Shri Rajeev Chandrasekhar, Member of Parliament and President FICCI and other members of FICCI for their valuable suggestions; the Commission would like to thank Shri K.V. Kamath, Managing Director and Chief Executive Officer of ICICI Bank Limited and President CII and Shri K Ram Kumar, Group Chief Human Resources Officer, ICICI Bank, for presenting the human resources management practices in the corporate sector. The Commission is grateful to Shri T.V. Rao for his contribution to the section on the performance management systems and to Prof. Pradip Khandwalla for preparing a Report on the Organisational Structure of Government. The Commission acknowledges its gratitude for the very useful suggestions made by eminent retired civil servants, including former Cabinet Secretaries, former Secretaries to Government and former Heads of Central Police Organisations, at a meeting held in Delhi. The Commission expresses its gratitude to the World Bank, India office and Shri Vikram Chand, Senior Public Sector Management Specialist, Dr. Prajapati Trivedi, Senior Economist World Bank and Shri K. Sarwar Lateef, Governance Specialist, for giving a global perspective on public services reforms and good governance. The Commission would also like to thank Shri J.C. Pant, Chairman, Administrative Reforms Commission, Uttarakhand and the Chairman and Members of the Tamil Nadu State Administrative Reforms Commission and Bihar Administrative Reforms Committee for sharing their views on various reform measures proposed by them. The Commission acknowledges the contribution of a large number of officers and experts including Shri Naved Masood, Additional Secretary and Financial Adviser, Ministry of Health and Family Welfare, Shri K.P. Krishnan, Joint Secretary, Ministry of Finance, Shri O.P. Agarwal, Former Joint Secretary, Department of Personnel and Training, Shri Rakesh Hooja, Additional Chief Secretary (Training) and Director, HCM, RIPA and Shri Hasmukh Adhia, Director General, SPIA. The Commission is grateful to the Chairman and Members of the Sixth Central Pay Commission, with whom the Commission had very useful discussions. The Commission is thankful to DFID India office for a very useful

presentation made about reforms in the UK. The Commission is grateful to the officers of the Ministry of Defence and the three Services for their comprehensive presentation on the performance appraisal systems in the Armed Forces. The Commission acknowledges with thanks several important suggestion on civil services reforms, received from the representatives of the media. The Commission is particularly grateful to the dignitaries and officers of the countries visited, for sharing their experiences of reforms undertaken in their respective countries.

HISTORY OF CIVIL SERVICES IN INDIA AND REFORMS

2.1. History

2.1.1 The Macaulay Committee which gave India its first modern civil service in 1854 recommended that the patronage based system of the East India Company should be replaced by a permanent civil service based on a merit based system through competitive entry examinations. As Macaulay's Report said, "*Henceforth, an appointment to the civil service of the Company will not be a matter of favour but a matter of right. He who obtains such an appointment will owe it solely to his own abilities and industry*".¹ The Report made it clear that only the best and the brightest would do for the Indian Civil Service (ICS). The Report stated, "*It is undoubtedly desirable that the civil servants of the Company should have received the best, the most finished education that the native country affords*".² The Report insisted that the civil servants of the Company should have taken the first degree in arts at Oxford or Cambridge Universities.

2.1.2 After 1855, recruitment to the ICS came to be based totally on merit. The report of the Civil Service Commissioners pointed out that of those who entered the ICS between 1855 and 1878, more than two-thirds were university men, equipped with a liberal and finished education.³ Initially, the ICS sought its recruits from Oxford and Cambridge. It was thus an elite service. Subsequently, it opened its doors to Indians and from 1922 onwards the Indian Civil Service Examination began to be held in India.

2.2 The Design of the Civil Service at Independence

2.2.1 While designing a successor civil service, the Indian political leaders chose to retain elements of the British structure of a unified administrative system such as an open-entry system based on academic achievements, elaborate training arrangements, permanency of tenure, important posts at Union, State and district levels reserved for the civil service, a regular graduated scale of pay with pension and other benefits and a system of promotions and transfers based predominantly on seniority.⁴ The civil services in India can be grouped into three broad categories. Services whose members serve both the Union and the State Governments are termed as All India Services. Services whose members serve only the Union Government are termed Central Civil Services. Apart from these, the State Governments

¹Macaulay Committee Report on the Civil Service (Fulton Committee Report), Vol.1, HMSO, London (1975)

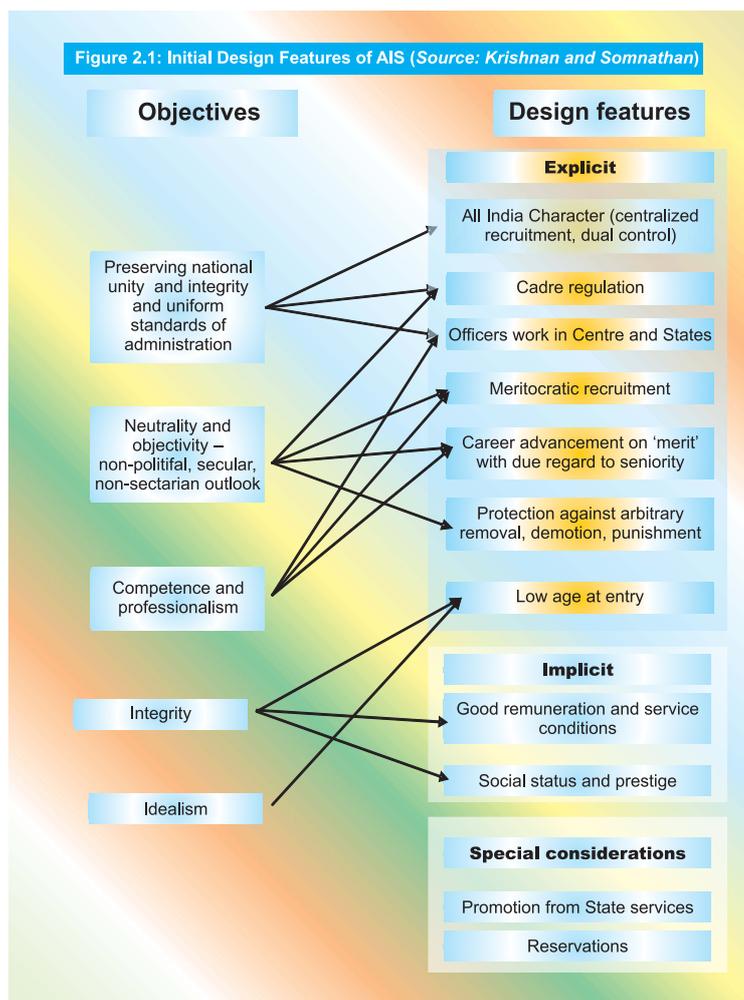
²Macaulay Committee Report

³B B Mishra, The Bureaucracy in India, Oxford University Press, 1977

⁴R B Jain and O P Dwivedi, Bureaucracy in India: The Developmental Context, in R B Jain (ed.), Bureaucratic Politics in the Third World, Gitanjali Publishing House, 1989

have their own group of services – State Civil Services. The posts in the Union and the State Governments are hierarchically arranged into four Groups – Group A to Group D.

2.2.2 Article 312 of the Constitution empowers Parliament to create the All India Services (AIS) on the fulfilment of certain conditions. The Indian Administrative and Police Services are deemed to be services created by Parliament under this Article. Section 3 of the AIS Act, 1951 and the rules and regulations made by the government prescribe the selection process for the IAS. Similar provisions exist for the IPS and the IFoS. The key objectives of government in creating the AIS are (a) preserving national unity and integrity and uniform standards of administration (b) neutrality and objectivity - non-political, secular and non-sectarian outlook (c) competence, efficiency and professionalism - at entry by attracting the best and brightest and throughout the career (d) integrity and e) idealism. Figure 2.1 depicts the key features of the design of the AIS.⁵



2.3 The First Administrative Reforms Commission

2.3.1 Since Independence, there have been about fifty Commissions and Committees at the Union Government level to look into what can be broadly characterised as administrative reforms.⁶

2.3.2. The First Administrative Reforms Commission set up in January, 1966 was asked, in particular, to consider all aspects relating to the following subjects :

The machinery of the Government of India and its procedures of work;

The machinery for planning at all levels;

Centre-State relationship;

Financial administration;

Personnel administration;

Economic administration;

Administration at the state level;

District administration;

Agricultural administration; and

Problems of redress of citizens grievances.

The Commission submitted 20 Reports in all, as per the details given below, before winding up in mid-1970:

Table 2.1: Reports Presented by the First ARC

Sl.No.	Name of the Report	Date of presentation to Government
1.	Problems of Redress of Citizens' Grievances (Interim)	20-10-1966
2.	Machinery for Planning (Interim)	29-4-1967
3.	Public Sector Undertakings	17-10-1967
4.	Finance, Accounts & Audit	13-1-1968
5.	Machinery for Planning (Final)	14-3-1968
6.	Economic Administration	20-7-1968
7.	The Machinery of GOI and its procedures of work	16-9-1968

⁶Department of Administrative Reforms and Public Grievances

8.	Life Insurance Administration	10-12-1968
9.	Central Direct Taxes Administration	6-1-1969
10.	Administration of UTs & NEFA	28-11-1969
11.	Personnel Administration	18-4-1969
12.	Delegation of Financial & Administrative Powers	12-6-1969
13.	Centre-State Relationships	19-6-1969
14.	State Administration	4-11-1969
15.	Small Scale Sector	24-12-1969
16.	Railways	30-1-1970
17.	Treasuries	27-2-1970
18.	Reserve Bank of India	11-3-1970
19.	Posts & Telegraph	15-5-1970
20.	Scientific Departments	1970

These 20 Reports contained 537 major recommendations. Based on the inputs received from various administrative Ministries a report indicating the implementation position was placed in Parliament in November, 1977.

2.3.3 A gist of the recommendations of the First ARC that are relevant to this Report are outlined below:

- a. *Need for specialization:* The first ARC recognized the need for specialization as the functions of Government had become diversified. A method of selection for senior management posts in functional areas and outside functional areas was laid down.
- b. *Unified Grading structure:* A unified grading structure based on qualifications and nature of duties and responsibilities was suggested.
- c. *Recruitment:* On this subject, the ARC recommended:
 - i. A single competitive examination for the Class I services, with the age limit raised to 26 years.

- ii. Lateral entry to technical posts at senior levels.
 - iii. Direct recruitment to Class II services to be discontinued.
 - iv. A simple objective type test to be conducted for recruitment of clerical staff.
 - v. Recruitment to Central Government posts in certain sectors to be made from among the State Government employees.
- d. *Recruitment Agencies:*
- i. A new procedure for appointment of members of the UPSC and the State Public Service Commission was suggested.
 - ii. Setting up of Recruitment Boards for selection of clerical staff was recommended.
- e. *Training:* a national policy on Civil Service Training to be devised.
- f. *Promotions:* Detailed guidelines for promotion were outlined.
- g. *Conduct and Discipline:* Reforms in disciplinary enquiry proceedings and setting up of Civil Service Tribunals was suggested.
- h. *Service Conditions:* The Commission also gave recommendations on matters related to overtime allowances, voluntary retirement, exit mechanism, quantum of pension, government holidays, incentives and awards to be given on timely completion of projects, and establishing work norms for various posts that may be reviewed by the Staff Inspection Unit.

Apart from the First Administrative Reforms Commission, as stated earlier, several other Commissions and Committees were set up over the years to examine various aspects of Civil Services Reforms. The recommendations made by these Committees and Commissions including, of course, of the first ARC are grouped issue-wise and discussed in the following paragraphs.

2.4 Recruitment

2.4.1 In any governance system the quality of its public servants is critical and in this context recruitment of suitable persons is of great importance. Those aspiring to be civil servants

must have not only the required skills and knowledge, but also the right values which would include integrity, commitment to public service and above all, commitment to the ideals and philosophy embodied in the Constitution. Therefore the recruitment process, apart from being transparent, objective, fair and equitable should also ensure that the right type of persons join the civil services. The system of recruitment to the civil services in India has evolved over the years. Several changes have been made in the recruitment process, especially after Independence to reflect the needs of the administration from time to time. A number of Committees and Commissions were set up to make recommendations on various aspects of recruitment. These recommendations are included in the Report on Public Administration by A.D. Gorwala, 1951; Report on the Public Services (Qualifications for Recruitment) Committee, 1956 – also known as Dr. A. Ramaswami Mudaliar Committee Report; Report on Indian and State Administrative Services and Problems of District Administration by V.T. Krishnamachari, 1962; ARC's Report on Personnel Administration, 1969; Report of the Committee on Recruitment Policy and Selection Methods, 1976 – also known as the D.S. Kothari Committee Report; Report of the Committee to Review the Scheme of the Civil Services Examination, 1989 – also known as the Satish Chandra Committee Report; Report of the Civil Services Examination Review Committee, 2001, also known as Professor Yoginder K. Alagh Committee Report; Report of the Committee on Civil Service Reforms also known as the Hota Committee Report, 2004.

2.4.2 A.D. Gorwala's Report (Report on Public Administration, 1951) recommended that recruitment to all grades of Government service should be conducted in a manner which eliminates scope for patronage and suggested that this principle should also apply to temporary staff. Dr. A. Ramaswami Mudaliar Committee Report, 1956, on Public Services (Qualifications for Recruitment) recommended that a University degree should be the minimum qualification for recruitment into the higher services whereas for secretarial and ministerial services a University degree need not be insisted upon. This Committee also recommended that the age limit for the highest executive and administrative services should be kept between 21-23 years. The Krishnamachari Committee Report (Report on Indian and State Administrative Services and Problems of District Administration by V.T. Krishnamachari, 1962) analysed the recruitments to Class I and Class II services in the State Governments and recommended that recruitments should be made annually.

2.4.3 The first ARC emphasized the importance of proper personnel planning and cadre management. It recommended that recruitment to the IAS/IFS and other non-technical Class I services should be made only through a single competitive examination. It also recommended that the upper age limit for taking the civil services competitive examinations should be raised to 26 years. The First ARC further recommended that direct recruitment

to Class II posts of Section Officers should be stopped and these posts may be filled by promotion of Assistants. The Commission also suggested that recruitment to clerical and other secretarial posts should be conducted through simple objective tests. The Commission recommended constitution of Recruitment Boards for appointment of Class III and Class IV employees.

2.4.4 The D.S. Kothari Committee Report on Recruitment Policy and Selection Methods, 1976, inter alia recommended a major change in the examination system. They recommended a two stage examination process – a preliminary examination followed by a main examination. This Committee also suggested changes in the training pattern for the civil services.

2.4.5 The Fifth Central Pay Commission suggested that employment on contract basis should be encouraged and Government employees should have the right to retain their lien for two years in case they wish to migrate to the private sector.

2.4.6 The Civil Services Examination Review Committee, 2001 (chaired by Professor Yoginder K. Alagh) recommended major changes in the structure of the examination system for recruitment to the civil services. It favoured testing the candidates in a common subject rather than on optional subjects. The Committee on Civil Service Reforms (Hota Committee Report, 2004) made recommendations, inter alia, on recruitment and recommended that the age for entrants to the higher civil services should be between 21-24 years with a five years' age concession for members of the Scheduled Castes/Scheduled Tribes and three years' for the Other Backward Classes. The Hota Committee also recommended that aptitude and leadership tests may be introduced for selection, and that probationers may be allowed one month's time after commencement of training to exercise their option for Services.

2.5 Training

2.5.1 While a number of Committees have emphasised the importance of training – both induction and in-service, some of the major recommendations are given below:

2.5.2 The Report on Public Administration by A.D. Gorwala (1951) highlighted the fact that in order to have suitable personnel to staff the public services, it is essential that there is proper recruitment and training and an adequate organization and methods set-up. It also recommended an induction training to equip a civil servant with the necessary knowledge and skills to perform his/her duties followed by trainings at designated intervals to refresh his/her knowledge, keep him in touch with new developments and his/her mind active, supple and receptive. The Committee recommended the appointment of a Director of Training to closely monitor all aspects of training.

2.5.3 The Report on Indian and State Administrative Services and Problems of District Administration by V.T. Krishnamachari (1962) emphasised that State Civil Service officers should also undergo a structured training similar to that for IAS officers. It also recommended establishment of training institutes in States with the help of the National Academy of Administration.

2.5.4 The First ARC emphasized that the training should prepare the individual civil servant not only for performing his/her present job, but also for shouldering higher responsibilities and meeting the new and complex challenges in the future. The ARC recommended the formulation of a national policy on civil services training. It also recommended the creation of the Central Training Division in the Department of Personnel. The Commission further recommended changes in the contents of the foundation courses at the National Academy of Administration.

2.5.5 The Committee to Review In-Service Training of IAS officers, (Yugandhar Committee, 2003) examined the efficacy of the in-service training of IAS officers and subsequently made several recommendations to further strengthen and improve these. Its recommendations, inter alia, included the need for three mid-career training programmes in the 12th, 20th and 28th years of service. The training programme in the 12th year of civil service should be for a minimum duration of 8 weeks consisting of 5 weeks of academic content and 3 weeks of study, training and exposure visits to study best practices in India and abroad. The training programme in the 20th year of service should be for a duration of 12 weeks. The duration of training in the 28th year of service was not specified. Trainings at these 3 stages was suggested as there is a “major shift” in the nature of work of the officer, at these stages of their career.

2.6 Domain Expertise

2.6.1 The first ARC had set out its philosophy on domain expertise as follows:

- *Devising a rational basis to fill policy-making positions with those possessing required qualifications and competence. This would involve an optimum use of different Services for secretariat assignments as also the adoption of special measures to build necessary specializations in the secretariat.*
- *Selecting senior management personnel from all relevant sources – generalist and specialist. For the purpose, talent should be identified and nurtured in all the services, specially among those who have not so far been inducted into the higher management positions in the secretariat.*

- *Providing greater opportunities to talented personnel to move to higher positions in the civil services on the basis of competence and performance.*⁷

2.6.2 The first ARC classified higher civil service posts into two categories: (a) posts in the field, and (b) posts at headquarters. The field posts were held by the members of the 'functional' services which included not only the various engineering services but also services such as accounts and income tax. The first ARC noted that the only service that was not functional but occupied most of the higher posts in the civil services was the IAS. The ARC recommended that the IAS should be converted into a functional service.

2.6.3 Consistent with its philosophy of organizing the administrative machinery along functional lines and inducting talent from all sources, the ARC recommended eight broad areas of specialization:⁸

- ✓ Economic Administration
- ✓ Industrial Administration
- ✓ Agricultural and Rural Development Administration
- ✓ Social and Educational Administration
- ✓ Personnel Administration
- ✓ Financial Administration
- ✓ Defence Administration and Internal Security
- ✓ Planning

2.6.4 The first ARC recommended a scheme of reforms to enable entry into middle and senior management levels in the Central Secretariat from all Services on the basis of knowledge and experience in the respective areas of specialization. The ARC also indicated, in broad terms, the knowledge and specialization required for staffing posts in each of these areas. The selection of personnel to the eight areas of specialization was to be made through a mid-career competitive examination. All Class I officers belonging to the All-India and Central Services with experience of eight to twelve years in the functional areas would be eligible. The selection process would consist of a written test to be administered by the UPSC and an interview to be conducted by a committee consisting of the Chairman, UPSC and two senior Secretaries of the Government of India.

2.6.5 The Report of the Group constituted to Review the System of Performance Appraisal, Promotion, Empanelment and Placement for the All India Services and other Group 'A' Services (Surinder Nath Committee Report, 2003) suggested that assigning particular

⁷ARC Report on Personnel Administration, 1969

⁸ARC Report on Personnel Administration, 1969

domains to the officers should be a key step for their selection to the Central Staffing Scheme posts. The Group suggested the following 11 domains:

- ✓ Agriculture and Rural Development
- ✓ Social Sectors (Education, Health, Tribal Welfare, etc.)
- ✓ Culture and Information
- ✓ Natural Resources Management including Environment (green side)
- ✓ Energy and Environment (brown side)
- ✓ Communication Systems and Connectivity Infrastructure
- ✓ Public Finance and Finance Management
- ✓ Industry and Trade
- ✓ Domestic Affairs and Defence
- ✓ Housing and Urban Affairs
- ✓ Personnel and General Administration

2.6.6 The Committee suggested that officers may be assigned to a maximum of three domains out of the eleven listed. The assignment of domains may be a part of the empanelment process at JS/AS levels which would identify officers for posting to the Government of India at levels of JS and above. Officers due for consideration for empanelment may submit a write-up summarising their experience, academic background, training courses undergone, research accomplishments, recognitions relevant to the domain areas, and significant achievements during their career relevant to their areas. These write-ups may be scrutinised by the Empanelment Committee. The output of the empanelment process would be a list of officers found suitable for selection to specific positions under the Central Staffing Scheme, together with their domain assignments.

2.6.7 The Committee also suggested that for the empanelment process, individual batches may be taken up sequentially along with those from the previous batches who are due for review. Thus, there would be a fresh batch to be considered each year and some review batches. Cases of such officers who are not empanelled when their batch is taken up for consideration on the first occasion, may be reviewed twice.

2.6.8 The Hota Committee on Civil Services Reforms, 2004, had recommended that domain assignment should be introduced for civil servants to encourage acquisition of skills, professional excellence and career planning. It had also recommended that empanelment

and posting of Joint Secretaries, Additional Secretaries and Secretaries should be carried out through domain assignment, competitive selection and matching of available skills with the job requirements.

2.7 Grading Reform

2.7.1 The first ARC recommended a unified grading structure so that posts entailing similar qualifications, difficulties and responsibilities are grouped in the same grade. The principle of equal pay for equal work was sought to be recognized for the entire country for both the Union and the State Governments and even the local bodies. It was of the view that in the absence of a careful evaluation of the work content of jobs at certain levels and the matching of scales of pay thereto, the principle of equal pay for equal work cannot be implemented. The imbalance in remuneration attached to headquarters posts and field posts and the multiplicity of pay scales for different groups was sought to be addressed by this unified grading system. For grading, it recommended that the following considerations be taken into account:⁹

- In services that provide for postings in the secretariat and at the field level, the liability for service all over the country should be reflected in the grading system.
- For services that provide only for field postings or postings only in secretariats but not in both, the grades would have to be related to the duties and responsibilities of these posts.
- The fact that the members of the State civil services are required to work only within the State and not outside, should be reflected in their grades.
- Posts involving higher research should be graded high, even though such posts carry little or no administrative responsibility.

The Commission recommended that the number of grades should range between 20 and 25.

2.8 Efficiency

2.8.1 There has been a succession of Committees that were asked to recommend measures for increasing the efficiency of the civil services. The Secretariat Reorganization Committee (1947), under the chairmanship of Sir Girija Shankar Bajpai examined the functions of the existing departments of Government of India with reference to relative priority and necessity of their activities and made recommendations about how these activities were to

⁹ARC Report on Personnel Administration, 1969

be undertaken by the Union Government with the available personnel. In 1949, the Gopaldaswami Ayyangar Committee while recommending restructuring of the Central Secretariat, suggested that a Department should be identified with a Secretary's charge and a Ministry should be identified with a Minister's charge. It also recommended the abolition of the separate grade of Additional Secretary. For better coordination of policy and planning, the Committee suggested grouping of the Departments dealing with economic and social services into four bureaux. It also recommended the creation of an Organization and Methods machinery.

Box 2.1: Attributes of a Good Administrator

- a. Willingness to assume responsibility.
- b. A steadily enlarging ability to deal with more problems.
- c. A strong bent toward action.
- d. A good listener.
- e. Effective with people.
- f. Capacity to build his own strength by building the competence of his organization.
- g. Capacity to use his institutional resources.
- h. Avoiding using power or authority for their own sake.
- i. Welcoming reports of troublesome things.
- j. A good team-worker.
- k. A good initiator.

(Source: Public Administration for a Welfare State- Paul H Appleby), 1961

2.8.2 A.D. Gorwala, in his two reports to the Planning Commission in 1951, recommended that there should be greater understanding between Ministers and civil servants. More concretely, Gorwala asked for an Organization and Methods (O&M) machinery and Whitley Councils.¹⁰ The Appleby Report (1953) also contained recommendations relating to the establishment of O&M machinery and an Institute of Public Administration. These two recommendations were implemented by Government.

2.8.3 The various Reports of the first ARC underscored the significance of an efficient administrative system. Some of the recommendations to enhance efficiency included, suitable awards such as rolling cup/shield to be given as incentives for timely completion of specific projects, cash rewards for valuable suggestions given for simplification of work that led to economies in expenditure and increased efficiency, establishing work norms and examining staff strength on the basis of studies by Staff Inspection Units. The Fifth Central Pay Commission (2000) stressed upon the need to optimise the size of the government machinery. The Expenditure Reforms Commission (2001) emphasised on a drastic downsizing of the government staff strength for securing modern and professional governance and also reducing the increasing salary bill of the Government of India. The Committee on Civil Services Reforms (Hota Committee, 2004) emphasised the use of information and communication technologies (ICT) to transform Government by making it more accessible, effective and accountable. It stressed on the need to recognise that e-governance is about discarding old procedures and transforming the process of decision making and that technology is merely a tool and a catalyst for such transformations.

¹⁰In Great Britain, any of the bodies made up of representatives of labour and management for the promotion of better industrial relations. Source: Encyclopaedia Britannica

2.9 Accountability

2.9.1 The Committee on Prevention of Corruption (Santhanam Committee) made a range of recommendations to fight the menace of corruption. It recommended the constitution of the Central Vigilance Commission, and administrative vigilance divisions in all Departments and major organizations of the Government. The Committee suggested rules to be framed for governing the conduct of civil servants. Some suggested changes in the rules were filing of assets and liabilities statement instead of immoveable property statement by government servants, rules regarding receipt of gifts and raising of contributions, and rules regarding dealing in stocks and speculations. Changes were also suggested in Art. 311 of the Constitution of India for conducting disciplinary proceedings against government servants. The Committee also suggested a systematic review of the laws, rules, procedures and practices of the Ministries so that the possible scope and modes of corruption may be identified and remedial measures prescribed. Changes in the Indian Penal Code were also suggested to strengthen anti corruption measures. Economic offences, evasion of taxes, profiteering, black-marketing, misappropriation of public properties, trafficking in licences and misuse of position by a public servant in making contracts and issuing licenses etc, it was suggested, should find a prominent place in the general criminal law of the country. It was also suggested that the Law Commission should further look into these issues. The definition of public servant was recommended to be widened under the IPC to include Ministers, employees of PSUs etc. It was also recommended that offering of bribes should be made a substantive offence. The Committee further suggested that on completing 25 years of service or 50 years of age, a government servant may be retired without prescribing any reason, if the government thinks it fit. This was subsequently incorporated in Rule 56(j) of the Fundamental Rules.

2.9.2 The first ARC recommended that the departments and organizations which were in direct charge of development programmes should introduce performance budgeting. The ARC also recommended the establishment of two special institutions, the Lok Pal to deal with complaints against the administrative acts of Ministers and Secretaries to the government at the Centre and the Lok Ayuktas to deal with such complaints in States.

2.9.3 The Hota Committee recommended that Sections 13 (1) (d) and 19 of the Prevention of Corruption Act and Section 197 of the Code of Criminal Procedure may be amended to protect honest civil servants from malicious prosecution and harassment. It also recommended that a Code of Ethics should be drawn up for civil servants incorporating the core values of integrity, merit and excellence in public service. Another recommendation of the Hota Committee was that each department should lay down and benchmark services to be delivered, methods of grievance redressal and public evaluation of performance. It

also recommended that a Model Code of Governance should be drawn up benchmarking the standards of governance to be made available to the citizens. It further recommended that an annual State of Governance Report, benchmarking the performance levels of each State/department/Ministry should be brought out.

2.10 Performance Appraisal

2.10.1 The first ARC had recommended several changes in the performance appraisal system as indicated below.¹¹

- *The term ‘performance record’ should be used instead of ‘confidential report’.*
- *At the end of the assessment year, the civil servant should furnish an account of the work done by him/her during the year, to his/her reporting officer and this account should form a part of the performance record. The reporting officer should take note of this account while grading the civil servant.*
- *Grading in the performance report should consist of three categories: (a) fit for promotion out of turn, (b) fit for promotion, and (c) not yet fit for promotion. The category ‘unfit for promotion’ should be scrapped.*
- *Only 5 to 10 per cent of the civil servants engaged in work of a similar nature and at the same level in any organization, should be given the grade “fit for promotion out of turn”.*
- *Adverse remarks should not be communicated to the civil servant. When adverse remarks are recorded, the reviewing officer should, after discussing them with the reporting officer, and, if necessary, with the officer reported upon, either confirm the remarks or suitably modify them.*

2.10.2 The Fifth Central Pay Commission was of the view that the ACR format should follow the rating system based on a 10 point scale as in the Armed Forces. It was also recommended that the final grading in the ACR should be communicated to the employee. The Pay Commission also recommended a quinquennial appraisal of Group A officers, so that a full picture of their personality emerges after every five years. It recommended restoration of the Annual Confidential Report for Group D cadres.

2.10.3 The Report of the Group constituted to review the system of Performance Appraisal, Promotion, Empanelment and Placement of the AIS and Other Services (Surinder Nath Committee, 2003) recommended that -

¹¹First ARC Report on Personnel Administration, 1969.

- Performance appraisal should be primarily used for the overall development of an officer and for his/her placement in an area where his/her abilities and potential can be best used.
- The agency assigned the responsibility of monitoring the timely writing of annual performance reports should put in place a computerized system for more effective monitoring.
- The entire performance record including the overall grade should be disclosed to the officer reported upon. In case the appraisee submits any comments, it would be open to the reporting and reviewing officers to accept the comments and modify the performance report accordingly. In case they do not accept the representation of the appraisee, the report may be placed before a designated referral board that would consider the matter and make changes if required including the overall grading.
- As yet, there is no established modality for evaluation of an officer's performance by peers, subordinates and clients. It would be useful to supplement the formal performance appraisal regime with an institutionalised means of ascertaining the reputation of civil servants consistent with our culture and ethos.
- Only those who can demonstrate a credible record of actual performance and possess the necessary knowledge and skills required for higher responsibilities should be promoted. Promotion norms should be stringent and the process of promotion based on merit and competition rather on a simple attainment of a priori benchmarks. Officers must be evaluated not only on the basis of their performance in the lower positions but also in respect of their level of preparation by way of acquiring the necessary skills and knowledge for the higher level positions.
- There is no benefit in retaining officers who lack demonstrated competence, or who are unqualified, or of doubtful moral or financial integrity or who are in unacceptably poor health. It is important that an effective system of screening with the following norms may be adopted for identifying the officers to be screened out:
 - An officer who has failed to make it to the select list for promotion to the next higher grade three times.

- An officer who has encountered three proceedings resulting from vigilance enquiries or criminal proceedings in respect of alleged lapses of moral or financial integrity in the course of his/her career, even if the officer is cleared on completion of proceedings in each of these, may be screened out for lack of moral or financial integrity.
- An officer who has failed three times to qualify in the requisite career courses for his/her next promotion.
- An officer who is permanently medically unfit to perform the normal duties of the service as revealed from the biennial medical examination.

2.10.4 The Hota Committee on Civil Services Reforms, 2004, recommended replacing the ACR with a system of performance assessment in which greater emphasis is placed on objective assessment against agreed work plans.

2.11 Management of the Civil Services

2.11.1 The first ARC recommended the creation of a separate Department of Personnel to be entrusted with the responsibility for

- Formulation of personnel policies for the Central and All-India Services, and inspection and review of their implementation.
- Talent-hunting, development of personnel for senior management and processing of appointments for senior posts.
- Manpower planning, training and career development, research in personnel administration.
- Discipline and welfare of staff and machinery for redressal of their grievances.
- Liaison with the Union Public Service Commission, State Governments and professional institutions.
- Staffing of middle-level positions in the Central Secretariat.¹²

2.11.2 The first ARC specifically recommended that the Department of Personnel should not administer any service cadre, and that the administrative control of different services should vest with the individual ministries. It also recommended that the administration of the IAS, IPS and the Central Services should be done by the Ministry of Home Affairs while

management of the Indian Economic Service and the Indian Statistical Service should be transferred to the Department of Economic Affairs. While noting that the Department of Personnel should be placed directly under the Prime Minister, the first ARC recommended the creation of an advisory council on personnel administration to act as a feeder line of new thinking on personnel administration. The ARC recommended that the advisory council should consist of official and non-official experts in different aspects of personnel management drawn from all over the country.

2.11.3 The Fifth Central Pay Commission advocated the constitution of a high-powered Civil Services Board both at the Centre and the States. It also recommended fixation of minimum tenure for each post. It suggested that no premature transfer should be allowed. It further recommended that the findings of the Civil Services Board are to be accepted invariably and in case of disagreement the entire proceedings should be laid on the Table of the House.

2.12 Implementation of the Recommendations

2.12.1 As a result of the deliberations of these Commissions and Committees on different aspects of public administration and the recommendations made, there have been incremental reforms-such as creation of a separate Department of Administrative Reforms in the Union and State Governments, setting up of the Indian Institute of Public Administration, setting up of the Central Vigilance Commission, Constitution of Lokayuktas in States, strengthening of citizens' grievance redressal machinery, drawing up of citizens charters, focus on training and capacity building of civil servants, restructuring of the recruitment process and modifications in the performance appraisal system. Many of the recommendations involving basic changes have not been acted upon and therefore, the framework, systems and methods of functioning of the civil services based on the Whitehall model of the mid-nineteenth century remains largely unchanged.

3

INTERNATIONAL EXPERIENCE AND LESSONS

3.1 Public Service Reforms in Other Countries

3.1.1 Several fundamental changes have occurred since the mid-1970s in the civil services of most countries across the globe. Governments have sought to reshape rigid, hierarchical nineteenth-century bureaucracies into more flexible, decentralised, citizen-responsive civil services, compatible with late twentieth century technological and economic requirements.¹³ In some of these countries, reforms have been sweeping, representing programmes of radical, systemic transformation. Some other countries have pursued strategies of incremental improvements in specific aspects of the functioning of the civil service while conserving the basic core of their administrative structure. The experience of the countries that is discussed in this Chapter forms a continuum of change in this spectrum, with New Zealand, Australia and the UK, at the systemic, reformist end while the Asian cases, Japan and Singapore have taken more incrementalist approaches. This Chapter tries to analyse these approaches and extrapolate lessons that may be learnt and adopted as appropriate in the Indian context.

3.2 Australia

3.2.1 Background

3.2.1.1 Australia experienced, during the 1970s, declining international competitiveness and mounting fiscal deficits that translated into substantial foreign and public debts by the early 1980s. In 1983, the Australian Labour Party (ALP) was elected to power by a slim margin. It introduced wide-ranging reforms seeking to improve the efficiency and effectiveness of the public sector and its accountability to the legislature. The reforms, it is stated, aimed to achieve

1. a strong budgetary position through expenditure restraint and concentration on core business;
2. a devolved financial, employment, and workplace relations framework that allows greater flexibility and places greater responsibility on individual agencies to develop strategies to meet their particular business needs; and

3. a range of incentives to ensure that managers manage for results, by focusing on outputs and developing indicators to measure performance in terms of outcomes for clients.¹⁴

3.2.1.2 Public sector reforms in Australia came through two new Acts. The Financial Management and Accountability Act provided the accountability and accounting framework. Under the new arrangements, the chief executives of the agencies are given greater flexibility and autonomy in their financial management, they are also required to promote efficient, effective and ethical use of public resources. The other one was the Public Service Act, 1999. The purpose of the Act was that the Australian Public Service (APS) should be enabled to operate efficiently, competitively and in line with best practices in the overseas civil services and the private sector. The Act provided a succinct message about the expectations of a civil service within a democratic system of governance appropriate for the twenty-first century. The Act sought to:

- set up an apolitical civil service which is efficient and effective in serving the government and the Australian public;
- provide a legal framework for the effective and fair employment, management and leadership of APS employees; and
- establish rights and obligations of APS employees.

3.2.1.3 The main features of the Act are:

- For the first time, the public service law contained a declaration of APS values (fifteen in number) with specific reference to political impartiality, maintenance of the highest ethical standards, accountability for actions and responsibilities to the government of the day.
- A legally enforceable code of conduct setting out the standards of behaviour expected of those working in the public service.
- Specific provisions to affirm the merit principle, prohibiting patronage and favouritism.
- Giving all the rights, duties and powers of an employer to the heads of the agencies, with authority to engage, terminate and determine the employment terms in respect of their APS employees.

¹⁴Max Moore-Wilton (1999), New Performance Paradigms for the Public Service, Paper presented at the National Public Sector Accountants Conference, Adelaide, 7-9 April

- Creating the office of the Merit Protection Commissioner with independent review and inquiry powers.

3.2.1.4 Administration of the Public Services Act is the responsibility of the Public Service Commissioner whose functions include:

- Developing, promoting, reviewing and evaluating APS employment policies and practices.
- Facilitating continuous improvement in people management throughout the civil service.
- Coordinating and supporting training and career development opportunities throughout the APS.
- Contributing to and fostering leadership in the APS.

3.2.2 The Australian Public Service Values and Accountability

3.2.2.1 The values make specific reference to the broader accountability obligations of the APS. Section 10 (1) (e) of the Act stipulates that the APS is accountable for its actions within the framework of ministerial accountability to the government, the legislature and the Australian public. The values also underline the requirement of the APS to be responsive to the government-of-the-day in providing frank, honest, comprehensive, accurate and timely advice and in implementing the government's policies. The provisions of the Act recognise that the government and its ministers determine the public interest in terms of policies and programme priorities, and civil servants advise on and implement their decisions within the requirements of the legal framework. The Act also provides for a Management Advisory Committee to advise the government on significant issues relating to management of the APS and to be a forum for considering major management activities within the APS.

3.2.2.2 The Financial Management and Accountability Act, 1997 provides the accountability framework in which the Chief Executives of the agencies are given greater flexibility and autonomy in their management of the agencies to promote efficient, effective and ethical use of public resources. The responsibility for staffing the civil service has been devolved from the central departments to the agencies that constitute the APS, and the various authorities and government business enterprises operating outside the core public service. The central departments have become advisors and facilitators. Agency heads have all the employment powers including the hire and fire of employees and the setting of remuneration and the

terms and conditions of employment. These powers are exercised within the framework of the APS values together with the code of conduct for all APS employees. The values framework along with enhanced accountability for the performance of the agencies balances the devolution of powers.

3.2.3 Meritocracy

3.2.3.1 One of the core principles of APS employment is recruitment and advancement on the basis of merit. Merit in the Australian context means

- Open advertising to ensure that all eligible applicants in the Australian community have a reasonable opportunity to apply for APS employment
- The selection procedure is transparent and seen to be applied fairly to all applicants
- The assessment process is capable of matching the qualities of the applicant to the qualities genuinely required for the job
- There is no patronage or favouritism and no ministerial interference in individual personnel decisions.

3.2.4 Senior Executive Service

3.2.4.1 A Senior Executive Service (SES), the leadership cadre of the APS, was created in 1984 to make the civil service at senior levels more open, mobile and competitive, and to achieve a greater degree of management leadership in development and placement of senior staff.¹⁵ The objective of the legislation that created the SES was to reshape the cadre of senior civil servants into a more unified and cohesive group responsible for higher-level policy advice and managerial and professional responsibilities. All SES vacancies are open to applicants from outside the civil service as well as to serving civil servants. Selection arrangements for the SES operate under a stricter framework than those for the non-SES civil servants, the requirement being that each vacancy be advertised in external newspapers and that each SES selection committee includes an agreed representative of the Public Service Commissioner who must report back at the end of the process that the exercise has satisfied all the requirements of the Act. Like all other APS civil service positions, decision on appointment to the SES by the head of the agency are not, by law, subject to directions by the Ministers.

¹⁵JR Nethercote, *The Australian Experience of Public Sector Reform*

3.2.5 Agency Heads

3.2.5.1 As stipulated in the Public Service Act, 1999, agency heads include both Secretaries to the Government and the heads of agencies with executive, advisory, research and statutory functions. The Departmental Secretaries are responsible to their minister both for departmental management and for advising the minister on all matters relating to the department. Agency heads are responsible to the minister for administration of the ministries. Since 1994, Secretaries of Departments have been appointed for a fixed term by the Prime Minister for a period up to five years. The Public Service Commissioner advises the PM on the selection of the departmental Secretary. Heads of agencies are selected and appointed for a period up to five years by the minister-in-charge of the agency, after advertising for the vacancy in the press. In most cases, the Minister consults the PM or the Cabinet before making such appointment.

3.2.5.2 In 1999, the government introduced performance assessment for departmental Secretaries and agency heads. The PM determines the assessment for each Secretary after receiving advice from the Secretary of his/her own department and the Public Service Commissioner. Assessment of the agency head is made by the minister concerned on advice from the Secretary to the Prime Minister and the Public Service Commissioner, and usually, after consultation with the Secretary of the department concerned. There are no required criteria for assessment, though the areas generally considered are meeting the government's objectives for the agency, policy advice to the minister, management of the agency, leadership and promoting APS values. Secretaries and agency heads are eligible for annual performance bonuses not exceeding 15 per cent of their remuneration on the basis of these assessments.

3.2.6 Performance Management

3.2.6.1 In recent years, all APS agencies have developed and implemented performance management systems. As a result of the public sector reforms of the 1990s which focused on effectiveness and achieving of organizational objectives, the legislative framework that followed provided the heads of the agencies with opportunities to pursue results and to tailor their approaches for managing performance to suit the needs of their organizations. The legislative framework also required each agency to link improvements in pay and employment conditions to productivity and to report annually to government on achievement of outputs and expenditure against Programme Budgeting Statements under an outcomes and outputs framework.

3.2.6.2 The legislative framework does not set out how performance management is to be implemented in individual agencies, but each agency is expected to:

- *have the organizational capacity, flexibility and responsiveness necessary to achieve the outcomes expected*
- *have a culture of achievement, planning time and priorities to deliver the intended result*
- *report on the effectiveness of the outputs of the agencies*
- *demonstrate that resource priorities match agreed outcomes*
- *have a fair and open management system that covers all APS employees, guides salary movement, is linked to organisational and business goals and the maintenance of the legislated values, and provides each employee with a clear statement of performance expectations and an opportunity to comment on those expectations.*¹⁶

3.2.6.3 The current challenges in the Australian Government are seen to be improving the credibility of the process, greater staff involvement, better feedback and recognition strategies and managing under-performance. Many agencies are now focusing on improving their performance management system to integrate it with their business and workforce planning by:

- clarifying performance objectives and linking individual and business plans with organizational plans
- periodic performance appraisal of individual and team performance against achievements and behaviour linked to the values
- recognising and rewarding performance
- counselling and effectively managing poor performance
- learning and development to build individual and organizational capability
- evaluating the contribution of individual and organizational performance

3.2.6.4 The Australian Government now puts great emphasis on managing under-

¹⁶Ibid, p.66

performance. While the procedures for handling under-performance vary depending on the culture and circumstances of each organization, it is recognized that they

- *are an integral part of a culture of active performance management*
- *have regard to procedural fairness*
- *are streamlined and efficient*
- *balance the needs of the agency and the employee*
- *are consistent with relevant legislation including those relating to workplace relations, discrimination, record keeping and privacy.*¹⁷

In case of recurring under-performance, the agencies terminate the employment of these employees, reduce their classification or assign them to other duties.

3.2.7 Outcomes/Outputs Framework

3.2.7.1 In April 1997, the Australian government decided to put in place a management framework that would manage for results by developing robust indicators to assess the performance of the government departments in terms of outcomes for clients. In the new framework, the reporting on programmes identifies what has been done and what services have been delivered. Reporting on outcomes identifies what results have been achieved by delivering those services.

3.2.7.2 The essential purpose of the outcomes/outputs framework is to answer three questions:

- What does the government want to achieve? (these are outcomes)
- How does the government want to reach those achievements? (these are the outputs)
- How does the government know if it is succeeding? (these are the indicators)

Outcomes are the key results the government seeks to achieve, and define for each agency the purpose of their activities. Typically, they are at a higher (more aggregated) level than the schemes and programmes. Outputs are discrete activities or a set of activities, a product or a service, performed by an agency as a part of achieving its outcomes.

3.2.7.3 Agencies are required to specifically cost their outputs against planned outcomes and identify performance indicators and targets. More importantly, budgetary appropriations are made at the outcomes level. Outcomes and supporting outputs form the basis of an agency's operating budget and reporting framework. The outcomes/outputs framework focuses on the outputs that an agency is producing and their contribution to the outcomes set by the government and is aimed at assisting the tracking of results and progress towards targets. The output component of the framework also facilitates tracking and benchmarking of the process and to that extent is an important contributor to improved efficiency.

3.2.8 Gains of the Reforms

3.2.8.1 It has been stated that the reforms in Australia have improved the information available to civil servants for discharging their accountability and have enhanced the concern with outcomes and effectiveness of programmes than just with financial outputs.¹⁸ Public enterprises in Australia have improved their performance significantly under a regime of autonomy and professional management.¹⁹ After 1980, the annual growth rate has been 3% which is reasonably high considering that Australia falls in the category of high per capita income group of countries that have collectively been growing at about 2.5% per annum.

3.3 The United Kingdom

3.3.1 Background

3.3.1.1 Prime Minister Harold Wilson constituted a Committee headed by Lord Fulton to examine the structure, recruitment, management, including training of the Home Civil Service. The Committee identified the need for a professional approach to management and better use of staff with appropriate skill and training. The most important recommendation of the Committee was to suggest an accountable system of management. Acting on the recommendations of the Fulton Committee, the Government initiated a number of reform measures in the 1980s and 1990s.

3.3.2 Financial Management Initiative

3.3.2.1 The Thatcher government's Financial Management Initiative (FMI) launched in 1982 marked the beginning of a coordinated strategy to improve management in government departments. Based on the financial management information generated by the efficiency scrutinies conducted in the late 1970s, the Initiative sought to devolve responsibility for budgets and financial control to the line departments.

¹⁸John Dixon, Alexander Kouzmin and Nada Korac-Kakabadse, "The Commercialization of the Australian Public Service and the Accountability of Government: A Question of Boundaries", *International Journal of Public Sector Management*. Vol.9, 5/6. 1996. pp.23-26

¹⁹John S Dawkins, "Achieving Improvements in Economic Transitions: The Australian Experience." *Public Administration and Development*, Vol.15,3, 1995. pp.237-244

3.3.3 Next Steps

3.3.3.1 Sir Robin Ibbs, in his Report of 1986 ‘Improving Management in Government: The Next Steps’ recommended three priorities for reforms:

1. The work of each department must be organised in a way that focuses on the job to be done. The systems and the structures must enhance the effective delivery of policies and services.
2. The management of each department must ensure that its staff has the relevant experience and skills needed to do the tasks that are essential to effective government.
3. There must be sustained pressure on and within each department for continuous improvement in the value for money obtained in the delivery of policies and services.

3.3.3.2 The Ibbs Report recommended that in order to achieve these priorities, agencies should be established to carry out the executive functions within a policy and resources framework set by the government. A large number of executive agencies have now been set up and most members of the British civil service work in these agencies. The main features of the agencies are:

- Defined responsibilities and clear aims and objectives set out in a published framework document;
- Day-to-day responsibility for running an agency delegated to its Chief Executive with personal responsibility and managerial authority for the job to be done;
- The Chief Executive answering directly to the Minister;
- Key performance targets covering quality of service, financial performance, and efficiency set by Ministers and announced to Parliament;
- Greater openness where performance against these targets is reported each year and published in the agency’s annual reports and accounts, and in the Next Steps Report;
- The basis of Ministerial accountability remains unchanged by agency status. Those working in agencies including the Chief Executive, remain civil servants, reporting to Ministers who are accountable to Parliament. The Next Steps initiative

has clarified responsibilities within departments and made them much more transparent than they were before; and

- The publication of framework documents, key annual performance targets, annual reports and accounts provides greater transparency to Parliament and the public.

3.3.3.3 A large number of executive agencies have been created so far. Many members of the civil service became employees of these executive agencies. All pay and grading matters have been decentralized to the executive agencies. On the whole, reorganisation of the government into executive agencies and semi-autonomous departments has been an operational success.

3.3.4 Modernising Government

3.3.4.1 Three-year ‘Public Service Agreements’ have been introduced under which departments publicly state the outcomes the citizens can expect from the department’s spending, and disclose explicit productivity and performance targets. Greater ‘joining up’ of the government has been attempted to improve the strategic capability to respond to contingencies at the heart of the government, and the capacity to respond holistically to issues and problems that cannot be tackled satisfactorily by any single department or agency. More specialist skills have been brought into the civil service.

3.3.4.2 The civil service has been opened up to include people from the private sector and civil society, with encouragement to civil servants to have stints in these sectors. Fast tracking for high potential civil servants has been introduced.

Box 3.1: 21st Century Civil Service – Creating a Culture of Excellence

(Speech of Cabinet Secretary, Sir Gus O’ Donnell, 6 June 2006, QEII Centre, Public Service Reform Conference, UK)

Most of all, I want to challenge each and every civil servant to become as good as the very best of their colleagues. The Civil Service at its best is capable of amazing achievements. We need to raise all aspects of what we do to the level of the best.

Such a visit requires imagination.

- Imagine a Civil Service that is valued by ministers, and recognized as a superb source of expert, objective policy advice by external bodies, and internationally;
- Imagine the Civil Service delivering world-class, customer focused services, day-in, day-out, frequently in partnership;
- Imagine a Civil Service hungry to learn from the best examples of change, wherever they are to be found, and with the confidence and skills to apply what they learn;
- Imagine a Civil Service attracting the best talents from every area of society;
- Civil servants would be trusted to be honest, objective, and impartial, and to act with integrity;
- They would also be proud of, and passionate about, their work, committed to doing what they do with the pace we need – and expect – in the 21st Century, and with the right professional skills; and
- Every part of the Civil Service would command the confidence and respect of the public we serve.

3.3.5. Civil Service Code

3.3.5.1 Following the recommendations of the Nolan Committee on Standards in Public Life, 1994, the Civil Service Code was drawn up and incorporated into law which came into force on 1st January 1996. It is a clear and concise statement of the responsibilities of civil servants and is part of civil servants' terms and conditions of employment. In addition to restating the integrity and loyalty required of the civil servants, the Code prohibits, deceiving Parliament, public misuse of official position, and unauthorised disclosure of confidential information. The Code provides a right of appeal to the independent Civil Service Commissioners on matters of propriety and conscience, if the problem cannot be resolved within the concerned department.

3.3.6 Delegation of Civil Service Management to Departments

3.3.6.1 With effect from 1st April 1996, the heads of departments have been given considerable authority to develop terms and conditions of service of their staff. This has allowed them to set conditions of employment to suit their own particular circumstances and thereby achieve better value for money.

3.3.7 Senior Civil Service

3.3.7.1 A new Senior Civil Service was created on 1st April 1996. It numbers just under 3,000 members and is a group of senior managers and advisers who, while employed and managed by their own departments, have a broader identity as part of a cohesive group at the top of the Service and are covered by a common framework. The framework has a number of important features:

- a central framework of nine overlapping pay grades
- a common job evaluation system
- a personal formal written contract
- a senior common appraisal system.

While filling up the vacancies in the Senior Civil Service, wide and open competition is the norm. In recent years, more than 30 per cent of vacancies at the top three levels of the Service have been openly advertised.

3.3.7.2 The Centre for Management and Policy Studies has been created for HRD in government. The attempt has been to achieve a shift, through training, from a mindset of an organization-centred service to a citizen-centred service, from preserving the status quo to change and innovation, from procedural orientation to results orientation, and from monopolistic provision of services to competitive provision of government services.

3.3.7.3 360-degree appraisals have been introduced for evaluating civil servants in a more objective manner. To protect civil servants from undue pressure from bosses, politicians and businessmen, a reporting and redress system has been set up. The complaint must first be addressed to the departmental head, and if it does not elicit the desired response, the complainant can approach independent Civil Service Commissioners. A Delivery and Reform team with seven sub-teams has been set up under the Cabinet Secretary to drive the agenda forward.

3.3.8 Gains of the Reforms

3.3.8.1 A study of effective governance of several countries indicated a substantial improvement in government effectiveness.²⁰ One discernible gain of the reforms has been the improvement in the quality of public administration. Another gain is the superior economic performance. UK was considered the sick man of Europe in the 1960s and 1970s. Its annual growth rate was 2.3% versus 4% of its main European rivals, France, Germany and Italy. During the 1980s, UK undertook comprehensive reforms at refurbishing its administration. As a result, UK's growth rate was 40% higher than of those countries which did not undertake reforms, and the substantial lead has continued.

3.4 Singapore

3.4.1 Background

3.4.1.1 When the People's Action Party (PAP) came to power in Singapore in June 1959, it realized that the colonial civil service it had inherited needed wholesale changes if the developmental efforts of the new government were to succeed. The government embarked on a programme of comprehensive reforms to the civil service and a number of steps were initiated to sensitize the Singapore Civil Service (SCS) to the needs and aspirations of the people.

3.4.1.2 The PAP embarked on a strategy of selective retention and retirement so that civil servants with a proven record of competence were retained while those found incompetent were weeded out. While choosing whom to retain, competence was the only consideration. The process resulted in the exit of a large number of non-performing civil servants.

²⁰Based on D Kaufmann and A Kraay (2002), "Growth and Governance." *Economia*, Vol 3,1, pp. 169-215

3.4.2 Management of the Civil Service

3.4.2.1 The Government realized that an employee-centred personnel management philosophy was necessary for the civil service to attract, motivate and retain the best and the brightest in Singapore. They also realized that a management system had to be designed to ensure that the potential of those joining the civil service are developed to the fullest and are assigned to jobs that they would find satisfying. A Personnel Management Steering Committee (PMSC) was set up under the Chairman of the Public Service Commission to implement the employee-centred personnel management philosophy of the government. The PMSC looked at aspects such as recruitment, training, career development, succession planning and matching the right person with the right job. The PMSC asked the Management Service Department to review the role and functions of the Public Service Commission (PSC). The PSC was responsible for recruitment, selection, promotion, training, transfer, disciplinary control, and dismissal of civil servants. The Management Service Department was also asked to review the role and functions of the Personnel Administration Branch (PAB) of the Budget Division of the Ministry of Finance. The PAB was responsible for job classification, and the terms and conditions of service of civil servants. A review of the role and functions of both the PSC and the PAB was necessary because while the PSC and the PAB had a system of consulting each other, the sharing of the personnel functions had resulted in divided policy direction and responsibilities; ambiguous definition of their roles, functions and authority; duplication of work; inadequate coordination; and inefficient use of manpower. The Management Service Department recommended the creation of a separate central authority-the Public Services Division (PSD)-to formulate and review personnel policies in the civil service and ensure that such policies are implemented. The PSD was created in January 1983 as the third division in the Ministry of Finance.

3.4.2.2 The responsibility for managing the civil service is now distributed among three central organizations. The PSD develops policy, coordinates implementation, and is responsible for pay and grading, training, and productivity improvement in the civil service. The PAB in the Budget Division in the Ministry of Finance is in charge of manpower control. The Public Service Commission recruits personnel to the civil service, approves all higher-level appointments, and takes up disciplinary proceedings against members of the civil service.

3.4.3 Meritocratic Recruitment

3.4.3.1 The PSC is responsible for recruiting high-quality personnel to the Singapore Civil Service (SCS). To attract the best and the brightest, the PSC offers very attractive undergraduate scholarships to students who have done well in the school-leaving

examinations. It also recruits promising undergraduates from the two local universities only a few months before the final examinations are held. In the matter of talent scouting, the PSC faces intense competition from the private sector, and in the process, is forced to enhance the competitiveness and prestige of its scholarships from time to time.

3.4.3.2 The administrative institutions of Singapore have been built on the principle of meritocracy with recruitment, promotion and ranking closely related to qualifications, performance and appraisal. The objectives are mainly three:

- To appoint the most suitable people into the civil service so as to maintain the calibre of officers in the service
- To position the civil service as an attractive employer through attractive and flexible employment conditions
- To ensure that officers who are appointed to the civil service are able to contribute on a long-term basis and can be developed on a full career basis.

3.4.3.3 Civil servants in Singapore are paid at market rates comparable with those of the private sector for employees with similar abilities and responsibilities. This has also been facilitated by monetisation of various perks earlier available to civil servants. This enables government to attract and retain an appropriate share of the national talent. The Leadership Development Department plays a key role in managing talent for civil service leadership positions. Through developing and implementing progressive human resource policies, the government has been able to groom a pool of bold and visionary civil service leaders who work closely with the political leadership.

3.4.4. Performance Management

3.4.4.1 The civil service has a fair and rigorous appraisal system to take stock of the talent within the organization and know the strengths and weaknesses of the officers. It consists of staff appraisal reports and rankings. For potential assessment, the concept of Currently Estimated Potential (CEP) is used. CEP refers to an estimation of the highest appointment or level of work an officer can handle competently before his/her retirement. CEP is assessed by considering two factors: Helicopter and Whole Person Qualities. Helicopter Quality is the ability and drive to look at a problem from a higher vantage point with simultaneous attention to relevant details. The Whole Person Qualities give an overall view of the officer taking into account his/her intellectual qualities, result orientation and leadership qualities. There is a system of accelerated promotion for the very competent based on the CEP. In this system, time norms for promotion are hastened in outstanding cases, so that very

competent officers could be promoted to the ultimate rank by the time they reached 45 years of age. This has imparted a particularly youthful look to the top echelon of the SCS. The majority of the 15 permanent secretaries are in their 40s and the average age of the permanent secretaries in the Singapore government is only 48.

3.4.4.2 The SCS views promotions not simply as a reward for past performance but also as an expectation of competent performance and contribution at a higher level. The principle underlying promotion is that the officer's CEP determines his/her pace of promotion. Whether he/she gets promoted depends on actual good performance and the assessed potential.

3.4.4.3 Target setting and performance measurement known as Budgeting for Results (BFR) was introduced in 1994. This requires ministries to set precise and improved performance targets in relation to both costs and outputs for their programmes and activities by which they are evaluated. In this way, accountability is sustained without undermining autonomy.

3.4.4.4 In February 1991, the government established a Service Quality Improvement Unit (SQIU). The unit is located in the office of the Prime Minister. The mandate of the SQIU is to maintain the highest possible standards in the public services by obtaining a continuous feedback from the users. The SQIU has a five-member political supervisory panel and a seven-member management committee, chaired by the Permanent Secretary in the Office of the Prime Minister. In addition to giving feedback, Service Quality Managers are responsible for upgrading customer services in the ministries. The Service Quality Improvement exercise in Singapore has been instrumental in encouraging a shift towards a client-oriented form of administration, in which civil servants at the cutting edge have been forced to be more sensitive to the needs of the public with whom they deal and the feedback on how they have dealt with the public becomes an important input for judging their performance.

3.4.5 Civil Service for the 21st Century

3.4.5.1 In the mid-1990s, PS21 (Public Service for the 21st Century) was introduced. The basic rationale for the PS21 Initiative was to build an adaptable civil service that helps Singapore to meet the challenges of a rapidly changing global environment. The key ideas of the PS21 are to improve the quality and delivery of service with use of computerization, to take good care of staff in terms of welfare, recognition of good service provided, encourage creativity and innovation in staff and to increase public awareness.

3.4.6 Gains of the Reforms

3.4.6.1 It has been reported that the SCS today is well-known for its ‘coherence and sense of purpose’.²¹ Within two decades, the SCS evolved from what was at best a mediocre civil service to one of the world’s most reputed. The process was difficult but the steps were straight-forward. Prospective candidates to the civil service are taken from the top 200 of the graduating class at the National University of Singapore and Nanyang Technological University, and the selected candidates are put through a common one-year training programme. Such a recruitment procedure creates the foundation for nurturing an esprit de corps. The educational background and the training programme bring the candidates towards a common understanding of what is expected of them as a civil servant and create – the basis for building trust among them. The internal promotion system (which tends to restrict the pool of potential candidates for promotion) together with the single-mindedness of political leadership and its continuous efforts at imbibing the civil service with its desired values have helped strengthen the bond between the civil servants. Together all these factors - the recruitment process, meritorious internal promotion system and focused efforts of leadership - have helped create an esprit de corps in the SCS and turn it into a highly focused delivery oriented service.

3.5 France

3.5.1 The need for civil service reforms began to emerge in the 1970s, when the global economic crisis and the crisis of welfare States affected France. The formation of EU also generated additional pressure. The French Civil Service was said to have been characterized by over-centralization and high cost to government.

3.5.2 Like most civil services in Europe, the French Civil Service is a career based service. As civil servants exercise authority on behalf of the government, their terms and conditions of service are governed by a special legal regime. Like India, the civil service in France is categorized into four categories – Category A, B, C and D. The Civil Services in France are further organized into different corps (more than 1500 in numbers). A civil servant is recruited to a corps and remains in it throughout his/her career. Some corps – the Grand Corps – are most prestigious, and civil servants from these corps are posted in important governmental positions. Mobility is an important feature of the higher civil services in France. They normally remain within their own corps but they get opportunities to work in the State - owned public enterprises and also in the private sector on secondment basis. Civil Servants in France also have a significant representation in political offices. The law permits them to hold political positions while retaining a lien over their original corps.

²¹Ed Campos and Sanjay Pradhan, Building Institutions for a More Effective Public Sector, Background Paper for the World Development Report, 1997.

3.5.3 Recruitment to the higher civil services is strictly on merit through competitive examinations. The candidates take written examinations on a wide range of subjects. The testing procedure lasts for about three months. The oral examination is conducted to test both the personality and the motivation of the candidate. Currently, approximately one candidate out of ten is selected. After recruitment, the civil servants undergo training at the Ecole Nationale d'Administration (ENA). Each year a list of posts available at senior administrative levels is made available to the ENA and the trainees are free to choose their posting according to their rank. The trainee is under an obligation to serve the Government for a minimum period of ten years. Each year the ENA takes in about hundred to hundred twenty students. Half of these students are recruited directly after at least four years of higher education. The remaining are recruited from the middle echelons of the civil service. A very small portion are also recruited from the private sector. The average age of the students thus ranges between mid-twenties to mid-fifties.

3.5.4 An important feature of the ENA is that they do not have regular faculty employed at the school and the teachers' contracts are renewed yearly after an evaluation by the students and the school. Most of the teachers are civil servants. The duration of the main training programme is twenty-seven months. In the first year, the student undergoes internship at a French Embassy and in a 'prefecture'. This is followed by classroom studies at the ENA in the second year. At the end of the course the students are evaluated and given a ranking in the class. Based on the personal preference of the students and their ranks the students join the French Administration: the Conseil d'Etat (State Council), the Cour des Comptes (Court of Auditors) and the Inspectorates (General Inspectorates for Finance, for Administration, and for Social Affairs); the prefectural, diplomatic, and overseas trade promotion services; civil administrators, counsellors in administrative tribunals and regional courts of auditors, and administrators for the City of Paris.

3.6 New Zealand

3.6.1 Background

3.6.1.1 The period from the 1960s to 1980s was a bad time for the New Zealand economy. In terms of GNP per capita, the country fell from fifth place in the world to the twentieth. Inflation soared as it did in other countries, but it persisted in double digits after cost pressures had soared in other countries. Unemployment rose steadily. So did the fiscal deficit - it reached 9 per cent of the GDP in 1984. A currency crisis developed in the first-half of 1984 and the crisis coincided with the parliamentary elections. The National Party lost its majority and was replaced by a Labour Party government. The results of

1984 elections were seen as a mandate for change. The period from 1984 to 1987 saw the introduction of some preliminary reforms in the decentralization of decision-making. The more serious public sector reforms started with the enactment of three legislations: the State-owned Enterprises Act, 1986, the State Sector Act, 1988, and the Public Finance Act, 1989. These three legislative enactments provided the basis for public sector reforms in New Zealand.

3.6.2 Administrative Reforms

3.6.2.1 New Zealand's administrative reforms were premised on principles of

- Clear objectives - based on specification of objectives, and interventions that are needed to achieve those objectives
- Clear relationships - between all players in the administrative system, and in particular between Ministers and Chief Executives
- Managers' freedom to manage
- Accountability for decisions, and
- Transparency about those decisions.

3.6.2.2 The State Sector Act of 1988 made major changes in the management, personnel and labour relation regimes in government. Chief Executives were appointed to be heads of line departments for a fixed term under contract with the State Services Commission. They were given all the rights, duties and powers of an employer in respect of their departments. They were also authorised to appoint staff and remove them.

3.6.3 Clarification of the Notion of Performance

3.6.3.1 The Public Finance Act, 1989 introduced the outputs/outcomes system as the basis for the accountability relationship between Ministers and Chief Executives. The Public Finance Act also provided for a performance agreement to be signed between the Chief Executive and the Minister concerned every year. The Act devolved financial management and control from the Treasury to the line departments. The Chief Executives were made responsible for financial management, financial performance, accounting requirements, and asset and cash management in their agencies. In other words, the tight regimen of input control that the Treasury exercised was dismantled and there was devolution of financial management to the line departments.

3.6.4 Human Resource Management

3.6.4.1 Responsibility for human resource management for the civil service rests with the Chief Executives who employ all the departmental staff. The only central management of human resources is by the State Services Commission. The Commission appoints all departmental Chief Executives and assesses their performance annually. In conjunction with Chief Executives, the Commission has responsibility for developing senior managers and thereby ensuring that a good pool of candidates exists for future chief executive positions.

3.6.5 Senior Executive Service

3.6.5.1 With the introduction of reforms, the departments and agencies started hiring senior staff from the open market on fixed contracts at market competitive salaries, with the result that, conforming to private sector norms, the loyalty of the newly recruited staff came to lie with the individual departments and agencies rather than with the public service as a whole. In order to combat the threat of departmental atomism and the potential erosion of public service ethos, the Senior Executive Service (SES) was created. It is a select, cross-departmental service appointed by the individual Chief Executives, but with the approval of the State Services Commission. The members of the SES are retained on fixed term contracts with centrally determined salaries for up to five years.

3.6.6 Ethics

3.6.6.1 A State Services Act has been enacted with renewed focus on ethics and re-establishing public service ethos. This was because New Zealand's reforms created a system in which the employees' sense of loyalty was to their employer department or agency, rather than to the public service. While this had advantages for departments in the sense that they had loyal, dedicated employees, it could be detrimental to the public service as a whole. The State Services Commission took the lead in raising awareness about ethics, and public service values and ethos. It re-issued and re-invigorated some of its publications such as the Code of Conduct for civil servants. Government has also set up a Standards and Ethics Board.

3.6.7 Capability, Accountability and Performance

3.6.7.1 The Government follows a novel approach for departmental accountability and performance assessment. The approach involves the minister setting the direction

for the departments and ensuring they retain the ability to deliver Government's programmes in the longer term. The approach consists of having performance contracts and strategic planning documents which are signed by both the Ministers and the Chief Executives. These documents describe the outputs to be supplied, and include a rationale for their production, linking them to the department's key priorities, or directly to the Government's key goals.

3.6.8 Gains of the Reforms

3.6.8.1 First and foremost, the reforms clarified accountability as a necessary first step. As a result of legal clarification of accountabilities, the civil servant in charge of the department becomes directly accountable to the departmental minister through the annual performance agreement that is defined in advance and used as a benchmark for measuring end-of-the-period performance. In return for such *ex ante* specification of responsibilities, the Chief Executive in charge of the department is given full autonomy for managing his/her department.

3.6.8.2 The key distinction between outputs and outcomes has improved efficiency and accountability in government departments. Outputs are specific services that the civil servants produce and deliver, and therefore, the civil servants are held accountable for the provision of the outputs, which become the basis for the evaluation of their performance. Outcome is the success in achieving social goals and the political executive decides what outputs should be included so that the desired outcomes or social goals can be achieved. Therefore, the political executive becomes accountable to the legislature and the electorate for the outcome. The political executive is judged on the basis of whether it has chosen the right outputs to achieve social goals.

3.6.8.3 The progress of reforms in New Zealand was reviewed independently by Prof. Allen Schick, an international consultant. His conclusions were, "In carrying out this study, it has become evident that the reforms have lived up to most of the lofty expectations held for them. The state sector is more efficient, productive and responsive, and there generally has been significant improvement in the quality of services provided to New Zealanders."²²

3.7 Japan

3.7.1 Background

3.7.1.1 A process of major administrative reforms was set in motion at the instance of Prime Minister Ikeda in November 1961. He established the Provisional Council on Administrative

²²Alex Matheson, "Governing Strategically: the New Zealand Experience", *Public Administration and Development*, Vol.18, 1998, p.351.

Reforms (FPARC) with the support of almost all political parties. The Council drew up an impressive list of recommendations but only some of them were finally implemented. The Second Provisional Administrative Reforms Commission (SPARC) was set up in March 1981. Acting on the Commission's recommendation, the government set up a Management and Coordination Agency in 1984. The Agency was given the responsibility to oversee a wide range of administrative and managerial reform. The most important contribution of the Commission was in creating a public awareness of the need for a small civil service and periodic reviews of the overall rationale of the civil service by an outside agency. The reform proposals of the SPARC were influenced by the idea that the burden borne by the people should be minimized by reducing the size of the government and optimizing the efficiency of administration.

3.7.2 Compact Civil Service

3.7.2.1 Japan is one of the few countries that has managed to avoid the natural tendency towards bureaucratic sprawl and has successfully kept the numbers of the civil service within manageable proportions. Japan has enforced manpower ceilings mandated by law and adjusted recruitment to such ceilings. Administrative reforms have also played a crucial role in limiting the size of the civil service. Japan boasts of one of the lowest-cost governments among the industrialized countries, viewed as a percentage of GNP and it has ensured that national resources are not unduly expended on the public sector but are, in fact, available for utilization in the potentially expandable segments of the private sector.

3.7.3 Meritocratic Recruitment

3.7.3.1 The Japanese civil service is truly an elite corp that attracts and retains the cream of the Japanese educational system, drawn from the most prestigious universities by a rigorous selection process. The competitive civil service examination is administered each year by the National Personnel Authority to recruit staff for three levels: higher, middle and lower civil services. In the past, almost all the entrants to the top civil service were graduates of the Tokyo university. In recent years, although some have come from a few other universities, the field is still very limited.

3.7.4 Career in the Agencies

3.7.4.1 Civil servants are chosen by individual ministries and work only within the agency to which they are recruited. In this respect, the Japanese civil servants are specialists in only

one area of the government. There is virtually no movement from one agency to another. A Japanese civil servant enters an agency in his/her early twenties and once in that agency, his/her entire governmental career is spent there. The civil servant is given a variety of positions throughout the agency to which he/she is recruited. Transfers are effected once in two years. The system of transfer is so designed as to ensure that a civil servant acquires a broad familiarity with the agency's overall functions by the time he/she ascends to its top echelons. Throughout the entire career of the civil servant, loyalty to the agency is inculcated.

3.7.5 A Clear Path to the Top

3.7.5.1 Promotion within the civil service takes place on the basis of a combination of seniority and a number of performance indicators that differ across agencies. Since the number of promotional vacancies in Japan is limited by law, competition for promotion tends to be intense. As Chalmers Johnson found, 'Who becomes a bureau chief, a director general or ultimately the administrative vice-minister is a source of intense competition among the classes in a ministry.'²³ Successful civil servants can expect to achieve the position of a Section Chief after approximately 15 years of service, Assistant Bureau Chief after 22-25 years, and Bureau Chief after 25-28 years. The position of Administrative Vice-Minister is achieved after 28-30 years. The system of promotion for civil servants is designed to enhance and reward individual efforts congruent with agency or national goals. Promotions are regular, but the internal merit system ensures that the best jobs go to those who have proved themselves. The career path is well-defined and competitive and those who finally make it to the top, are amply rewarded.

3.7.6 Incentive-based Compensation

3.7.6.1 Civil servants in Japan are paid salaries that are slightly below those in the private sector. The National Personnel Authority annually surveys thousands of companies to ascertain the salary levels in the private sector. In 1990, a new entrant to the civil service received 168,000 yens per month while the private sector equivalent was only 10 per cent higher. The salaries paid to the civil servants are however not considered commensurate with their worth. Japanese civil servants have to wait for deferred gratification till their retirement. Civil servants retire in their early to mid-fifties. On retirement, reward for a successful civil servant is substantial post-retirement placement with handsome remuneration and perks. The system is called *amakudari* which literally means 'descent from Heaven' and involves a lucrative post-retirement job in a private corporation. This is the deferred gratification for a civil servant for his/her years of faithful and useful service in the government.

²³Chalmers Johnson, *MITI and the Japanese Miracle*, Stanford University Press.

3.7.7 Deliberation Councils

3.7.7.1 The Deliberation Councils in Japan, established by government, provide the fora where civil servants and representatives of the private sector - business, labour, consumers, academia and the press - meet to discuss policy, analyze market trends and exchange views and information. The Councils adopt a consensual mode of discussion. When the Council agrees on a proposal, the Diet approves the proposal almost automatically. The Deliberation Councils in Japan have played a very useful role. They have helped civil servants to gather information about the world markets, technology trends, and the impact of regulations domestically and abroad, to synthesize the information into an action plan, and to communicate the plan back to the private sector.

3.7.8 Policy Evaluation System

3.7.8.1 A recent major initiative has been the introduction of a policy evaluation system. Each ministry conducts an evaluation of policies that are newly implemented as well as of those policies and systems that have already been set up. Policy evaluation criteria are necessity, efficiency, effectiveness, equity, and priority, and the use of these criteria is expected to throw up alternatives to existing policies and practices. Some critical questions are asked. Is the policy results-effective? Is there an alternative, better policy? Project evaluation, performance management and programme evaluation techniques are used for the purpose.

3.7.9 Agencification

3.7.9.1 Another recent adaptation has been the semi-autonomous executive agency idea. The provocation was the finding of a survey that less than 20% of the population rated the government as fair and reflecting the wishes of the people. There was also a massive budgetary deficit with the public debt at 45% of GDP. The government was keen to separate policy-making from implementation, and so, the LDP made 'agencification' an election issue in 1996 to cut costs and make the process of governance more responsive and accountable to the people. Agencification started in 2001. The Japanese agencies are called Independent Administration Institutions (IAIs) and are constituted under an empowering law.

3.7.9.2 The formation of agencies is subject to the following criteria

- An agency can be formed if the central government did not have to perform the activity

- If privatized, the private sector was not in a position to ensure that public goals would be achieved
- The national economy depended on the implementation of the activity.

Agencies formed were involved in R&D, culture and training, financing, operations, construction and management of assets. By 2004, a large number of agencies had been set up, with 40% of the civil servants working in these agencies.

3.7.9.3 For each agency, the minister concerned sets a 3-5 year goal. The plan consists of the budget and the targeted improvements in efficiency and quality of services provided. The agency submits the plan for approval within the ambit of the ministerial directive. Within the terms of the plan, IAs have full discretion to manage resources. In exchange for discretion in operations, they are accountable for results. An evaluation committee in each parent ministry monitors performance every year. The Commission on Evaluation of Policies and Evaluation of IAs in the Ministry of Public Management examines the evaluation results by the evaluation committees.

3.7.9.4 Each agency gets an operating grant to pay for any expected deficit, and a subsidy for its capital expenditure. There are no restrictions on how to spend the operating grant so long as the expenditure is for meeting objectives. Unspent balances can be carried forward, and operating surpluses can be retained. The CEO is appointed by the concerned minister and is directly accountable to the minister. The agencies have no governance boards. The CEO appoints senior executives on contract with performance-linked pay. While the civil servant employees of the agencies have life-time employment, the other employees are dealt with as in the private sector. Research on 57 agencies in 2003 revealed that operating autonomy of these bodies had increased, the employees had become more quality conscious, cost-reduction and customer-oriented, and effectiveness had improved.²⁴

3.7.10 Gains of the Reforms

3.7.10.1 On the whole, Japan has followed an interesting strategy for enhancing governance capacity. It has sought to function as Japan Inc., with contributions to governance through its deliberation councils and extensive dialogue on policy issues with stakeholders such as industry, labour, consumers, academia and representatives of the civil society. It has kept at bay political and bureaucratic interference by getting a virtually autonomous agency to make all the recruitment and promotion decisions in the civil service. It has resorted extensively to the executive agency concept to de-link policy formulation from implementation by professional managers. It has kept reasonable parity between government and private sector remuneration so as to continue to attract and retain talent in the civil service.

²⁴Kiyoshi Yamamoto, "Performance of semi-autonomous public bodies: Linkage between autonomy and performance in Japanese agencies." Public Administration and Development, Vol. 26, pp.35-44, 2006

3.8 Lessons Learnt from International Experience

Experience with civil service reforms in these countries has varied considerably, but several key aspects emerge:

3.8.1 Clarity of Purpose and Task

3.8.1.1 A key structural reform in these countries has been the separation of policy and operational responsibilities. The logic for such separation has been two-fold: (a) the separation of policy advice from operational functions would allow those responsible for operational activities to focus on their prime objective i.e. running their operations as efficiently as possible given the policy parameters established by the government, and (b) separation of policy-making from implementation as a mechanism would ensure that contestable policy options are generated and government does not get captured by provider interests which influence its policy proposals.

3.8.1.2 Across the full spectrum of governments that the Commission studied, ministerial departments responsible for policy advice, including the monitoring and evaluation of policy implementation, have been separated from departments, agencies and other entities responsible for delivery of public services, enforcement of regulations and so on. However, in the process of such separation, the basic principles of ministerial responsibility have not been compromised. Ministers in these countries continue to be responsible for the policies they adopt and their implementation. Nonetheless, the responsibilities of the heads of both types of departments, policy and operational, have been clarified in respect of their obligations to the ministers. The experience of these countries demonstrates that it is possible, and also beneficial, to effect the broadest possible though not complete separation of policy and operational responsibilities. There have been variations across different policy sectors in the extent to which the separation can be effected, but it is clear that such a separation has enhanced the quality of policy advice and contributed to greater productivity in operational activities.²⁵

3.8.2 Agencification

3.8.2.1 A key step that these countries have taken in revamping their public administration is setting up of agencies. Agencies have been established to carry out the operational responsibilities of the government within a policy and resources framework set by the government. Total management and financial responsibility has been delegated to the heads of these agencies so that they are able to design structures and processes that match the needs of their organizations and deliver results as agreed upon. The agency model has led to clarity and focus on specified tasks, a culture of service delivery, greater accountability

and openness, contextually appropriate structures and systems compared to the earlier standardized, monolithic systems, innovative thinking and action, development of a brand for the services offered, better risk management and greater tendency to expose problems rather than keeping them hidden.²⁶

3.8.3 Delegation and Devolution of Authority

3.8.3.1 Reforms have brought about a significant reduction in central control and delegation of authority, and in the process, a commendable measure of devolution in the management of government operations, including the management of human resources. Given the restructuring to effect a separation of policy and implementation, the central ministries have divested themselves of most of the control functions they exercised prior to the reforms. Within a framework of legislated requirements and broad policies, the heads of the agencies are now fully responsible for the agency's financial management and performance as well as for the management, information and accounting systems required to achieve the best possible results. With powers directly assigned to the agency heads by legislation, they enjoy total autonomy in recruiting staff and designing personnel systems that suit the particular needs and circumstances of their agencies. Common services are no longer under the control of central ministries, and the departments and agencies are free to obtain services from whatever sources they deem most appropriate and cost-effective. The fact to be noted, however, is that the significant devolution of authority has been effected within a framework that involves clear specification of desired results and effective monitoring of performance.

3.8.4 Accountability

3.8.4.1 Reforms have enhanced accountability by linking (a) the outputs/outcomes framework (b) the separation of policy and operational responsibilities and (c) the delegation and devolution of authority, to mechanisms for securing accountability. The outputs/outcomes framework focuses on the outputs the agencies produce and their contribution to the outcomes set by the government. It tracks results and progress towards targets. The output component of the framework also facilitates tracking and benchmarking of process and hence, is an important input to improved accountability.

3.8.4.2 In most of these countries whose experience the Commission studied, the parliamentary appropriation process provides detailed public information on the outcomes sought by the ministers and the outputs they seek to finance in pursuit of these outcomes. Ministerial accountability is strengthened by the extent to which the legislatures and the members of the public are better informed in this regard.

²⁶Alexander and others, Better Government Services: Executive Agencies in the 21st Century, Report Commissioned by the British Government, 2002

3.8.4.3 Within the government, the accountability of the civil servants has been strengthened by resorting to explicit contracts governing the relationship between ministers and the departmental heads. The contracts cover both the performance expected of the departmental heads and the policy and/or operational outputs. Greater clarity in responsibilities, and thus accountabilities, has been the result. The heads of the agencies have been given the authority necessary to deliver the results expected of them because these results are clearly specified in advance. Such an accountability regime has given the agency heads sufficient incentive to develop well-functioning organizations, precisely because the performance of the head of the agency is ultimately tied to the performance of his/her subordinates and the effectiveness of departmental management systems and operational procedures.

3.8.5 The Civil Service: Continuity and Change

3.8.5.1 *Changes in Personnel Management Systems*

As a result of the reforms, the civil services in these countries, while continuing to have many of the distinguishing features of a conventional civil service, are discernibly different from the civil services of the nineteenth and twentieth centuries. These former features include the meritocratic nature of the civil service as well as its apolitical character within a structure of responsible government and ministerial control of administration. These continuities with the past, however, may be contrasted with the differences. Conventional civil services whose practices derived from Whitehall in the mid-nineteenth century developed on the basis of a career civil service with life-time employment till retirement age subject to satisfactory conduct. The framework of a career service essentially remains in spite of the reforms, but life-time employment has been replaced by contracts and exit, based on non-performance. With the introduction of an agency-based management structure, there is the emergence of a new civil service whose unity is expressed in terms of statutorily prescribed 'values' and 'codes of conduct' and where uniformity of employment, pay and conditions of service has been dispensed with. Management powers are now vested in the department or agency, and not in an overarching central administrative authority such as the Personnel Ministry with comprehensive powers over recruitment, establishments, pay and conditions of employment, or discipline including dismissal. Public service commissioners, where they have been continued after the reforms, have largely professional rather than employment or management roles, and are active in training and staff development activities, and articulation and promotion of ethical standards.²⁷

3.8.5.2 *Senior Civil Service*

Clearly defined senior executive cadres are a visible component of the reforms in most of these countries. Historically, the conventional civil services had a common personnel

structure from initial recruitment to the top levels. Even at the highest levels of the civil service, the distinctions were limited to methods of appointment (generally by the government) and certain entitlements (for example, class of travel). The conventional civil service system has given way, to the creation of a separately defined senior executive cadre, still mainly drawn from the ranks of the government but with individually negotiated terms of employment.

3.8.5.3 Recruitment and Career Progression

One of the core principles of the reforms in these countries is that recruitment to the civil service and career advancement should be on the basis of merit. Merit in the framework of reforms has meant:

- Open advertisement for all positions to ensure that all eligible applicants in society apply for the position
- The selection process at each stage is fair, objective and transparent and is seen to be applied fairly to all the applicants
- There is no patronage or favouritism or ministerial involvement in the selection process and in individual staffing decisions
- Ensuring that those appointed have the necessary skills and competencies for the position.

It is important to note that merit is the guiding consideration not merely at the initial recruitment stage but also at other stages of career progression. A number of candidates from the open market have been inducted to civil service positions in these countries.

3.8.5.4 Incentives

3.8.5.4.1 As a result of the reforms, these countries with the exception of Singapore and Japan, have, for all practical purposes, abandoned the idea of a unified pay structure for the civil service. There is no single approach to remuneration and rewards in the civil services of these countries. The agencies and departments have been encouraged to develop approaches to suit their culture and requirements within a government policy framework that establishes the boundaries of action. While fixing remuneration, the departments and agencies generally include those elements of their performance management system in the employment agreement with the employees that set out how assessment of individual employee performance is linked to improvements in pay and other incentives. The two most common approaches to performance-based remuneration have been:

Performance-linked advancement: A base salary increase for satisfactory or higher performance, in terms of either incremental progression through pay points or through a percentage increase

Performance-linked bonus: A one-off bonus payment in recognition of higher than satisfactory performance.

3.8.5.4.2 Most remuneration schemes link salary, rewards or bonuses, skill development and the work environment. Non-monetary rewards are given to individual employees in recognition of high achievements, such as formal awards, certificates or plaques, gift certificates, development opportunities or conference attendance. The system of team-based reward systems has also been adopted in most cases. The departments and agencies are required to report to the legislature annually on the level of performance payment to employees.

3.8.5.5 *Domain Knowledge, Skills and Competency*

Reforms in these countries have recognised that in order to sustain high levels of productivity and to be compatible with the changing structure of government and the changing policy environment, the civil service will increasingly require skilled recruits and structured learning and development strategies for all employees. It is also recognised that the skills needed for coordinated policy work and flexible policy implementation are different from those required of civil servants when they were the sole suppliers of advice to governments and administered service monopolies.²⁸ In the changed circumstances the civil service requires strong technical skills, especially in contract management, financial and risk management, information technology and communications in view of the community demands and expectations of improved access to governmental services through user-friendly e-government and e-business.

3.8.5.6 *Results-Oriented Civil Service*

The implementation of reforms in these countries has seen the emergence of a civil service which is results-oriented. The movement to an output/outcome framework with the new department/agency-based management structure has led to key priorities being identified and forming a part of the performance agreements of the agency heads. These priorities which are output-based, are supposed to be SMART - Specific, Measurable, Achievable, Results-Focused and Time-bound. This is a variant of the traditional objective setting in that the terms Relevant or Realistic have been replaced by Results-Focused. As a commentator puts it, *“The framework has helped departments understand that, just as in the private sector, survival is dependent upon meeting the needs of the customer. Because their customer is interested in outcomes, the departments, given sufficient competitive pressure, will strive to design and provide better public services to achieve those outcomes.”*²⁹ In addition, the legislated values for the civil service require

²⁸www.apsc.gov.au/about/expssreform.pdf

²⁹M Bale and T Dale (1998), “Public Sector Reforms in New Zealand and Its Relevance to Developing Countries” *The World Bank Research Observer*, Vol 13, No 1

that the focus is on achieving results and managing performance so that capability and effective performance is mainstreamed in civil service management.

3.8.5.7 Performance Management

The reform agenda in these countries – focusing as they did on managing for results and devolution - has led to better performance management. As a result, performance management systems have been put in place, strengthening accountability for inputs, processes, outputs and outcomes.³⁰ Performance management systems have been designed for each decision-maker, section, agency, department, ministry and indeed, the whole government. For each public service, the major components of performance management systems have been the service's aims and mission, strategic objectives, breaking down of the objectives for the components of the organization, the agreed upon targets of individual managers and key result areas, periodic reporting of performance against targets and standards and remedial action. At every level, the specific needs of the customers of the service as well as critical success factors and closing of any capability or other gaps have been kept in mind. In the scheme of reforms, the performance management systems in government are aimed at creating a performance culture, increasing accountability of staff and organizations for using resources efficiently and meeting objectives, empowering citizens to generate pressure for change and transformation through the publication of the performance review results, providing guidance for capacity building and contributing to the overall developmental agenda.

3.8.5.8 Civil Service Values

The reforms have established a set of principles to guide civil service behaviour in the form of values and a legally enforceable code of conduct. Civil servants are required to behave at all times in a way that upholds the legislated values. The heads of the departments and agencies are required not only to uphold the values themselves but also to promote the values in their organizations to all their employees. They are also required to apply relevant values to outsourced service providers and partners, particularly those providing services to the public. The values are not just inspirational statements, but have been embedded into the systems and procedures of the departments and agencies through fraud control and risk management procedures, appropriate governance systems, performance management and training. As a result of the reforms, the conventional civil services driven by hierarchical command and control have been transformed into unified civil services defined by values.

3.8.5.9 Civil Service Legislation

Most of these countries have enacted comprehensive civil service legislations which describe and establish the core principles, values and characteristics which create the distinctive culture

³⁰Commonwealth Secretariat (2002) Public Administration Reforms 2003

and ethos of a reformed civil service. The legislations provide a clear, unified framework within which the civil service can carry out its distinctive roles and responsibilities. In particular, the legislations have provided for (a) a legal basis for the legislature to express the important values, ethos and culture it wants in the civil service, and (b) an unambiguous statement to those within the civil service, and to the people, of what is expected of the civil servants.

3.8.5.10 Flatter Structures

The organisation of government in the past has been characterised by hierarchical and pyramidal structures with a large number of levels - these in fact were the salient features of the Weberian bureaucracy. Such structures generally go with rule bound procedures and red tapism. With increasing complexities of governance and rising aspirations of people such structures have been found to be too rigid to respond quickly. Therefore one of the major elements of reforms in several countries has been the reorganisation of government into 'flatter structures' which have fewer number of levels and in which people work in teams rather than in rigid hierarchies and the emphasis is on decentralisation, empowerment and accountability of cutting edge functionaries.

3.8.5.11 Involving Citizens

An explicit agenda of the reforms in most of these countries has been to systematically involve the citizens and stakeholders in the planning processes of policy development and policy implementation.³¹ This is in recognition of the differing values and perspectives of the members of the community and the increasing expectations of the members of the public and stakeholders to influence the services they receive and the policies that affect them. The reforms have made it possible for the civil servants to use a range of techniques including deliberation councils, focus groups, consultative committees, client surveys and standards-cum-citizen charters to involve citizens and stakeholders. Such involvement has resulted in better policy and service delivery and better information about community perspectives. Good policy-making is now seen as listening to community views, understanding the fears and sensitivities of those affected, providing feedback and explaining government policy. The reforms have demonstrated that the effectiveness of a programme or policy initiative is greatly influenced by the quality of the communication strategy.³²

3.9 The Commission has taken note of the reform measures undertaken in various countries and their impact on governance. While drawing inspiration from these reforms the Commission in formulating its recommendations, has been primarily guided by our country's needs and compulsions and our distinct administrative set up and complex democratic polity.

NEED FOR REFORMS

4.1 Good Governance and Development

4.1.1 A World Bank study of six measures of perceived quality of governance affecting per capita GDP of more than 150 countries concluded that *“results show a strong positive causal relationship from improved governance to better development outcomes”*.³³ While there has been considerable discussion on the causality, it is widely agreed that good governance is the sine qua non, both for sustainable development and improved quality of life.

4.2 Civil Services in India

4.2.1 In a Parliamentary system it is the political executive (responsible to the legislature) who determines policies and programmes of Government. The implementation and administration of these policies and programmes is the responsibility of the large body of civil servants who, by virtue of their training and professional experience, are well-versed in the actual functioning of Government.

4.2.2 An important characteristic of the civil service system in India is classification based on the concept of the ‘Service’. Under this concept, civil service posts are grouped into distinct homogenous cadres under a common Service named on the basis of specific functions attached to the posts in question.

4.2.3 The various Civil Services at the Union and State levels can be classified in several different ways. Firstly, the Civil Services can be categorized into three broad groups – Central Civil Services, All India Services and the State Civil Services. The Central Services function under the Union Government and are generally engaged in administering subjects which are assigned to the Union under the Constitution, whereas the All India Services are common to the Union and the States and the State Services function only under the State Governments. Secondly, the Union and State Services can be classified into Group A, B and C categories based on their role and responsibilities. Thirdly, these services can also be classified into technical and non-technical services.

4.2.4 The Central Civil Services administer subjects like Posts & Telegraphs, Railways, Customs and Central Excise, Income Tax, Telecommunication etc. A list of the organized Group 'A' Central Services is at Table 4.1. There are three All-India Services which are all Group 'A' Services, namely, the Indian Administrative Service, Indian Police Service and Indian Forest Service. These are common to the Union and the States. The Constitution, in Article. 312, originally mentioned only two Services as belonging to the category of All-India Services, namely, the Indian Administrative Service and the Indian Police Service. Subsequently, the Indian Forest Service was also constituted as an All India Service. The Constitution (Forty-second Amendment) Act, 1976 made provisions for constituting an all India Judicial Service, which has not yet been formed.

4.2.5 Similarly, there are various State Services which perform different functions in the State Governments. The State Civil Services administer those subjects which have been allocated to the States as per the distribution laid down in the Constitution. They implement State laws and also some Central laws. Their members are under the exclusive administrative control of the respective State Governments, and their duties are confined to the territories of the State, unless when working on deputation.

4.2.6 Central Services and State Services can be sub-divided into Group A, B and C according to the rank and responsibilities of its officials. This classification is hierarchal with the Group A Services generally carrying higher ranks and responsibilities. Though each of these groups has a different channel for recruitment, there is provision for promotion from Group C to Group B and from Group B to Group A.

4.2.7 Central Services can be further categorised as (I) Non-Technical Services, (II) Technical Services (which include engineering services), (III) Health Services and (IV) Other Services (which includes some engineering and scientific services) and (V) Central Secretariat Services.³⁴ The non-technical services are meant to administer non-technical areas of administration at the Centre like audit, income-tax and posts. Technical services perform similar functions on the technical side of the Union Government in departments like Civil Engineering, Telegraph Engineering, Mechanical Engineering, etc.

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India

S. No	Name of Service	Parent Organisation/Ministry
1.	Indian Audit & Accounts Service	Office of the Comptroller & Auditor General of India
2.	Indian Trade Service	Ministry of Commerce and Industry
3.	Indian P&T Accounts and Finance Service	Ministry of Communications and Information Technology

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India (Contd.)

S. No	Name of Service	Parent Organisation/Ministry
4.	Indian Postal Service	-do-
5.	Indian Defence Accounts Service	Ministry of Defence
6.	Indian Defence Estates Service	-do-
7.	Indian Foreign Service	Ministry of External Affairs
8.	Indian Civil Accounts Service	Ministry of Finance
9.	Indian Customs & Central Excise Service	-do-
10.	Indian Revenue Service	-do-
11.	Indian Information Service	Ministry of Information & Broadcasting
12.	Indian Railway Accounts Service	Ministry of Railways
13.	Indian Railway Personnel Service	-do-
14.	Indian Railway Traffic Service	-do-
15.	Railway Protection Force	-do-
16.	Indian Company Law Service	Ministry of Corporate Affairs
17.	Defence Aeronautical Quality Assurance Service	Ministry of Defence
18.	Defence Quality Assurance Service	-do-
19.	Defence Research and Development Service	-do-
20.	Indian Cost Accounts Service	Ministry of Finance
21.	Indian Economics Service	-do-
22.	Boarder Security Force	Ministry of Home Affairs
23.	Central Industrial Security Force	-do-
24.	Central Reserve Police Force	-do-
25.	Indo Tibetan Boarder Police	-do-
26.	Indian Broadcasting (Programme) Service	Ministry of Information & Broadcasting
27.	Central Labour Service	Ministry of Labour
28.	Indian Legal Service	Ministry of Law & Justice
29.	Geological Stream (Various streams)	Ministry of Mines (Geological Survey of India)
30.	Indian Meteorological Service	Ministry of Science & Technology
31.	Survey of India Group 'A' Service	-do-
32.	Indian Statistical Service	Ministry of Statistics & Programme Implementiaton

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India (Contd.)

S. No	Name of Service	Parent Organisation/Ministry
33.	Indian Ordnance Factories Health Service (CDMO Cadre)	Ministry of Defence
34.	Central Health Service	Ministry of Health & Family Welfare
35.	Border Security Force Health Service	Ministry of Home Affairs
36.	Central Reserve Police Health Service	-do-
37.	ITBP Health Service	-do-
38.	Indian Railway Medical Service	Ministry of Railways
39.	Indian Inspection Service	Ministry of Commerce & Industry (Supply Division)
40.	Indian Supply Service	-do-
41.	Indian Telecommunication Service	Ministry of Communications and Information Technology
42.	P&T Building Works Service (Architectural, Electrical & Civil Wing)	-do-
43.	Border Roads Engg. Service (E&M Cadre)	Ministry of Defence
44.	Indian Naval Armament Service	-do-
45.	Indian Ordnance Factories Service	-do-
46.	Indian Defence Service of Engineers	-do-
47.	Central Power Engineering Service	Ministry of Power
48.	Indian Broadcasting Service (Engg.)	Ministry of Information & Broadcasting
49.	Indian Railway Service of Elec. Engg.	Ministry of Railways
50.	Indian Railway Service of Engineers	-do-
51.	Indian Railway Service of Mechanical Engineers	-do-
52.	Indian Railway Service of Signal & Telecommunication Engineers	-do-
53.	Indian Railway Stores Service	-do-
54.	Central Engg. Service (Roads)	Ministry of Road Transport & Highways
55.	Central Architects Service (CPWD)	Ministry of Urban Development & Poverty Alleviation
56.	Central Elect. & Mech. Engineering Service (CPWD)	-do-
57.	Central Engg. Service (CPWD)	-do-

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India (Contd.)

S. No	Name of Service	Parent Organisation/Ministry
58.	Central Water Engineering Service	Ministry of Water Resources

Source: Department of Personnel and Training

4.2.8 In order to facilitate a structured analysis and make a rational set of recommendations, the different Services under the Union Government (including the All India Services) could be classified into categories as given in Table 4.2. This Table does not seek to present a complete slotting of all the different services, but only seeks to present their indicative slotting into three broad categories. Similarly, the different services at the State level would fall into a broad classification of this nature.

Table 4.2 Classification of Services (illustrative)

		General Management Services	Specialized Services	Technical Services
Group A	All India Services	IAS	IPS	IFoS
	Central Services		IFS, IRS, IIS, IRTS, IRAS, IA&AS, etc	Railway Engg Services, CPWD, CGHS
Group B	Central Services	CSS, RBSS, DANICS	CSCS	CSCS
Group C	Exist in all functional and general management areas			
Group D				

4.2.9 General Management Services are those that require its members to serve in a wide spectrum of sectors and also discharge a general management function in field postings. District Collectors, Post Master General, Divisional Railway Managers, etc. tend to carry out such functions. Besides, they do not need any specialized knowledge of a sector but have a primary role in coordinating the work of others in an overall general management function. Specialized services are those whose members discharge a specialized function but do not need long years of technical education to acquire the basic capabilities. Members can be drawn from a variety of backgrounds and equipped to perform these functions through post-recruitment training. The recruitment process does not test any technical prowess or knowledge. Technical services are those whose members perform a technical function requiring skills and knowledge that can only be obtained through a technical or specialized educational programme. Those without such a technical qualification will not be eligible for such services. The recruitment process necessarily tests the technical knowledge of the candidate.

4.2.10 In some of the Services there may be specific posts that would appropriately classify into a category different from that to which the Service itself has been classified. This could happen largely due to some special features of the functions. For example, a Divisional Railway Manager or a General Manager in the Indian Railways could be classified into the general management category though the incumbent may belong to one of the specialized services or technical services.

4.2.11 All the civil services listed in Table 4.1 have certain common characteristics as stated earlier. Members of these Services are recruited by a Constitutional body – the Union Public Service Commission. This system of having organized services has ensured merit-based recruitment, development of a professional cadre of civil servants in different functional areas, inculcation of certain public service values and esprit-de-corps which has helped in nation building. At the same time, having career-based civil services coupled with excessive job security has led to a sense of complacency and lack of accountability amongst civil servants. Looking into the advantages of having organized civil services, the Commission is of the view that all these Services have played a meaningful role and their continuance would be in public interest. However, some aspects of these Services would have to be reformed. The Commission has dealt with these aspects in the chapters that follow.

4.3 Need for Reforms

4.3.1 The Prime Minister Dr. Manmohan Singh, recently summed up the achievements of the Civil Services in India in the following words:

“If we look back at the history of modern administration in India, we can take justifiable pride in what has been achieved. The civil service has contributed positively to the functioning of our vibrant democracy, our plural society and polity and our growing economy. In our quest to build a modern nation, absorbing the best from the outside world, epitomizing Gandhiji’s vision of an inclusive society, the civil services have played an admirable role.”³⁵

An assessment report of the World Bank says, *“The civil service in India, the legendary ‘steel frame’ of the British Raj is today battling against onslaughts to its relevance. The strengths of the civil service in India lies in its extraordinary pool of skills and talents, its field experience, its extensive networking, its appreciation and overview of the functioning of the government at the cutting edge, its understanding of delivery systems for development, awareness of the formal and informal socio-economic networks in the field, its ‘can deliver’ attitude, its role in national integration, its ready adaptability to new and unfamiliar situation and tasks, and its social orientation, bolstered by intense competition among the officers.”³⁶* It is widely

³⁵PM’s address at the 3rd Civil Services Day, April 21, 2008, New Delhi

³⁶Ed Campos and Sanjay Pradhan, Building Institutions for a More Effective Public Sector, Background Paper for the World Development Report 1997.

recognised that the civil services have contributed to stability in terms of maintenance of peace, the conduct of fair elections, managing disasters and the preservation of the unity of the nation. There is no denying the fact that the civil service has played an important role in preserving unity, providing stability and maintaining order in a vast country prone to various conflicts – ethnic, communal, regional etc.

4.3.2 Nonetheless there are concerns about the performance of the civil service in the context of realising a results-oriented government. It has been pointed out that the Civil Service in India is more concerned with the internal processes than with results. The systemic rigidities, needless complexities and over-centralization in the policy and management structures within which the civil service functions are too complex and often too constraining. The structures are based on hierarchies and there are a large number of veto points to be negotiated for a decision to eventually emerge. To compound it, the size and the number of ministries and departments have both overloaded the decision-making system and diminished the capacities of the individual civil servants to fulfil their operational responsibilities.

4.3.3 Civil servants in India are accountable to the Ministers in charge of the department, but in practice, the accountability is vague and of a generalised nature. Since there is no system of ex ante specification of accountability, the relationship between the minister and the civil servants is essentially issue-sensitive and civil servants deal with the ministers as the issues present themselves. The role of the senior civil servants is to advise the ministers about the long-term social pay off of any proposed policies so that these are not determined by short-term political priorities. The accountability relationship can be anything from all-pervasive to minimalistic and it is left to the incumbent minister to interpret it in a manner that is most convenient to him/her. This leads to either collusive relationship or to discord, both of which can adversely affect the Administration.

4.3.4 Rapid and fundamental changes are taking place in the country in terms of rapid economic growth, urbanization, environmental degradation, technological change and increased local awareness and identity. The response time to adapt to these changes is much shorter than it used to be. As instruments of public service, civil servants have to be ready to manage such change. On the other hand, the perception is that they resist change as they are wedded to their privileges and prospects and thereby have become ends in themselves. In the political field, the 73rd and 74th Amendments to the Constitution have brought about a major change. Rural and urban local governments have to be enabled to become institutions of self government. To bring this about, the existing system of administration at the district level has to undergo fundamental changes. Though sixteen years have passed, the progress remains very slow (vide Commission's Sixth Report) and local governments are 'local' only in 'form' but are 'central and state in content'.

4.3.5 Far-reaching changes in the global economy, increased global interdependence and a sea change in the way governments function have made it all the more necessary to build a competent, well-functioning civil service. The telecommunications and computer revolution offer immense opportunities to bring about efficient delivery of services. Here also there is resistance to simplification of procedures which is a pre-requisite for introduction of e-governance. In short, if the civil services are to be relevant and competent to meet the current and emerging needs, nothing short of a mutation will be adequate.

4.3.6 With the passage of time, the role of civil society organisations, in governance, has increased with demands for better governance. The same can be said of the private sector, which is increasingly providing services in several areas, which hitherto were the exclusive preserve of the public sector. Consequently, civil servants should view civil society organisations and the private sector as partners in the process of the country's governance. There is need to shift from pre-eminence of governance to effective governance with a focus on decentralization and citizen-centricity.

4.3.7 The latest developments in the area of public administration such as the New Public Management in UK and reinventing-the-state emphasize the importance of measuring result and highlight the outputs and outcomes rather than inputs and processes. They focus on the benefits derived from the use of government funds and seek to establish a framework in which it can be ascertained what quantifiable outcomes have been achieved. Under the circumstances, data-driven performance assessment against ex ante specification of performance, needs to be the main basis for the performance assessment of civil servants.

4.3.8 Based on the need to reform the civil services as highlighted in the foregoing paragraphs, the Commission has examined different aspects of civil services in India. Following the core principles of reforms as enunciated in Chapter 1, the Commission has analysed the recruitment process, the training regime, placement mechanisms, performance management systems, issues regarding accountability etc and made concrete recommendations in the following chapters.

4.4 Consultations with the Representatives of Civil Services Associations

4.4.1 The Commission invited and had detailed discussions with most of the Associations of the organised Central Group A services and the AIS. The issues raised by most of them were as follows:

- i. Most of the Central (Group A) Services Associations felt that there should be no disparity in the pay scales and promotional opportunities between the Central

Services and the All India Services. They also sought greater opportunities under the central staffing scheme.

- ii. Central (Group A) Services Associations were generally of the view that a fair opportunity should be provided to members of all Central Services for being considered for appointments at senior positions in the Union Government.
- iii. Some of the Associations of the Accounts and Finance services supported the concept of an integrated Accounts and Finance service.
- iv. As regards recruitment, some Associations pointed out that greater weightage needs to be given to compulsory subjects (as compared to optional subjects) in the written examination for civil services.
- v. While some Associations (P&T Accounts and Finance service) agreed with the idea that professional/technical qualifications could be introduced for being members of the service, others (India Audit and Accounts Service) did not agree and envisaged their role as managers with the responsibility of providing leadership to technically qualified personnel at lower levels.
- vi. All Associations supported the idea of fixation of tenure to check arbitrary transfers.
- vii. Most Associations did not support the idea of lateral entry at senior levels from the private sector. However, some Associations felt that Government officials should be permitted to join private sector organizations for specified periods i.e. 3 years
- viii. Many Associations supported the spirit of a 360 degrees' evaluation for performance appraisal of officers. It was also stated that 'key result areas' approach needs to be mainstreamed in performance appraisal.
- ix. The Indian Administrative and Civil Service (Central) Association sought stability of tenure, emphasised on merit driven placement policies, advocated increased focus on outcomes with variable emoluments based on key results agreements, recommended continuous 360 Degree performance evaluation systems and expressed the view that the role and inter-relationship between the political executive and civil servants needs to be defined and codified.

- x. Some Service Associations emphasised the need to arrest the trend of large numbers of civil servants leaving government to join the private sector. Suggestions to check this included (i) Improved pay structures/service conditions, (ii) Liberal policy to facilitate depositions outside government.
- xi. Most Service Associations were of the view that in-service training is a neglected area. Successful completion of prescribed training programmes should be given special weightage in promotion. There should be special incentives for trainers.

4.5 Consultations with Stakeholders

The Commission held extensive consultations with various stakeholders including eminent persons, serving civil servants of different levels of seniority, State governments, retired civil servants and industry associations like FICCI . The Commission also organised two national workshops, one with participation from the Central Services and another with participation from the All India Services. At the two workshops which were organised in association with the Indian Institute of Public Administration and the Management Development Institute, Gurgaon, the working groups came out with a set of recommendations which are summarised at Annexures I(4) and I(7).

4.5.1 Consultation with Retired Civil Servants in Delhi and during Visits to the States

The views expressed are summarised below:

- a. *Recruitment:*
 - The upper age limit for recruitment into the civil service should be reduced to 25 years.
- b. *Lateral entry:*
 - Lateral entry should be allowed after 25 years of service. There should be open competition for the same. Lateral entry should however be for selected posts.
- c. *Postings, Promotions and Empanelment:*
 - Any promotion above supertime scale should be done by a committee which should consist of insiders as well as outside experts.
 - The present system of evaluation should be replaced by a system of objective evaluation at various levels.

d. Training and Domain Knowledge:

- Training should emphasise innovation, service delivery improving effectiveness of administration and change in mindset.
- Training has to be used extensively for imparting domain expertise. Such trainings and consequent domain expertise needs to be utilized by the Government. It is often seen that on return from training, the officer is not posted in his/her area of specialization.
- Domain expertise should be developed after 10 years of service.
- Governance, without improving capabilities of the lower functionaries who are at the cutting edge level, cannot be improved. The mind-set of these functionaries has to be changed and made service-oriented and citizen centric.
- Specialised training programmes could be outsourced.

e. Tenure:

- There should be a minimum tenure of 2 to 3 years in each post, especially in respect of field postings.
- Tenure of officers holding some key positions (e.g. Chief Secretary/ DGP/the DC/SP) has emerged as a major cause of concern. Political and administrative will is necessary to check the menace of frequent and unwarranted transfers.

f. Performance Appraisal:

- Performance measurement should be based on outcomes rather than only on outputs.
- Citizens' feedback should be used for appraising performance of government servants particularly at the cutting edge.

g. Exit Policy:

- The process of weeding out, inefficient and non-performing officials is a must at some stages (as is done in the defence services). This could be done early in service.
- There are rules for exit after the age of 50, but they are seldom put to use. For every service cadre, a system of annual scrutiny of performance should be there.

- Voluntary retirement may be allowed after 10 years of service instead of 20 years. This may be accompanied by lateral entry.
- b. Empanelment:*
- The process of empanelment at Joint Secretary, Additional Secretary and Secretary level has to be made transparent and objective.
- i. Performance:*
- Generally while wrong action is punished, inaction is usually condoned. There is no performance audit.

4.5.2 Consultation with Secretaries/Senior Officers of Government of India

Some of the suggestions which emerged during the discussions are as follows:

- a. Recruitment:*
- The high upper age ceiling for the Civil Services Examination leads to a higher average age of entry. This is not conducive for inculcating the right ethos and values in Civil Servants.
 - Recruitment should also not be done at the post-school level as this would inter alia lead to an elitist bias, and deprive the services of candidates with diverse academic backgrounds.
- b. Tenure:*
- Tenures should not be fixed rigidly. There is no need for a separate law for this – it should be ensured through systematic administrative arrangements.
 - There should be a system to take note of the choice of the officer for his/her placements. For the post of Joint Secretary and above, the pool should consist of officers from all services.
- c. Training:*
- Trainings should be focussed and relevant. Attachments with various officers during the training period should give a feel of the challenges / situations to be faced by an officer in his/her service career.

d. Domain Knowledge:

- From the 9th year onwards, experience based specialization should be promoted. The post of Deputy Secretaries and Joint Secretaries should be incentivised to attract people on deputation.
- An independent body should assess the domain expertise of civil servants after fifteen years of service. Selection procedures for senior posts should be completely transparent focusing on a competitive process which may include an interview.

e. Performance Appraisal:

- Generally, officers are very liberal in assessing their sub-ordinates. A large number of officers are thus rated as 'outstanding' by their superior officers without adequate justification for such a rating.
- In many jobs there are no deliverables which could be adequately quantified. This has to be taken into account while assessing performance.
- Performance appraisals should be broad-based to include peer review of performance.
- The performance appraisal form instead of being general should be organization-specific.

f. Executive Agencies:

- It is possible to delegate and authorize functions to executive agencies and make them accountable. For this, they have to be given flexibility in their financial powers. In the UK, such agencies have been instituted with success in a number of administrative areas.

g. Civil Services Law:

- There is a need for such a law. In the UK, it was accepted after a three-year long debate.

h. Lateral Entry (There were contrasting views on this subject):

- It should be minimal as it may dissuade candidates from choosing civil services as a career. Civil Servants should not be allowed to join the private sector.

- People from outside may be allowed to compete for senior positions in the Government. Likewise, civil servants should also be allowed to work outside government for a specific period and given the option to come back.
- i. Postings, Promotions and Empanelment:*
 - Often favoritism plays an important part in postings and promotions. Also there is a lack of transparency in the empanelment procedure. There is undue premium on seniority. These must be redressed.
- j. Senior Executive Service:*
 - While there is no need to have a Senior Executive Service, appointments to senior positions should be made from a panel of officers prepared by an independent body.
- k. The Size Structure and Role of the Civil Service:*
 - The size, structure and role of the civil service should be determined by the functions of Government. If the Government has a large number of functions then there would be a huge bureaucracy. But there is a case for downsizing the Government and consequently the bureaucracy. Government should retain with itself the sovereign functions as also functions which cannot be outsourced.
 - Government should withdraw from areas where its presence is not required.
 - Reforms should extend to civil servants at the cutting edge as well who have maximum interaction with citizens.

4.5.3 Feedback from Members of the Public

The Commission had the benefit of interacting with members of the public individually and at public hearings which were held during visits to the States. Since these meetings were well publicized prior to the visit of the Commission, they were well attended. The key observations that emerged during these public hearings included the following:

- a. Corruption is a matter of concern particularly at the cutting edge levels of the bureaucracy.
- b. There is a perceptible lack of commitment in public servants towards redressal of citizens' grievances.

- c. Red-tapism and unnecessary complex procedures add to the hardship of citizens.
- d. Government servants are rarely held to account and complaints to higher authorities usually go unheeded.
- e. Generally the attitude of many public functionaries is one of arrogance and indifference.
- f. Frequent transfer of officers reduces their effectiveness and also dilutes their accountability.
- g. Sometimes there is “unholy” nexus between unscrupulous politicians and officers leading to poor governance.

4.5.4 Feedback from Serving Civil Servants on the Reform Agenda

4.5.4.1 As stated in paragraph 1.8, the Commission had circulated a set of questionnaires encompassing various issues confronting the civil services in order to elicit responses from various stakeholders including civil servants themselves. These questionnaires are at Annexures I(1) and I(2). Responses to the issues raised in the questionnaires are summarized below:

- i. *Recruitment to the Civil Services:* Most respondents were in favour of reducing the maximum age limit for recruitment to between 22-26 years with the usual relaxations for SC/STs etc. Opinion on the issue of post-school recruitment for the civil services was divided.
- ii. *Lateral Entry to the Civil Services:* The general view was that only a few identified key posts could be thrown open for recruitment from the open market with civil servants also eligible to compete.
- iii. *Stability of Tenure:* Most responses favoured statutory fixation of tenures for key posts.
- iv. *Fast Track Promotions:* Fast track promotions and time-bound advancements in Pay Scales may be operated simultaneously i.e. promotion to a higher post should be available on clearing a screening process and those not passing this screening may also be placed in the higher scale of pay without being eligible to hold the higher post. This would ensure that competence is rewarded without causing demoralization.

- v. *Making Non-performance Punishable* : Many respondents suggested that gross failure to perform duties should be a ground for imposition of penalties.
- vi. *Relationship between Civil Servants and Political Leadership* : There was general consensus that the relationship could be made more explicit by codification of dos and don'ts to be adopted by both the political executive and civil servants. There is also need to provide sanctions against issue of illegal directions.
- vii. *Executive Agencies* : Most respondents favoured creation of executive agencies in suitable cases particularly where formulation of policy and its execution fall in distinct spheres.
- viii. *Performance Management and Promotion*: There was considerable support that confidential reports should not continue to be the sole determinant for promotions and that methods like interviews should also find a place in this process.
- ix. *Training*: The consensus was that though training is useful for keeping civil servants up-to-date, it is not a substitute for formal professional and academic up-gradation if domain specialization and higher professional standards are to be achieved.
- x. *Collector as Chief Coordinator*: There was consensus for strengthening the role of the Collector as the 'node' of the State Government at the district level.
- xi. *Legal Framework*: While some respondents favoured a Civil Services Law, others felt it may not serve the required purpose.
- xii. *Article 311*: No respondent favoured repeal of Article 311 of the Constitution.
- xiii. *Disciplinary Proceedings*: It was generally felt that disciplinary procedures need to be simplified.

4.5.4.2 Personnel management issues like recruitment, tenure, performance appraisal, training, relationship between the political executive and civil servants, and a policy for deputation of civil servants to the private sector, have been dealt with in subsequent chapters of the Report. As far as issues relating to pay scales of the Group A and All India Services are concerned, these have already been dealt with in detail in the recently released report of the Sixth Central Pay Commission (CPC). As regards disparities in promotions and

greater opportunities under the Central Staffing Scheme, the Commission has examined this issue in Chapter 9 wherein it has tried to introduce a mechanism for fostering greater competition and selection of the most suitable candidates for posts in the Government.

4.6 An Agenda for Reforms

4.6.1 Recruitment and Age of Entry

4.6.1.1 Meritocracy of the civil service helps bring high-quality people into the civil service, confers prestige on civil service positions and can do a great deal to motivate high-quality performance.³⁷ The age of entry into the civil services is a matter of great significance, particularly in the context of enthusing the trainee civil servants with the right values. As per the original thinking, in line with the nation-building mood of the founding fathers of the Constitution and the expectations of the government from the civil servants, the upper age limit and the number of attempts permitted in the examination were kept low so that young people infused with a sense of idealism and public service would constitute the bulk of the service.³⁸ But these requirements have since been modified considerably with the result that the age profile of fresh entrants into the civil servants has changed. The reform element in the process of recruitment should consist of devising a system, which, apart from being based on merit, should enlarge the pool of candidates to recruit the best and brightest of the educational system in addition to getting them at an age when it would be possible to imbue them with the right kind of values.

4.6.2 Training

4.6.2.1 Training is a critical component of human resource development. The current system of training for the civil services does not adequately reflect changes in the socio-economic scenario and the emerging new challenges. It also suffers from an inadequate emphasis on the training needs of the cutting edge level functionaries. It has become necessary to expose civil service trainees to new management skills as well concepts such as team work, public private partnership, managing in networks and issues relating to tackling corruption. The reform agenda should comprise mandatory training for all civil servants at the induction stage and before each and every promotion combined with mid-career training through domain knowledge and a monitoring mechanism to oversee the training policy. There is also need to revitalize national and state level institutions to meet the objectives.

4.6.3 Tenure

4.6.3.1 Short tenures in key positions, particularly in the State Governments is often cited as a major reason for the shortcomings in the system of governance. The government's

³⁷World Development Report, 1997

³⁸K P Krishnan and T V Somanathan Civil Service: An Institutional Perspective in Devesh Hapur and Pratap Bhanu Mehta (ed.,) Public Institutions in India: Performance and Design

inherent right to transfer a civil servant needs to be balanced against the requirement of stable tenures to ensure effectiveness and the need for independence in law-enforcing posts. Stable tenures are also necessary for enabling the incumbent to learn on the job, develop his own capacity and then contribute in the best possible manner. Institutional and procedural reforms would have to be carried out in order to ensure stable tenures in crucial positions.

4.6.4 Domain Competency

4.6.4.1 The increasingly complex challenges of modern administration demand higher levels of knowledge and deeper insights from public servants. This would mean that civil servants - especially in policy making positions - should possess in-depth knowledge of the sector acquired through academic qualifications, field experience, managerial exposure, training and self study. This type of in-depth knowledge and skills is often termed as domain competence. Domain competence is distinct from specialised technical knowledge in that it refers to a broad understanding of the relevant field and more importantly managerial abilities derived from practical experience in that field. Assigning specific domains to civil servants early in their career and retaining them in the assigned domain is a key consideration in the Commission's proposals for civil service reform.

4.6.5 Fostering Competition for Appointment to Senior Executive Positions

4.6.5.1 A key component of the reforms is to select the very best from society for the most challenging assignments in government. Senior executive positions are responsible for higher level policy advice, managerial and professional responsibilities. Competition should be introduced for selecting persons to the senior executive positions.

4.6.6 Performance Management System

4.6.6.1 Performance management systems are a set of tools and processes which seek to integrate the organisational goals with the performance of its various units and ultimately with the performance of all individuals working in it. Thus performance management systems are critical to achievements of the organisational goals. A comprehensive performance management system is often missing in governmental organisations. This is one of the reasons why these organisations focus more on outputs than on outcomes. A sound performance management system would involve setting goals – which are measurable - at all levels, monitoring performance of each unit and individual within the organisation, developing the capacity to perform, rewarding good performance and managing under performance.

4.6.7 Exit Mechanisms

4.6.7.1 At present, rarely does a civil servant get dismissed from service or is punished on grounds of incompetence and failure to deliver. It is necessary that all civil servants undergo a rigorous assessment of performance, at regular intervals, and on the basis of such evaluation a civil servant can be retired compulsorily, including by using provisions some of which already exist but are not adequately used.

4.6.8 Clarity of Purpose and Task

4.6.8.1 The policy formulation function of senior civil servants needs to be distinguished from the policy implementation function. As Secretaries to Government have multiple and demanding responsibilities pertaining to a wide range of policy, administrative and implementation activities, their most important function, of tendering policy advice to the Ministers, often does not receive the attention it deserves. The time they can devote to each of these is seriously limited, and they often do not find sufficient time to reflect on important policy and strategic issues. The need to provide Ministers with high quality policy advice requires that Secretaries to Government and their supporting staff in the secretariat with policy advisory responsibilities do not get diverted by the demands of managing routine administrative and operational responsibilities. This would call for a broad separation of policy formulation and implementation responsibilities. What it would mean is that the ministries responsible for policy advice including the monitoring and evaluation of policy implementation, should be separated from departments and other entities responsible for delivery of services, operational matters and the enforcement of regulations.

4.6.8.2 That being the case, what is required is not merely a broad separation of policy and operations, but also restructuring the design of the ministries to make them less hierarchical, creating flatter structures with team-based orientation and reduce the excessive degree of central control now being exercised over operational matters.

4.6.8.3 This would require that autonomous organisations like executive agencies be set up to carry out operational responsibilities. The advantage of autonomous agencies over a department-managed activity is that an agency would have far greater operating flexibility than a government department and far better accountability for performance. The Commission would examine this issue in detail in its Report on 'Organizational Structure of Government of India'.

4.6.9 A Results-Oriented Civil Service

4.6.9.1 The existing governance systems are heavily dependent on rule-based approaches. There is a pre-occupation with process, adherence to procedures, conformity with budget

provisions and economy of inputs. Consequently there is undue emphasis on inputs used - how much resources, staff and facilities are made available for a scheme or programme and whether this is in accordance with the standards rules and regulations? The success or failure of a scheme is also evaluated on the basis of quantum of resources consumed. As a result, the focus of governance has been more on inputs than on outcomes.

4.6.9.2 The input focus of control and accountability, has led to a situation where scant attention is paid to the results that are obtained using these inputs, and civil servants are not held accountable for them. The objective should be to shift the focus away from such traditional concerns as expenditure and activity levels towards a management framework that would manage for results by developing robust indicators to assess performance in terms of results by setting key performance indicators.

4.6.9.3 Achievement of results would require substantial devolution of managerial authority to the implementing departments. Devolution of managerial authority would require giving civil servants in the implementing agencies greater flexibility and incentives to achieve results as well as relaxing the existing central controls over the use of financial and manpower resources.

4.6.10 Accountability for Results

4.6.10.1 The counterpart of devolution of resources to the civil servants in the implementing agencies should be more stringent performance requirements and enhanced accountability. Civil servants in the implementing agencies should accept responsibility for achieving specified performance targets while managing within resources. Accountability can be achieved through agreements with the departmental minister specifying the performance targets. The proposed performance agreements should be put in the public domain so that there is total transparency about what the civil servants have agreed to do during a particular time period. These performance agreements should be a part of the overall performance management system.

4.6.11 Code of Ethics

4.6.11.1 The current set of values for the civil services are conduct rules which prohibit a set of common activities that constitute undesirable conduct and behaviour for civil servants; what we do not have is a statement of values which should guide the civil servants in the discharge of their duties. There is need for more generic norms to be laid down by way of accepted conduct for the civil servants. It is necessary to have a declaration of values for the civil services, reflecting public expectations of the relationship between the civil service

and the government, the legislature, and the members of the public, with specific reference to political impartiality, maintenance of the highest ethical standards, accountability for actions and responsibilities to the government of the day. Another key consideration is to set up appropriate institutional mechanisms to promote and enforce the values and code of conduct and to evaluate the extent to which they are incorporated and upheld throughout the civil service.

4.6.12 Civil Services Law

4.6.12.1 While discussing the experience of the countries in reforming their civil services, the Commission had the opportunity to observe that most of the reforming countries have adopted comprehensive civil service legislations which describe and establish the core principles, values and characteristics which create the distinctive culture and ethics of the reformed civil service. The Commission also observed how these legislations provided a clear, unified framework within which the civil service could carry out its distinctive role and responsibilities.

4.6.12.2 A legislative framework is needed because it will provide a legal basis for the legislatures in India to express important public service standards, ethical values and culture they would want in the civil service, and how these should be implemented. The legislation should also be an unambiguous statement to those within the civil service and to the people, of what is expected of the civil service. Articulation of civil service values through legislation is vital. A clear understanding of shared values and vision set out unambiguously in the civil service law will provide a unifying and motivating force for the civil service as a whole; it will also provide the foundation for a unity of outlook and behaviour across the civil service. Moreover, it will represent an approach which is consistent with best practices globally. At the minimum, the legislation should articulate the following values and ethical standards:

- Commitment to the principles enshrined in the Constitution
- Adherence to the highest standards of probity, integrity and conduct
- Commitment to the citizens' concerns and public good
- Impartiality and objectivity in all public dealings
- Empathy for the vulnerable sections of society

5.1 Introduction

The quality of governance is critically dependent on the quality of its public servants. A major determinant of the quality of government servants is the rigour and integrity of the recruitment process. Therefore the recruitment process, apart from being transparent, objective, fair and equitable should also ensure that the right type of persons join the civil services. Government being the largest employer in India recruits candidates for a wide variety of positions through various institutional mechanisms. The Union Public Service Commission – a Constitutional authority – has the mandate to recruit senior public servants for the Union Government. A similar role is played by the State Public Service Commissions for State Governments. The Staff Selection Commission recruits personnel for other positions in the Union Government. Government Departments are also authorised to recruit certain categories of personnel. The system of recruitment to the civil services in India has evolved over the years. Several changes have been made in the recruitment process, especially after Independence, to reflect the needs of the administration from time to time. In this Chapter the Commission has examined the recruitment process for senior positions in Government through the Civil Services Examination.

5.2 Brief History of Recruitment to Civil Services in India

5.2.1 In its long evolution, the civil services in India have progressed from what essentially was an elitist service to a service that is now representative of Indian society. This is a very positive development. In its representative character, the civil services now have a good number of people from rural areas and disadvantaged backgrounds. The experience has been that students from these backgrounds have a critical comprehension of the issues, constraints and problems faced by people in rural areas and disadvantaged sectors. For the civil service to be an agent of change and social transformation, this advantage of a representative civil service needs to be further strengthened.

5.2.2 Before 1922, the Indian Civil Service Examination was held in England by the British Civil Service Commission. It was only from 1922 that the examination also began to be held in India. Subsequently, a Public Service Commission (India) was constituted

to conduct the Indian Civil Service (ICS) Examination in India from 1926 on behalf of the British Civil Service Commission. Under the Government of India Act, 1935, the Public Service Commission (India) was replaced by the Federal Public Service Commission (FPSC) which from 1937 began to conduct the ICS Examination in India independent of the British Commission. Before Independence, a combined examination was held in India for the Indian Audit and Accounts Service, Imperial Customs Service, Indian Railways and Accounts Service, Military Accounts Department, Postal Superintendents (Class II), Service and Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment of State Railways. A separate examination was held for the Indian Police. However, after 1943, recruitment to these services, including the ICS, was suspended.³⁹

5.2.3 After Independence, new services called the Indian Administrative Service (IAS), Indian Police Service (IPS) and Indian Foreign Service (IFS) were established. Between 1947 and 1950, an annual combined competitive examination was held for recruitment to these services as well as to the non-technical Central Services. In 1950, on coming into force of the Constitution, the FPSC was redesignated as the Union Public Service Commission (UPSC). The examination required the candidates to take three compulsory subjects and three optional subjects (for the IPS, only two optional subjects were required to be taken). A separate viva voce was also conducted. From 1951 onwards, the eligibility age was fixed at 21 to 24 years (20 to 24 years for the IPS) and the candidates were permitted to take three chances at the examination. One of the recommendations of the Public Services (Qualification for Recruitment) Committee, appointed in 1955 was limiting the number of attempts to two by reducing the eligibility age range to 21-23 years. Government, while leaving the eligibility age unaltered, decided to reduce the number of attempts to two which were to be counted separately for (a) Category I Services (IAS and IFS), (b) Category II Services (IPS and Police Service Class II of the Union Territories), and (c) Category III Services (Central Services Class I and II). In effect, this amounted to one examination becoming three examinations from 1961 onwards. On the recommendation of the First Administrative Reforms Commission, the upper age limit was increased to 26 years in 1972 and from 1973, candidates were permitted to make three attempts for each of the three categories of services.⁴⁰

5.2.4 The Committee on Recruitment Policy and Selection Methods (hereafter, called the Kothari Committee) which gave its Report in 1976, recommended a new scheme of the Civil Services Examination for recruitment to the All India and Central Services. This consisted of three sequential stages: (i) Preliminary Examination (Objective Type) for selecting the candidates for the Main Examination, (ii) Main Examination (Written examination followed by an interview) for selecting candidates for entry into the civil

³⁹Source: Chapter 2; Report of the Kothari Committee

⁴⁰Source: *ibid*

services and (iii) Post Training Test at the end of the Foundation Course at the Academy, including an interview by a Board constituted by the UPSC. It was proposed that the result of the stage three test, combined with the result of the stage two examination would determine the ranking and therefore, allocation of services. Government did not accept the recommendation regarding allocation of services after the Foundation Course. The new scheme, consisting of the first two stages was introduced in 1979. This scheme was revisited by the Committee to Review the Scheme of the Civil Services Examination (the Satish Chandra Committee), which in its Report in 1989 recommended the continuance of this structure while introducing a compulsory Essay paper in the Main Examination. The present structure of the CSE is given in Table 5.1.

Table 5.1: The Present Structure of the Civil Services Examination (CSE)

Component of Examination	Number of Papers and Marks		
Preliminary Examination (Objective Type)	General Studies	1	150
	Optional Subject	1	300
Main Examination (Conventional)	English (Qualifying nature and Matric Standard)	1	300
	Indian Language (Qualifying nature and Matric Standard)	1	300
	General Studies	2	600
	Esaaay	1	200
	1st Optional Subject	2	600
	2nd Optional Subject	2	600
	The General Studies papers, the Essay paper and the Optional papers could be answered either in English or one of Schedule VIII languages while the Question papers are set bilingually.		
Interview			300
Total			2300
Age	21-30 years (relaxation of three years for OBC candidates and five years for SC/ST candidates)		
No. of Chances	4 for General, 7 for OBC and no restriction for SC/ST candidates		
Minimum Educational Qualifications	Graduate degree		

Source: Report of the Alagh Committee/UPSC website

5.2.5 The number of applicants and candidates appearing in the CSE has increased enormously over the years, as indicated in Table 5.2. The Services, for which the recruitment is done, are indicated in Table 5.3.

Table 5.2: Number of Applicants and Candidates Appearing in CSE

Year of Examination	No. of applicants	No. of candidates appearing in Civil Services (Preliminary) Examination
2003-04	3,16,496	1,60,784
2004-05	3,49,020	1,74,475
2005-06	3,45,106	1,75,202
2006-07	3,83,983	1,95,803

Source: Tables 1 and 2; Annual Report 2006-07 and Tables 3A and 3B; Annual Report 2005-06, Union Public Service Commission

Table 5.3: The Services for which the Recruitment is Made through the CSE**Civil Services (Main) Examination – 2006****All India Services**

i) Indian Administrative Service

ii) Indian Police Service

Central Services Group 'A' Services / Posts

iii) Indian Foreign Service

iv) Indian P & T Accounts & Finance Service

v) Indian Audit and Accounts Service

vi) Indian Revenue Service (Customs and Central Excise)

vii) Indian Defence Accounts Service

viii) Indian Revenue Service (I.T.)

ix) Indian Ordnance Factories Service (Assistant Works Manager, Non-Technical)

x) Indian Postal Service

xi) Indian Civil Accounts Service

xii) Indian Railway Traffic Service

xiii) Indian Railway Accounts Service

xiv) Indian Railway Personnel Service

xv) Post of Assistant Security Officer in Railway Protection Force

xvi) Indian Defence Estates Service

xvii) Indian Information Service (Junior Grade)

xviii) Indian Trade Service (Grade-III)

Group 'B' Services / Posts

xix) Armed Forces Headquarters Civil Service (Section Officers' Grade)

xx) Delhi, Andaman & Nicobar Islands, Lakshadweep, Daman & Diu and Dadra & Nagar Haveli Civil Service

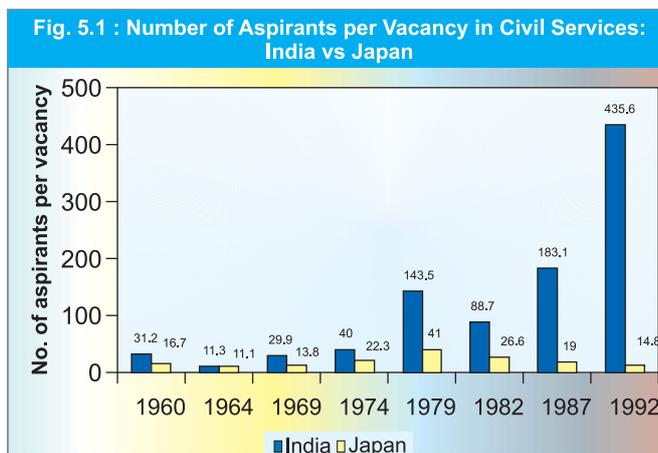
xxi) Delhi, Andaman & Nicobar Islands, Lakshadweep, Daman & Diu and Dadra & Nagar Haveli Police Service

xxii) Pondicherry Civil Service

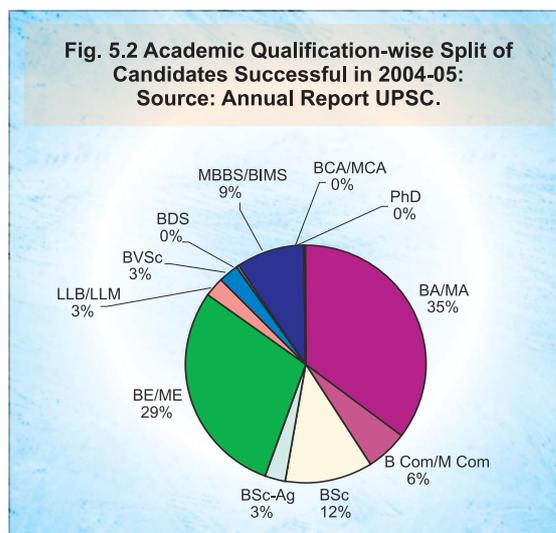
xxiii) Pondicherry Police Service

Source: 56th Annual Report, 2006-07; UPSC

5.2.6 The adequacy of numbers in the talent pool from which the existing system recruits its civil servants has never been an issue. For example, the number of applicants competing for 457 civil service jobs in 2005 has been of the order of 3.45 lakh (based on the Annual Report of UPSC 2006-07). This ratio has been increasing over the years. A comparison with Japan which is often cited as an example of merit-based recruitment to the civil service confirms that recruitment to the civil services in India is far more competitive than Japan. Figure 5.1 illustrates this.⁴¹



5.2.7 In addition to the Civil Services Examination, the UPSC conducts competitive examinations for other 'specialised Services' such as the Indian Forest Service, Indian Economic Service/ Indian Statistical Service, and Indian Engineering Services. Only those candidates who have the prescribed graduate (or post graduate) qualifications are eligible to appear in these examinations. The Commission is prima facie of the opinion that some of the Services, currently covered by the CSE (especially the Accounts Services) should be included in the category of 'specialised Services' and recruitment should be done through a separate examination. The Government may take a view on this issue in consultation with the UPSC. The Commission has deliberated on various issues involving recruitment into the civil services through the Civil Services Examination (CSE). The concluding deliberations have centred around the following issues:



- i. Stage of entry into the civil services
- ii. Age of entry and number of attempts

- iii. Structure of the civil services examination
- iv. Other modes of induction into the civil services

5.3 Stage of Entry into the Civil Services

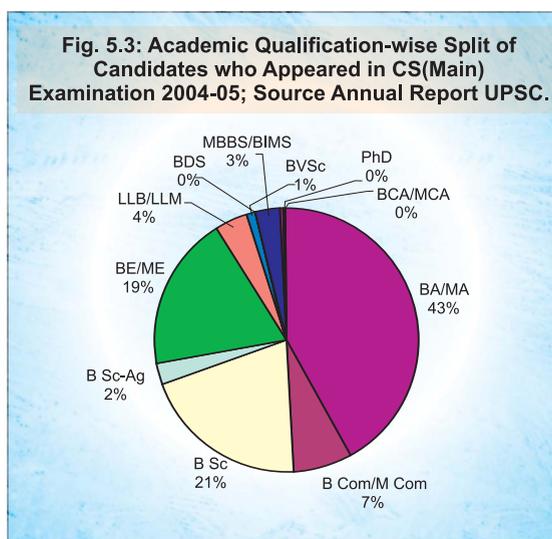
The stage of entry into the Services through the Civil Services Examination conducted by the UPSC, is after graduation (a Bachelor's or equivalent degree). The source is the pool of graduates (in all subjects) in the eligible age-bands. Persons who are selected and allotted to different services are given a common as well as service-specific training for a total period of two years. The Committees which have reviewed the recruitment and training practices have found several deficiencies in them and have suggested – as dealt with elsewhere in the Report – changes in the existing systems. This Commission has also made suggestions for improvement, that can be implemented immediately, both as regards the examination system and training. It has been urged by a number of perceptive observers that the system needs to be changed radically, if the objective is to recruit persons with the talent, skills, attitudes and motivation essential in a civil service career. One of the main elements of the change proposed is that grooming for a future civil service career should start at a young age when the mind is open and receptive to values of public service whereas entrants into civil service at a late age bring with them a 'baggage' of entrenched mindsets. Based on these considerations, two proposals have been made, namely:

1. Post-School recruitment system and
2. post-School grooming for public services.

While the objective of both is the same, the second one seeks to avoid the weaknesses of the first one. Both the proposed systems are examined below:

5.3.1 The Post-school Recruitment System:

5.3.1.1 This proposal envisages recruitment to the civil services through an All India Entrance Examination for students who have completed school (class XII). Those who qualify would be called for interview which would also include psychological tests, group discussions, medical tests, etc. The final selection would take into account existing reservation quotas. The selected candidates would join an Institute for



3-year course. This 3-year course would be carefully tailored to meet the essential requirements of a modern and responsive civil service. Assessment tests will be held every year during the course period. All candidates who pass the final test would be awarded a graduation degree that is nationally recognized. A merit list will be drawn up thereafter, on the basis of the exams/tests conducted by the institute. Those who do not wish to pursue a career in the civil services will be permitted to exit and pursue their interests elsewhere. Realistic fees would need to be charged for the full course with provision for scholarships for meritorious/poor students.

5.3.1.2 Those candidates desirous of pursuing a career in the civil services would, on completion of the course, be given their service allotments on the basis of merit and their choice. Candidates who have been given their service allotments will undergo a 2-year service-specific course in designated national academies/institutes - for example SVPNPA for IPS, NADT for IRS etc. These 2-year courses would be designed specifically for the requirements of the concerned service. There would also be further annual examinations/tests during these 2 years. Again, a final merit list for each service will be drawn up at the end of 2 years on the basis of the exams/tests carried out by the designated academies/institutes. Candidates in the All-India Services would be given their cadre allotment at this stage on the basis of merit and preference.

5.3.1.3 The proposed system would require the establishment of a National Civil Service College to conduct the 3-year graduation course. The UPSC would conduct an examination to select candidates for this College and the eligibility would be a CBSE (Class XII) or an equivalent educational qualification. The existing age criteria would need to be correspondingly lowered.

5.3.1.4 A similar system of post-school recruitment exists in the Armed Forces where students after passing the 12th class are eligible to join the National Defence Academy after qualifying in the competitive exam conducted by the UPSC. The Railways also recruit some of its mechanical engineers through a post-school entrance examination. They are further given professional training at the Indian Railways Institute of Mechanical and Electrical Engineering (IRIMEE), where the candidates undergo a four-year rigorous training programme in Mechanical Engineering, for which the Institute has a Memorandum of Understanding with Birla Institute of Technology, Mesra, Ranchi. The Armed Forces Medical College, Pune recruits candidates on the basis of a competitive examination which is post-school. Selected candidates are formally inducted into the Armed Forces Medical Services after successfully passing the final MBBS examination.

5.3.2 Arguments For

5.3.2.1 It has been urged that a post-school recruitment system, as briefly described above, has several advantages. It would be possible to “catch” potential civil servants at a young age and ground them in the ethos of public service at a time when they are still in their formative years. The educational/training programme could be so designed as to integrate the general knowledge and skills required for the civil services over a 3-year programme. It would also be possible to select the right candidates for various civil services based on a closer observation of their performance and aptitude. Another advantage would be that as the number of streams of education at the school level is limited as compared to the number of streams at the college level, this will make for ease of comparability and would reduce the clutter of students who are engaged in the study of other academic disciplines in most university courses but are actually preparing for the civil services examination.

5.3.2.2 The post-school recruitment makes it possible for the system to tap into a much bigger resource pool of talent than the present system of recruitment. Traditionally the best and brightest students in the country opt for a professional education after school, and tend to go to the IITs, Medical schools, National Law Schools etc. That being the case, a post-school entry system into the civil services has the potential of attracting the best and brightest talent of the country.

5.3.2.3 A post-school system would also end the present undesirable system of coaching institutes which have mushroomed all over the country to prepare candidates for the civil service examination. These coaching institutes tend to create stereotypes which ultimately thwart intelligence and analytical abilities which are essential civil service attributes. The present recruitment system unfortunately, tacitly encourages these thriving coaching centres which tend to trivialize education and merely train candidates to beat the examination system and thereby achieve success. As a substantial number of candidates who go through these coaching classes ultimately succeed in getting selected, the Services get burdened with ‘unsuitable candidates’ who become a lifetime liability.

5.3.2.4 Some eminent educationists have argued that the conventional principle of a Degree as the basic qualification to determine eligibility was evolved at a time when standards of school education were not as high as they are now. Furthermore, it was felt that students lacked the maturity at that young age to absorb professional skills and analytical abilities which are required to pursue professions requiring resolution of complex issues and national concerns. The myth that students will be mature enough to absorb professional skills and undertake professional responsibilities only after he/she attains the age of 25 has now been exploded with most professions (engineering, medicine etc) selecting students for entry

immediately after they pass their 12th standard. Thus, there are, for example, cases of students qualifying as lawyers at the young age of 21-22, being selected as judicial officers and sitting in judgement as early as at 23-24 years of age. Similar examples are available from other professions as well.

5.3.2.5 It has also been argued by the proponents of the post-school system of recruitment that the change will enable a larger number of candidates particularly from weaker sections to avail themselves of the opportunity to compete for the civil services as, according to them, university education in this country is the privilege of less than 15% of the eligible age groups. It therefore tends to deny equal opportunity to a vast section of citizens particularly those in rural areas to appear for the civil service examination.

5.3.3 Arguments Against

5.3.3.1 On the other hand, several arguments have been advanced against post-school recruitment. These can be summarized as follows:

5.3.3.2 It is well known that students studying in schools in rural areas particularly government schools, do not receive the same quality of education that is delivered in urban areas especially in the public schools. This can lead to an undesirable bias in recruitment. Such an urban bias is already apparent in the highly competitive examinations for admission to the IITs, National Law Schools, the premier medical schools and the centres of excellence in higher education established in various fields across the country. Furthermore, it is generally the affluent and the elite who, by virtue of their resources, have access to better educational institutions and better coaching and preparation for the competitive examinations such as the ones described above.

5.3.3.3 University education is the key to the development of a well balanced personality in as much as it promotes better understanding, insights into socio-economic problems and appreciation of real life situations through inter-action with peer groups. It is only after graduate studies that rural students can compete on the same footing with urban students for the civil services examination. In that sense, the university system in India is a great leveler.

5.3.3.4 Diversity and flexibility in education have been found to produce far more innovative entrepreneurial and courageous administrators and managers. Those who pursued a highly inflexible and standardized education tend to be routine in their approaches to problem-definition and problem-solution. It would take years of training and experience to overcome such a handicap. To nurture and encourage leadership thought as well as out of

the box approaches to solve difficult problems, it would be desirable to increase educational diversity through varied academic backgrounds in the Services.

5.3.3.5 It is argued that the system would provide flexibility to train young minds in public service values. While it is true that it would be possible to inculcate public service ethos in young minds, one has to recognize that most entrants to the civil service are drawn to it by the opportunities a civil service career offers for public service and that being the case, a certain aptitude for public service is inherent in the decision to join the civil services. Public service ethos is an outcome of a process of socialization that all individuals go through. The four main influences in this context are the family, culture, school and the State. While a career-oriented course has a value, the values of a public servant

are shaped by external factors and societal influence. Significant orientation, in fact, occurs in the formative years of a child's development. Training is essentially to impart skills. Education on the other hand, is to develop the faculties of an individual and imbibe values.

5.3.3.6 It may be recognized that for the Armed Forces, it makes sense to catch the potential recruits young and put them through a rigorous training and educational programme designed to uniquely serve the needs of the armed forces. This may not be ideal for the civil services which have a somewhat a different nature of duties and responsibilities. Several years of training and comradeship in a training institution for the officer corps in the defence

Box 5.1: Views of Various Committees on the Stage of Entry

The Public Services (Qualifications for Recruitment), Committee, 1955: *“Finally, for the top-most grades we are definitely of the opinion that entry into these services should be restricted to graduates. This view is based on our opinion that for the highest Executive and Administrative services a maturity of outlook and cultural standard is required which, by and large, can naturally be expected of graduates. For these services, therefore, we recommend the age level of 21 to 23.”*

Committee on Recruitment Policy and Selection Methods (1976; Kothari Committee): This Committee suggested the continuance of the existing minimum educational qualification as a university degree. It also examined the age limit for eligibility.

Committee to Review the Scheme of the Civil Services Examination (1989, Satish Chandra Committee): This Committee favoured the existing requirement of graduation as a qualification for taking the Civil Services Exam. It also examined the issue of age limit.

The Civil Services Examination Review Committee (2001; Yoginder Alagh Committee): This Committee touched upon the issue of qualification required and the age limit for the civil services examination. It had the following to say:

“It is shown by research that there is a positive correlation between a higher level of education and performance in the Examination. Besides, considering the magnitude and importance of this examination, the graduate requirement seems to discourage the non-serious candidates who may apply in large number without any serious preparation and understanding for purpose of trial and may ultimately clog the system. In view of this, it is essential to prescribe graduation as the minimum educational qualification as the candidates are expected to reach a certain level of maturity by that time. In this way, it will work as a filter. However, the Committee recommends that the candidates may continue to be permitted to take the Preliminary Examination while studying for their degree, as at present”.

forces helps knitting them into a cohesive team with strong bonds and a common purpose. This has obvious advantages in uniformed, hierarchical armed forces. Civil services have to deal with all segments of society, and have to respond to the urges of citizens. Civilian public servants have to function in a democratic milieu and are accountable to elected political executive on a day-to day basis.

5.3.4 Systems in Other Countries

5.3.4.1 In this regard, a study of the recruitment systems to the higher civil services in various countries yields useful insights. The Commission has looked into the French recruitment system to the civil services and held discussions with the French Authorities. France has an elaborate network of civil service schools which are higher education institutions separate from public universities. Each of them is run under the supervision of the concerned Minister. The premier school, the ENA ('Ecole Nationale d' Administration' or 'National School of Administration) is supervised by the Prime Minister but managed by the Ministry of Civil Service. Entry to these schools is through competitive examinations, open to candidates fulfilling objective criteria such as age and level of education i.e. a graduate degree. The ENA is an administrative establishment of the government which trains top-level civil servants. The ENA was created for two purposes:

- to standardize the recruitment of civil servants meant for a wide variety of careers, and
- to ensure professional training of the highest quality for those civil servants who are expected to rise to the highest levels of public service.

5.3.4.2 Recruitment of the students to the ENA is made through three streams:

- 'external' competition, open to students under 28 years of age who already hold a degree equivalent to a licence; this competitive examination is open to members of the European community.
- 'internal' competition, open to civil servants or public sector employees with a minimum of four years service, and under 35 years of age on January 1st of the year they sit for the competitive examination.
- a competition, open to persons under 40 years of age with at least 8 years of professional experience in any sector other than public administration, or who have held office for at least 8 years as a member of an elected regional body.

5.3.4.3 ENA students complete a one-year professional internship followed by 15 months of course work. At the end of their studies, students are ranked according to their academic merit and, in the order of decreasing merit, asked to choose the service they wish to join, the best ranked graduate having the widest choice, the last one having none.

5.3.4.4 Thus, the French system is not a post-school recruitment system, though it has several special features of its own.

5.3.4.5 The vast majority of countries do not follow a post-school recruitment system for the civil services. Several countries, including those that have undertaken civil service reforms such as USA, UK, Australia, Singapore have not adopted the post-school system of recruitment to the civil services.

5.3.4.6 The Commission has carefully examined the strengths and weaknesses of the existing system as well as post-school recruitment system. After careful consideration it is of the view that in order to combine the advantages of the post-school system with the existing system, a new system (post-school grooming) should be developed over the next few years so that it becomes the main source of recruitment for the civil services in the future. This system is described in the following paragraphs.

5.3.5 Post-School Grooming for a Public Services Career

5.3.5.1 Modern administration involves facing complex challenges in critical sectors like public policy, policing, urban and rural development, delivery of justice, health care, education, land management, infrastructure, to name a few. These are intricate and often inter-related issues which require a set of knowledge and skills and an understanding that conventional university courses do not adequately provide because unlike other specialized courses, public administration as a subject has still not evolved into a full-fledged graduate course in our universities. As a result, students who appear for the Civil Services Examination may have outstanding academic records in other professional courses but often lack the desired level of knowledge in areas pertaining to their future career in the Civil Services. This underscores the need to introduce in our higher education curriculum, a formal degree course in public policy and management which is necessary and would be of immense value for a person seeking a career in the Civil Services. The syllabi in public policy and management must include an understanding and insight of our Constitution and laws, the political system, social and economic concerns, public services, human resource management and core principles of good governance. This envisages introduction of specially designed new courses which will include the above subjects in a single graduate degree which will become a part of the university curriculum.

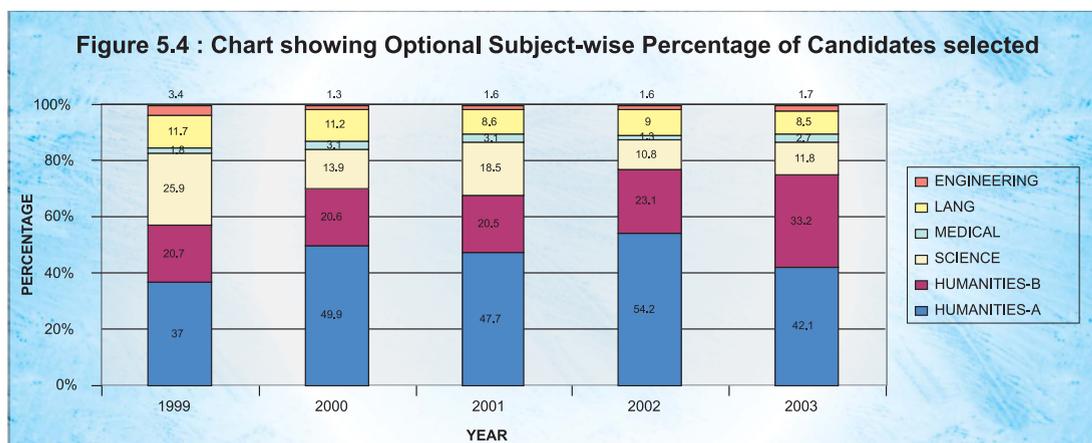
5.3.5.2 Such graduate level courses can be introduced either by setting up exclusive institutions for this purpose or by making the courses available through selected existing universities and institutions both at the national and State levels. The French ENA is an example of the former, whereas institutions such as the Kennedy School of Governance and the Maxwell Centre for Public Policy in the USA are examples of the latter. Given the rapid expansion of the University system in India, the Commission is of the view that both approaches are relevant for the country. Government of India should not only establish a few National Institutes of Public Administration (of the standard of IITs and IIMs) but some reputed universities and institutions should be assisted in introducing these specialized courses in public administration and related subjects. By focusing on the quality of students admitted to these institutions, the faculty, the course content, the educational processes, evaluation systems, learning resources and the governance of these institutions, it should be possible to create a pool of well qualified and informed applicants for the civil services.

5.3.5.3 While it is expected that in due course, applicants who have undergone the above-mentioned course will have a comparative advantage in the Civil Services Examination, it will also not be desirable to totally block the chances of other students who wish to appear for the Civil Services Examination. Arguably, the entry of graduates from other disciplines like engineering, science and medicine and the liberal arts etc. has enriched the repertoire of the civil service; they have brought into the services a significant degree of sophistication in terms of clarity of thinking, diversity of view-points, analytical ability, human relationship and implementation skills. However, in order to equip graduates from other disciplines for a career in the civil services it would be necessary to educate them in the core subjects mentioned earlier. Therefore, the Commission is of the view that graduates from other disciplines may be permitted to compete for the civil services examination but only after they have successfully completed a “bridge” course in public administration. These bridge courses could be offered by the selected institutes/universities in such a manner that aspiring candidates can pursue these along with their regular courses of studies. Such courses should also be offered through modern e-learning platforms to extend the reach of the bridge courses.

5.3.5.4 These two streams of students will constitute the pool of applicants for the Civil Services Examination. This would ensure that all applicants will have the pre-requisite knowledge, understanding and sensitivity which a civil servant should possess. Candidates from these two streams, on completion of their courses, will be required to appear for the Civil Services Examination to be conducted annually by the UPSC. The Commission has examined in detail the structure and content of this examination and made recommendations in paragraph 5.5. In the long run, it is expected that the specialized centres of excellence

(National Institutes of Public Administration) would evolve as the major source of recruitment to the civil services. The National Institutes of Public Administration will not only increase competition for selection in the public services by the education they provide to candidates, but will also facilitate admission to the disadvantaged and weaker sections of society by providing need-based scholarships to meritorious students. The Commission is of the view that this policy will serve the twin objectives of nurturing excellence and promoting inclusion.

5.3.5.5 In this context, the proposed graduate level courses in public administration could be structured in the following manner. The initial duration of these courses would be three years. The courses should have core subjects as well as certain optional subjects. The



core subjects could include Constitution of India, Indian legal system, administrative law, Indian economy, Indian polity, Indian history and culture etc. The design of the curricula for the public administration courses to be offered by the selected universities as well as the 'Bridge Course' and the admission criteria should be developed by an Expert Committee to be appointed immediately by the Government in consultation with the UPSC. This Committee should inter alia have the following terms of reference:

- Laying down norms for identification of universities and institutes where the said courses would be conducted.
- Design and content of the curricula for the said courses in public administration.
- Prescribing the modalities of admission for these courses.
- Prescribing the modalities and design of the bridge courses.

The Commission strongly recommends that the Expert Committee be appointed straightway so that the new courses could be started in atleast some institutions/universities from the coming academic year. The Commission also feels that the bridge courses and their effectiveness should be reviewed based on the experience of five years.

5.3.5.6 After successful completion of the three-year programme in the selected universities, candidates will be given a Bachelor's degree in public administration/public policy/public management. These graduates will have the freedom to either appear in the civil services examination or pursue higher studies or any other career of their choice.

5.3.5.7 An added advantage of this system would be that a large pool of professionally educated administrators would be created which could also be tapped by the State and Local Governments and other public and private organizations. This is of particular relevance in the context of the expanding functions of the local governments after the passing of the Seventy Third and Seventy Fourth Constitutional Amendments, the need to strengthen State administrations and the increasing role of voluntary organizations and public-private partnership.

5.3.5.8 Alongwith the setting up of insitutes of public administration and identification of universities for running courses on Public Administration, the entrance examination system for the civil services would also require corresponding reforms. The Commission has studied the content of the papers prescribed under the present scheme of the Civil Services Examination in Paragraphs 5.5.3 and 5.5.5. At present, there is a very large number of optional subjects some of which have almost no nexus with the issues or problems that a civil servant may need to address. In this context, the Alagh Committee had recommended that:

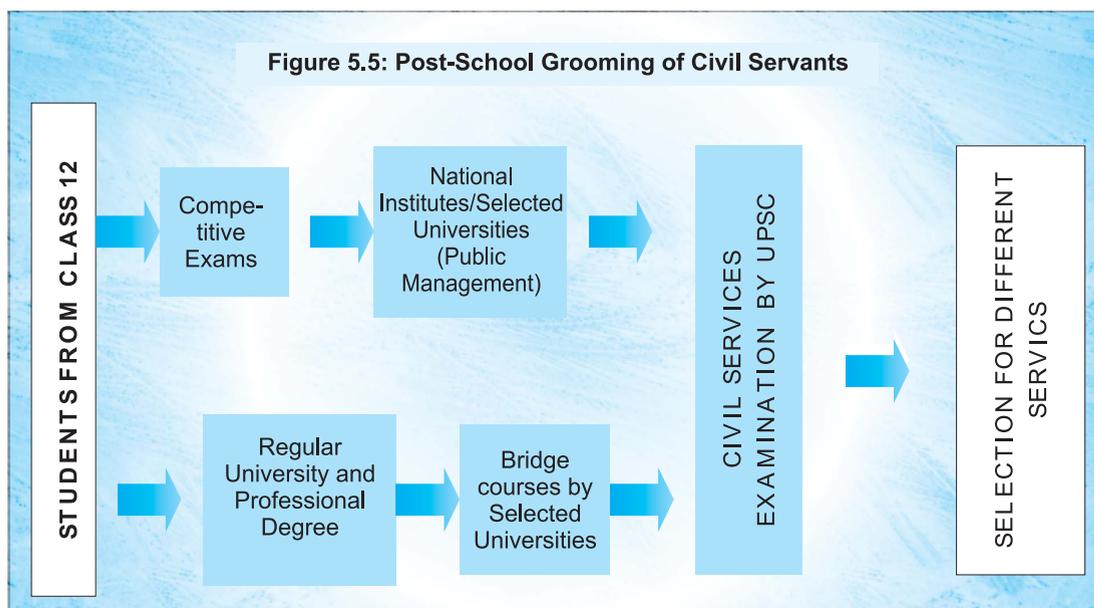
“The present testing of optional subjects is based on college/university curriculum. Re-examining the candidates in their own subjects appears to be of doubtful utility. The universities have already done the work and retesting, possibly even at a lower level that what candidates have completed earlier, appears to be unnecessary. What is important is the relevance of a subject to the job requirements of a civil servant, especially in the changing scenario.”

5.3.5.9 The Commission agrees with the views of the Alagh Committee (the Civil Services Examination Review Committee) that what is important is the relevance of these subjects to the job requirements of a civil servant. The Commission has therefore recommended in para 5.5.6 that the preliminary and main exams should comprise compulsory subjects

such as Constitution of India, Indian legal system, administrative law, Indian economy, Indian polity, Indian history and culture. These changes in the examination system are in synchronization with the recommendations of the Commission on the post-school channelisation of students for a career in the civil services.

5.3.5.10 The Commission recognizes that the system proposed - post-school grooming- especially the setting up institutes of public administration as well as identification of the universities for conducting public management/public administration courses constitutes a major reform relating to an important area of governance. It will need coordinated guidance, especially in the initial years. In view of its importance, the Commission would recommend the constitution of a high-level oversight/coordination committee with the Prime Minister as Chairman, to meet once in three months and give guidance to the implementing agencies and concerned institutions.

5.3.5.11 The Commission recognizes that the proposed reforms will require a lead time of some years. Meanwhile, the Commission has examined other aspects of the Civil Services Examination and recommended lowering the upper age limit, reducing the number of attempts and a revised structure of the Civil Services Examination. These recommendations can be implemented straightaway. These examination reforms would pave the way for a seamless transition to the system of recruitment focusing on acquisition of post-school professional qualifications by aspiring civil servants.



5.3.6 Recommendations

- a. **Government of India should establish National Institutes of Public Administration to run Bachelor's Degree courses in public administration/governance/management. In the long run it is expected that these specialized centres of excellence (National Institutes of Public Administration) would evolve as major sources of civil services aspirants.**
- b. **Selected Central and other Universities should also be assisted to offer such graduate level programmes in public administration/governance/public management which will produce graduates to further expand the pool of eligible applicants to the civil services.**
- c. **The courses offered in these universities should include core subjects such as the Constitution of India, Indian legal system, administrative law, Indian economy, Indian polity, Indian history and culture apart from optional subjects.**
- d. **Graduates of the above mentioned special courses from the National Institutes of Public Administration and selected universities would be eligible for appearing in the Civil Services Examinations. Further, graduates in other disciplines would also be eligible to appear in the Civil Services Examination provided they complete a 'Bridge Course' in the core subjects mentioned above. The Bridge course should be run by the same selected national institutes/universities, which conduct the graduate level courses stated in (c) above.**
- e. **Liberal need-based scholarships should be provided to students admitted to the Institutes/Universities.**
- f. **An 'Expert Committee' should be appointed immediately by the Government in consultation with UPSC to develop the curricula and determine the admission policy to these selected institutes/universities. This Committee should inter alia have the following terms of reference:**
 - i. **Lay down norms for identification universities and institutes where the said courses would be conducted.**
 - ii. **Design the content of the curricula for the said courses in public administration.**

- iii. **Prescribe the modalities for admission to these courses.**
- iv. **Prescribe the modalities and design of the bridge courses.**

The Commission strongly recommends that the Expert Committee be appointed straightway so that the new courses could be started in some of these institutions/universities from the coming academic year. The Commission also feels that the bridge courses and their effectiveness should be reviewed based on the experience of five years.

- g. **Since this is a major reform relating to an important area of governance and will need coordinated guidance, especially in the initial years, a high-level oversight/coordination committee with the Prime Minister as Chairman may be constituted to meet once in three months and give guidance to the implementing agencies and concerned institutions.**
- h. **The reforms to the scheme of the examination system as recommended in paragraph 5.5 may be taken up immediately. Examination and Recruitment reforms following the introduction of public administration/governance management as a full-fledged degree course in National Institutes of Public Administration and selected universities would take some time to be operationalised. Till then, the existing system, where students from all disciplines can appear for the competitive examinations, may continue.**
- i. **Students who have acquired a graduation degree in the above-mentioned course would have option to join any other career of their choice either in the public or private sector.**

5.4 Age of Entry and Number of Attempts

5.4.1 As mentioned above, the age limit for writing the civil services examination in the 1960s and the early 1970s was 24 years for the general category candidates with a relaxation of 5 years for candidates belonging to the Scheduled Castes/Scheduled Tribes. During the last three decades, there has been a progressive increase in the age limit. Presently, candidates from the general category are permitted to write the civil services examination until the age of 30 years with relaxations of 3 and 5 years respectively for candidates belonging to the Other Backward Classes (OBC) and SC/ST. As a result of this increase in the age limit, there has been a discernible change in the age profile of the fresh entrants as Table 5.3 shows. In fact, while the average age of a fresh entrant was about 24 years in the 1960s and

early 1970s, it is now about 27 years. In the case of the IAS, the figures for average age of entry are presented in Table 5.4.

Batch	Eligible max. age for General	No. of Officers					Average Age of Entry into IAS				
		Total	Gen	SC	ST	OBC	Overall	Gen	SC	ST	OBC
1960	24	49	43	1	5	0	24.2	23.6	29.0	28.5	NA
1961	24	60	50	7	3	0	24.2	23.7	27.7	24.3	NA
1962	24	83	62	17	4	0	24.6	23.9	26.5	28.3	NA
1963	24	69	58	8	3	0	24.4	24.0	26.4	26.6	NA
1964	24	84	70	11	3	0	24.4	23.8	27.8	26.0	NA
1965	24	105	87	14	4	0	24.4	23.8	27.4	25.8	NA
1966	24	108	90	12	6	0	23.9	23.6	25.7	25.9	NA
1967	24	122	101	16	5	0	24.2	23.7	27.3	25.7	NA
1968	24	80	63	14	3	0	24.3	23.5	27.4	27.5	NA
1969	24	69	54	13	2	0	24.2	23.5	27.3	23.8	NA
1970	24	81	65	11	5	0	24.2	23.7	26.7	25.6	NA
1971	24	81	67	12	2	0	24.1	23.5	27.6	24.8	NA
1972	24	135	104	22	9	0	24.4	23.6	27.2	25.8	NA
Group Average		1126	914	158	54	0	24.3	23.7	27.1	26.2	
1973	26	116	84	23	9	0	25.2	24.1	28.1	27.8	NA
1974	26	140	110	20	10	0	24.9	24.4	27.3	25.1	NA
1975	26	127	97	18	12	0	24.9	24.1	27.4	27.3	NA
1976	26	137	112	19	6	0	25.2	24.5	28.8	26.4	NA
1977	26	152	113	23	16	0	25.1	24.5	27.9	25.8	NA
1978	26	130	100	21	9	0	24.8	24.2	26.8	25.8	NA
1979	26	119	95	17	7	0	24.9	24.4	27.1	25.3	NA
Group Average		921	711	141	69	0	25.0	24.3	27.7	26.2	
1980	28	123	94	19	10	0	25.6	25.1	27.6	26.8	NA
1981	28	128	101	18	9	0	25.9	25.3	28.0	27.4	NA
1982	28	144	113	21	10	0	26.1	25.6	28.1	28.4	NA

Table 5.4 : IAS 1960-2004: Average Age at Entry (Contd.)

Batch	Eligible max. age for General	No. of Officers					Average Age of Entry into IAS				
		Total	Gen	SC	ST	OBC	Overall	Gen	SC	ST	OBC
1983	28	157	122	25	10	0	25.8	25.1	29.1	26.6	NA
1984	28	142	109	21	12	0	26.1	25.3	28.7	28.6	NA
1985	28	159	123	23	13	0	25.6	25.0	27.6	27.7	NA
1986	28	135	106	19	10	0	26.4	25.8	29.5	27.4	NA
1987	28	125	97	20	8	0	25.4	25.0	27.4	26.2	
Group Average		1113	865	166	82	0	25.9	25.3	28.3	27.4	
1988	26	114	89	17	8	0	25.4	24.8	27.5	26.5	NA
1989	26	109	83	16	10	0	25.1	24.6	27.0	26.5	NA
1990	26	106	82	16	8	0	25.3	25.0	25.8	26.8	NA
Group Average		329	254	49	26	0	25.2	24.8	26.8	26.6	
1991	31	106	84	14	8	0	25.7	25.3	27.6	26.4	NA
1992	28	81	62	12	7	0	25.4	24.7	28.0	26.8	NA
1993	33	80	60	14	6	0	25.6	25.2	26.6	27.2	NA
Group Average		267	206	40	21	0	25.6	25.1	27.4	26.7	
1994	28	80	62	12	6	0	25.8	25.1	28.3	28.7	NA
1995	28	79	35	12	6	26	26.1	25.3	28.1	27.6	25.9
1996	28	80	37	12	6	25	25.7	24.9	27.0	25.8	26.2
1997	28	76	35	13	6	22	26.6	26.0	27.0	27.2	27.2
1998	28	55	25	8	5	17	26.1	24.8	28.4	27.3	26.5
1999	28	54	27	7	3	17	26.3	25.3	28.6	26.6	26.9
Group Average		424	221	64	32	107	26.1	25.2	27.8	27.3	26.5
2000	30	56	23	8	4	21	26.0	25.9	26.3	25.8	25.9
2001	30	57	28	9	4	16	27.2	26.6	27.2	26.5	28.6
2002	30	59	23	10	6	20	27.0	26.0	28.4	26.0	27.9
2003	30	71	32	12	7	20	27.3	26.7	27.9	29.0	27.3
2004	30	89	40	15	5	29	27.4	26.9	26.8	29.2	28.1
2005	30	91	39	12	6	34	27.5	27.1	28.5	30.2	27.3

Table 5.4 : IAS 1960-2004: Average Age at Entry (*Contd.*)

Batch	Eligible max. age for General	No. of Officers					Average Age of Entry into IAS				
		Total	Gen	SC	ST	OBC	Overall	Gen	SC	ST	OBC
Group Average		423	185	66	32	140	27.2	26.6	27.5	28.0	27.5
Grand Total		4603	3356	684	316	247	25.4	24.7	27.6	26.9	27.1

Source: Cabinet Secretariat

5.4.2 In terms of numbers, the difference in the average age at entry is only 3 years. But its impact on the system of values and beliefs that a civil servant will bring into the service is undeniably significant. This needs to be viewed in the context that it is around the age of 23-24 years that an individual makes the transition from an open and receptive phase in life to a phase where he/she starts getting 'set' in his/her views. This makes it difficult for a civil servant entering at a later age to adapt to and internalize the core and intrinsic values demanded of a civil service.

5.4.3 In addition, these late entrants will have a shorter service span, which means that they may not have adequate opportunities to contribute to policy-making at higher levels. Table 5.4 presents a theoretical exercise to find out the percentage of civil servants eligible for consideration for empanelment at the level of a Secretary to Government of India as per the present norms of age. It can be seen that, while for 1961 to 1972 batches of the IAS, about 21% of the SC officers and 41% of the ST officers were eligible on these norms; in the last six years, these percentages have come down to 15% and 21% respectively. Admittedly, these percentages only indicate the eligibility of civil servants with regard to their age; it is quite likely that the results in the actual empanelment would be significantly lower. Reservation for the OBCs in the civil services started in the year 1995. As Table 5.4 shows, the average age of entry in their case is also on the rise. Clearly, there has been a retrogression in the age profile of officers belonging to these categories with very few of them being available for posts at the level of Secretary and still fewer finally making it to that level. This clearly militates against the interest of civil servants of categories who, because of their inadequate service span, miss out on appointments at apex levels.

Table 5.5: IAS – 1960-2004 : Percentage Eligible for Secretary

Batch	Eligible max age for General	No. of Officers					% Eligible for Secretary as per present norms			
		Total	General	SC	ST	OBC	General	SC	ST	OBC
1960	24	49	43	1	5	0	33	0	0	NA
1961	24	60	50	7	3	0	44	14	67	NA
1962	24	83	62	17	4	0	73	18	0	NA
1963	24	69	58	8	3	0	93	38	0	NA
1964	24	84	70	11	3	0	93	9	33	NA
1965	24	105	87	14	4	0	100	14	50	NA
1966	24	108	90	12	6	0	99	50	50	NA
1967	24	122	101	16	5	0	100	25	60	NA
1968	24	80	63	14	3	0	100	14	33	NA
1969	24	69	54	13	2	0	100	31	100	NA
1970	24	81	65	11	5	0	98	27	40	NA
1971	24	81	67	12	2	0	100	17	50	NA
1972	24	135	104	22	9	0	99	18	44	NA
Group %		1126	914	158	54	0	87	21	41	NA
1973	26	116	84	23	9	0	86	13	0	NA
1974	26	140	110	20	10	0	75	30	50	NA
1975	26	127	97	18	12	0	77	11	17	NA
1976	26	137	112	19	6	0	63	5	17	NA
1977	26	152	113	23	16	0	64	30	56	NA
1978	26	130	100	21	9	0	66	33	56	NA
1979	26	119	95	17	7	0	66	18	71	NA
Group %		921	711	141	69	0	71	20	38	NA
1980	28	123	94	19	10	0	54	16	30	NA
1981	28	128	101	18	9	0	48	39	22	NA
1982	28	144	113	21	10	0	42	24	20	NA
1983	28	157	122	25	10	0	52	0	30	NA
1984	28	142	109	21	12	0	51	14	33	NA
1985	28	159	123	23	13	0	52	30	15	NA

Table 5.5: IAS – 1960-2004 : Percentage Eligible for Secretary (Contd.)

Batch	Eligible max age for General	No. of Officers					% Eligible for Secretary as per present norms			
		Total	General	SC	ST	OBC	General	SC	ST	OBC
1986	28	135	106	19	10	0	38	0	30	NA
1987	28	125	97	20	8	0	53	15	38	NA
Group %		1113	865	166	82	0	49	17	27	NA
1988	26	114	89	17	8	0	56	24	25	NA
1989	26	109	83	16	10	0	58	25	20	NA
1990	26	106	82	16	8	0	46	38	38	NA
Group %		329	254	49	26	0	53	29	28	NA
1991	31	106	84	14	8	0	48	29	50	NA
1992	28	81	62	12	7	0	63	17	29	NA
1993	33	80	60	14	6	0	53	29	17	NA
Group %		267	206	40	21	0	55	25	32	NA
1994	28	80	62	12	6	0	44	25	17	NA
1995	28	79	35	12	6	26	40	8	17	60
1996	28	80	37	12	6	25	62	33	17	48
1997	28	76	35	13	6	22	29	31	17	18
1998	28	55	25	8	5	17	60	13	40	13
1999	28	54	27	7	3	17	44	14	0	
Group %		424	221	64	32	107	46	21	18	35
2000	30	56	23	8	4	21	30	13	50	14
2001	30	57	28	9	4	16	18	22	25	8
2002	30	59	23	10	6	20	30	10	33	3
2003	30	71	32	12	7	20	16	8	0	
2004	30	89	40	15	5	29	15	27	20	0
2005	30	91	39	12	6	34	21	8	0	
Group %	423	185	66	32	140	22	15	21	6	
Overall	4603	3356	684	316	247	55	21	29	20	

Source: Cabinet Secretariat (2007)

5.4.4 The existing system of higher age limit and larger number of permissible attempts means that a large number of candidates continue to appear repeatedly in the civil services examination over a long period. Apart from being a waste of vital human resources, this places an undesirable premium on cramming and memorization rather than on intelligence and analytical abilities. Another outcome of this has been the proliferation of coaching institutes to prepare candidates for the Civil Services Examination. These anomalies can be reduced by lowering the age limit and circumscribing the number of chances.

5.4.5 The supporters of the higher age limit generally argue that there is lack of educational facilities in rural and backward areas compared to large cities. Since there has been a discernible improvement in the spread of educational facilities during the last three decades, the perceived disadvantages accruing to candidates from rural and remote areas have been greatly reduced. This is evident from Table 5.5 which sets out the data gathered by the UPSC in respect of the Civil Services Examinations conducted by them. Obviously, the share of successful candidates from the rural areas will increase as the educational facilities spread further.

Table 5.6 : Successful Candidates in Civil Service Examinations

Year	% Rural	% Urban
2000	26	74
2001	29	71
2002	32	68
2003	32	68
2004	33	67
2005	33	67
<i>Source: UPSC</i>		

5.4.6 Under the circumstances, there is a strong case for reducing the upper age limit belonging to all categories appearing for the civil services examination. Lower age limits, in general, would help in reinvigorating the civil services by making it possible for civil servants to inculcate the required civil service values at a young age. In respect of candidates belonging to the OBC and the SC/ST categories, it would greatly help in enhancing their career progression and enable them to occupy apex positions in government. In turn, government would stand to gain in terms of greater availability of their services.

5.4.7 The question of the age limit for the civil services has been the subject of deliberation of several committees. Some of these are:

- The Public Services (Qualifications for Recruitment) Committee, 1955
- The Committee on Recruitment Policy and Selection Methods (1976, Kothari Committee)
- The Committee to Review the Scheme of the Civil Services Examination (1989, Satish Chandra Committee)
- The Review Committee on Civil Services Examination (2001, Yoginder Alagh Committee)
- The Committee on Civil Service Reforms (2004, Hota Committee)

5.4.7.1 *The Public Services (Qualifications for Recruitment) Committee, 1955*: This Committee was appointed in 1955 to “consider the proposal that a University degree need not be insisted upon as condition for employment to Public Services”. This Committee was headed by Dr. A. Ramaswami Mudaliar. As regards the Higher Civil Services, the Committee recommended that:

“Finally, for the top-most grades we are definitely of the opinion that entry into these services should be restricted to graduates. This view is based on our opinion that for the highest Executive and Administrative services a maturity of outlook and cultural standard is required which by and large, can naturally be expected of graduates. For these services, therefore, we recommend the age level of 21 to 23.”

5.4.7.2 *The Committee on Recruitment Policy and Selection Methods (1976, Kothari Committee)*: This Committee suggested the continuance of the existing minimum educational qualification as a university degree. It also examined the age limit for eligibility and recommended as follows:⁴²

“In consideration of the fact that a serious student, planning to enter the All India Services, should be adequately equipped to appear in the Civil Services Examination, we recommend that the minimum age for the Preliminary and the Main Examinations may be fixed at 21 years. We do not recommend the lower minimum age of 20 years for the Indian Police Service as is permitted at present.

We have given considerable thought to the upper age limit for the Civil Services Examination. Whereas it is necessary that the entire process of the examination should ensure identification of the really capable among the competing candidates, we feel that adequate opportunity should be provided to the late blossomers and to those others who wish to pursue higher academic studies or obtain specialisation in

subject of their choice, before entering service careers. We feel that the interest of these candidates would be adequately protected by retaining the upper age limit of 26 years, with the usual relaxation for Scheduled Caste and Scheduled Tribe candidates and other categories as may be notified by the Government from time to time.”

5.4.7.3 *The Committee to Review the Scheme of the Civil Services Examination (1989, Satish Chandra Committee):* This Committee examined the issue of age limit and recommended as follows:⁴³

“Age limit for the Civil Services Examination (where a Bachelor’s degree of an Indian University is the minimum qualification) has to take into account the average age of students acquiring the Bachelor’s degree. In India, an average student passes the Senior Secondary Examination (10+2) at the age of 18. Thereafter, he has to spend three years in a College/University to get a degree in humanities, commerce or science. Thus by the time he becomes a graduate, he is about 21 years of age. A professional such as a doctor or an engineer has to take a longer period of four to five years after the Senior Secondary level. Thus when he complete the Bachelor’s degree, he is 22-23 years of age. Taking into account the age profile of our graduates, in our view, the lower age limit has been rightly fixed at 21 years. We recommend no change in the existing age limit of 21-26 years for the general candidates. There would be the usual relaxation of 5 years of age for members of the Scheduled Castes and the Scheduled Tribes.”

5.4.7.4 *The Review Committee on the Civil Services Examination (2001, Yoginder Alagh Committee):* This Committee also looked at the age limit for the civil services examination and recommended:⁴⁴

“In view of the foregoing discussion and analysis, the Committee strongly recommends a reduction in the present maximum age. The Kothari Committee had also recommended the age limit of 21-26 years to provide opportunities for candidates who blossom late and who wish to obtain either specialization in a subject or pursue higher academic studies. The present Committee fully agrees with this view and recommends an upper age limit of 26 years for general category with usual relaxation for the candidates from Scheduled Castes, Scheduled Tribes, Other Backward Classes and the Physically Handicapped, i.e., three years for Other Backward Classes and five years for candidates from Scheduled Castes and Scheduled Tribes and ten years for the Physically Handicapped. This would meet the requirements of social equity also, as the Committee has amply demonstrated.”

5.4.7.5 *The Committee on Civil Service Reforms (2004, Hota Committee):* This Committee did not go into the issue of qualifications required for eligibility for entering the civil services but recommended the following about the age of entry:⁴⁵

⁴³Paragraph 5.0902 and 5.0908; Report of the Satish Chandra Committee

⁴⁴Paragraph 7.9; Report of the Alagh Committee

⁴⁵Page 94, Report of the Hota Committee

“To mould young entrants for the higher civil service through training, government may go back to the period from 1948 till 1971 when the age of eligibility was 21-24 years for general candidates (as against 21-30 years for general candidates at present) with five years age concession for members of the Scheduled Castes/Scheduled Tribes. Age concession for candidates of the Other Backward Classes may be three years as at present.”

5.4.8 It can be seen from the above that all the Committees have been in favour of an age limit of either 21-26 years or 21-24 years for general candidates with age concession for candidates from OBC and SC/ST categories. As observed in the foregoing paragraphs, late entry into the civil services has three undesirable outcomes – it works against the interests of the weaker sections in the long run, does not enable recruitment of best candidates at a malleable age and puts a premium on rote learning and coaching institutes. In the circumstances, the Commission is of the view that the permissible age for appearing in the Civil Services Examination should be 21 to 25 years for the general candidates, 21 to 28 years for candidates from the OBC, and 21 to 29 years for candidates from SC/ST as also for those who are physically challenged.

5.4.9 Lowering the age limit would also require reducing the number of permissible chances available to different categories of candidates. Presently, the number of permissible attempts is 4 for general candidates, 7 for candidates from OBC and unlimited for SC/ST candidates (subject to an age limit). This issue has also been considered by various Committees in the past. The Kothari Committee had favoured only two attempts, not only for the general candidates but also for SC/ST candidates. It felt that as the number of vacancies in a given year is a fixed number and an increase in the number of attempts works to the advantage of the less deserving candidates. However, to remove difficulties which may arise out of lack of familiarity with such examinations, it chose to recommend two attempts. In doing so, it concurred with the view of the Public Services (Qualifications for Recruitment) Committee of 1955. It also made a passing reference to the situation in the UK where candidates were allowed only one attempt in a similar examination.⁴⁶

5.4.10 Government did not accept the recommendations of the Kothari Committee on this issue. The Satish Chandra Committee analysed the percentage of general candidates who were placed in the first two hundred ranks in the merit list during 1984-87 and observed that the success ratio in the first attempt was low compared to that in the second and third attempts. Further, the success ratio in the second attempt was only marginally higher than the third attempt. Observing that the rules permit only one further attempt in case a candidate is allocated a Group ‘A’ Service other than the IAS and IFS, it declined

to interfere with the scheme of allowing three attempts to general candidates as it stood at that time.

5.4.11 The Alagh Committee had made an analysis of successful candidates in the 1995 to 1999 examinations and found that in the general category, less than 20% were successful in their first attempt, and approximately the same percentage of candidates were successful in their second and third attempts (above 30% in each case) and about 80% of the candidates were successful by their third attempt.⁴⁷ In case of successful candidates belonging to the OBC category, more than 80% were able to get selected by their fifth attempt and in case of SC/ST candidates, around 85% to 90% got selected in their sixth attempt.⁴⁸ As the Committee had recommended the age limits of 26, 29 and 31 years for General, OBC and SC/ST candidates respectively, it recommended 3, 5 and 6 attempts for these candidates in that order.

5.4.12 The Commission has deliberated on this issue. It is of the view that once the scheme of testing only in compulsory subjects in place of optional subjects is accepted (as is being recommended in a subsequent paragraph in this Report) the argument furnished by the Kothari Committee regarding large number of attempts leading to selection of less deserving candidates is certainly valid. Higher number of attempts also lead to loss of productive years as also the self confidence of those aspirants who keep making repeated attempts to pass the examinations. Keeping this in view the permissible age band and the number of attempts recommended by the Commission are given in Table 5.7. The Commission also feels that this may be reviewed after five years.

Table 5.7: Permissible Age for Appearing in the CSE and Number of Attempts to be Allowed

Category	Permissible age (years)	No. of attempts
General	21-25	3
OBC	21-28	5
SC/ST	21-29	6
Physically Disadvantaged	21-29	6

5.4.13 Another issue concerning the permissible age for appearing in the CSE pertains to the cut-off date for determining the eligibility in terms of age. Presently, a candidate must have attained the age of 21 years and must not have attained the age of 30 years on 1st August in the year of the CSE. It has been argued that:

- i. Candidates born between 1st January and 1st August reach the prescribed upper age limit one year before the candidates who are born not earlier than 2nd of August. This is disadvantageous to such candidates.

⁴⁷Diagram 7.1, Report of the Alagh Committee

⁴⁸Diagrams 7.13 and 7.14, Report of the Alagh Committee

- ii. Registration of births and deaths, though compulsory, has spread thinly in most parts of the country. In rural and backward areas, the practice of getting a birth certificate at the time of birth is seldom followed. This results in random determination of the date of birth at the time of admission to schools. Generally, since school sessions begin in the month of August, there is a tendency to randomly select the date of birth prior to the beginning of the session.

5.4.14 The Commission has obtained information from the Union Public Service Commission regarding month-wise date of birth of applicants to the Civil Services Examination. Out of 3.3 lakh candidates who applied for the Civil Services (Preliminary) Examination, 2007, the figures for month-wise date of birth are as follows:

Sl. No.	Month	Dates of Birth of Candidates (%)
1.	January	9.61
2.	February	7.01
3.	March	7.88
4.	April	7.42
5.	May	9.45
6.	June	10.98
7.	July	13.72
8.	August	8.79
9.	September	6.09
10.	October	6.43
11.	November	5.56
12.	December	7.05

5.4.15 From Table 5.8, it appears that there is some bunching in the registration of date of births in the months prior to August. However, the Commission has also obtained information from the Office of the Registrar General of India regarding month-wise live births based on the Sample Registration System (SRS) data of 2004-06. The average percentage of month-wise sample live births in India for the period 2004-06 is as follows:

Table 5.9: Month-wise Distribution of Dates of Birth (SRS) - Provisional

Sl. No.	Month	Dates of Birth (%)
1.	January	8.9
2.	February	7.3
3.	March	7.4
4.	April	7.3
5.	May	7.6
6.	June	8.9
7.	July	8.4
8.	August	9.2
9.	September	8.5
10.	October	9.2
11.	November	8.6
12.	December	8.8

5.4.16 As can be seen, the births are more or less evenly distributed with a slightly higher figure for August and October. The Commission has deliberated on the issue and it is of the view that there is no visible merit in changing the cut-off date to determine the eligibility in terms of age.

5.4.17 Recommendations

- a. **The permissible age for appearing in the Civil Services Examination should be 21 to 25 years for general candidates, 21 to 28 years for candidates from OBC and 21 to 29 years for candidates from SC/ST as also for those who are physically challenged.**
- b. **The number of permissible attempts in the Civil Services Examination should be 3, 5, 6 and 6 respectively for general candidates, candidates from OBC, candidates from SC/ST and physically challenged candidates respectively.**
- c. **The present cut-off date for determining the eligibility in terms of age (i.e. 1st of August in the year of the examination) may continue.**

5.5 Structure of the Civil Services Examination

5.5.1 The Existing Structure

5.5.1.1 The present structure of the Civil Services Examination (CSE) is based on the recommendations made by the Kothari Committee (with minor modifications made by the Satish Chandra Committee). The details of the structure are presented in Table 5.1. Briefly, the CSE is conducted in three successive stages viz. the Preliminary Examination, the Main Examination and the Personality Test. The Preliminary Examination consists of two objective type papers and is meant only for initial screening of candidates. One of the papers tests the general knowledge of the candidates and the other tests them in any one of a large number of optional subjects. Only those candidates who qualify in the Preliminary Examination are eligible for admission to the Main Examination, which consists of a written examination of conventional type papers and a Personality Test. The conventional type papers test the candidates in (a) compulsory subjects in the form of one Essay paper, one paper each testing proficiency in the English language and any of the languages mentioned in the Eighth Schedule to the Constitution and two papers on ‘General Studies’, and (b) two optional subjects having two papers each. The test for proficiency in English and any other Indian language is only of a qualifying nature.

5.5.2 Reasons for Adopting the Present Structure

5.5.2.1 One of the reasons for recommending such a sequential process of selection in the form of preliminary examination, main examination and personality test was as follows⁴⁹:

“A selection process consisting of sequential stages, one following the other, is necessary, apart from any other reason, because of the large number of candidates. The average quality of candidates would get “richer” as the stream proceeds from one stage to the next. It would also become more homogeneous. A selection process divided into a sequence of stages would make it possible to concentrate the available testing resources credible candidates likely to make the grade instead of dispersing them sparsely on a very large number of candidates many of whom are of indifferent quality...”

Another reason for having a sequential screening test was because:

“The selection process should be so designed that it attracts as many deserving candidates as possible from different parts of the country to compete in the examinations... The proposed Preliminary Examination is one step in that direction.”⁵⁰

⁴⁹Paragraph 1.22, Report of the Kothari Committee

⁵⁰ibid, paragraph 1.21

5.5.2.2 One major outcome of this scheme has been that the Civil Services Examinations, as they are annually conducted by the UPSC, have become elaborate affairs and take more than a year to complete. The long time taken is a national loss because this detracts from the civil servant's career by that extent of time. The Indian Institutes of Management (IIMs) that select candidates for the MBA degree do not take more than three months to complete the process of selection, even though they also handle a very large number of candidates. The entrance examinations conducted by these Institutes, test the candidates in respect of their analytical abilities, logic, comprehension, problem-solving abilities, precision and overall knowledge. Since these examinations are on the basis of objective-type questions, the time taken to conduct the examinations is significantly less.

5.5.2.3 The Kothari Committee had based its 'new scheme' on the 'comprehensive method' of selection. The Committee was of the view that, *"from the point of view of the role and functions of the civil services today the case for the comprehensive method is very strong. The immense tasks of development and reconstruction impose on a public servant the need for continual learning of new knowledge and skills: a sort of continuing self-renewal. Unless a person is intellectually outstanding and temperamentally and motivationally suitable for the service to which he is appointed, he is unlikely to make the contribution expected of him. For a person to give his best to a service, he must belong to the service not only intellectually but also emotionally. The person and the service must be compatible in every way."*⁵¹

5.5.2.4 Thus, the objectives for introducing the 'comprehensive method' were two fold: (a) to select persons who are capable of continuously acquiring knowledge and skills, and (b) to find aspirants who are temperamentally and motivationally suited and emotionally attached to the service to which they are appointed. Given these twin objectives, as far as the structure of the examinations is concerned, the Commission feels that it cannot be gainsaid that the Combined Admission Test (CAT) which selects entrants to the IIMs fails to provide candidates having a propensity and aptitude for acquiring new knowledge and skills. Further, on the basis of the structure of the Civil Services Examination as it exists today, it is difficult to maintain that the successful candidates are temperamentally and motivationally suited to the service they have been allocated at the completion of the one year long process.

5.5.2.5 Basically, the present sequential examination system was necessitated due to the large number of candidates appearing in the CSE. As mentioned earlier, the Kothari Committee had introduced the Preliminary Examination as a screening test for identifying the serious candidates and broadening the base of recruitment and which was easy to administer. This was the reason for having objective type and multiple-choice questions. The screening

⁵¹Paragraph 1.18, Report of the Kothari Committee

provided a manageable number of candidates for the Main Examination which consisted of conventional type papers.

5.5.2.6 The Commission is of the view that though there is a case for continuing with these two components of the examination process, there is little merit in having them sequentially in the manner in which it is administered today, that is, first the papers of the Preliminary Examination are evaluated and the results declared, followed by filling up of forms for the Main Examination leading to its conduct, evaluation of answer-books and declaration of the list of candidates for the Personality Test. Instead, the Commission is of the view that both the Preliminary Examination having an objective type paper and the Main Examination having conventional type papers (including the language papers and essay paper) could be administered at one stage, one after the another on consecutive days. The multiple-choice objective type paper for the Preliminary Examination could be evaluated first and the evaluation for the conventional type papers for the Main Examination could be undertaken for only those candidates who have scored a threshold level of marks. The advantage of this system would be that it would substantially reduce the time taken for completing an examination cycle. Additionally, it would not be necessary for candidates to fill up forms twice and also travel twice for appearing in the examinations.

5.5.2.7 A view point has been expressed that in the proposed system – where the preliminary and main examinations are held together – the logistics of administering the Main examination to such a large number of candidates could pose some difficulty. The Commission, however, feels that there are other examination systems wherein a much larger number of candidates answer conventional descriptive type question papers, and these are conducted quite efficiently. For example, the Central Board for Secondary Examination (CBSE) handles a much larger number of candidates in more diverse subjects. It is therefore felt that conducting an examination for about 4 lakh candidates should not pose insurmountable problems. Nonetheless, an alternative model for achieving the same results can also be considered.

5.5.2.8 In this alternative model, the civil services examinations will be conducted in the following manner. After the Preliminary Examination, the tabulation of result should be possible within a month. Based on the results, the candidates to be called for interview (whose number may be approximately two to three times the number of available vacancies) would be short-listed in accordance with their ranking. Only these short-listed candidates would be eligible for appearing in the Main Examination which would be conducted within two months of the Preliminary Examination. In other words the Main Examination and interview process could start almost simultaneously. This model would also achieve

the objective of compressing the examination cycle although it does tend to give a higher weightage to the Preliminary Examination in screening the candidates.

5.5.2.9 The Government may take a considered view and adopt one of the above-mentioned models in consultation with the Union Public Service Commission (UPSC).

5.5.3 The Issue of Optional Subject Papers

5.5.3.1 In the case of the Preliminary Examination, the Kothari Committee had recommended five objective type papers of equal weightage to test candidates in (a) any Indian language listed in the Eighth Schedule to the Constitution, (b) English language, (c) General Studies, (d) & (e) one Optional Subject in two papers from a list of subjects.⁵² The Government did not accept this scheme and presently the candidates are tested in two objective type papers consisting of General Studies (150 marks) and Optional Subject (300 marks). The optional subject can be chosen from a list 23 subjects from Humanities/Social Sciences, Science and Technology/Medical and Commerce streams.⁵³ There is no weight to the marks obtained in the Preliminary Examination.

5.5.3.2 The Alagh Committee had also deliberated on the nature of the Preliminary Examination. With regard to the general studies paper, it was of the view that it should be recast into a 'Civil Services Aptitude Test' paper with emphasis on comprehension, logical reasoning, problem solving and data analysis.⁵⁴ However, in case of the optional subject paper, it did not fully agree with the view that optional subjects do not provide a level playing field as also to the fact that the success ratio of various subjects varies widely. The Committee felt that 'there is a need for testing academic knowledge in some depth'. Hence it recommended the upgradation of the level of the optional subject paper to the honours level of a good university.⁵⁵ It also proposed a weight of 25% to the Preliminary Examination in the overall scheme.⁵⁶

5.5.3.3 In the Main Examination, the weightage of compulsory subjects is 26.08% while that of Optional Subjects is 52.16% (Table 5.1). On the recommendation of the Kothari Committee, 47 subjects were included in the list of optional subjects including language and literature of one of 23 languages. The Satish Chandra Committee recommended the removal of French, German, Russian and Spanish from the language and literature group and inclusion of Education, Electronics and Telecommunication Engineering and Medical Science as new optional subjects. At the time of review by the Alagh Committee, there were 51 optional subjects in the list and suggestions had been received for inclusion of nearly 50 more subjects.⁵⁷

⁵²Paragraph 3.10, *ibid*

⁵³Paragraph 8.4.2, Report of the Alagh Committee

⁵⁴paragraph 8.4.3, *ibid*

⁵⁵paragraph 8.4.4, *ibid*

⁵⁶paragraph 8.4.11, *ibid*

⁵⁷paragraph 8.5.4.1, Report of the Alagh Committee

5.5.3.4. The Kothari Committee had felt that an examination consisting of only compulsory subjects without any optional papers would drastically reduce the base of recruitment, as the compulsory subjects would generally be related to *'national development, modern administration and management, facilities for the study of which 'are at present strictly limited'*.⁵⁸ However, as the Committee was of the view that the written examination was intended to assess the intellectual qualities and depth of understanding of a candidate, it was assumed by the Committee that *'a candidate would offer as one of the optional subjects, the subject which he may have studied for the honours or masters degree'*.⁵⁹ The importance of this assumption in the context of the present structure of the examination and actual experience cannot be underestimated. This issue was considered by the Alagh Committee in great detail. The Alagh Committee doubted the very utility of re-examining the candidates in their own subjects. It emphasized that *'what is important is the relevance of a subject to the job requirements of a civil servant, especially in the changing scenario'*.⁶⁰ It pointed out the following issues in relation to the testing of candidates in optional subjects:

- i. Large number of optional subjects presents problems of question setting and evaluation of answer scripts. The fact that these could be answered in any of the 18 languages of the Eighth Schedule of the Constitution clogs the system.
- ii. The threshold of difficulty could not be maintained at the same level among the optional subjects.
- iii. It is difficult to balance streams like Humanities, Social Sciences, Engineering and Medical Science.

5.5.3.5 The Alagh Committee observed that candidates were opting for optional subjects on the basis of 'scorability' and not on the basis of their own specialization. Thus, in the CSE 1999, as many as 41% of candidates preferred to take the examination with both optional subjects different from those which they had studied in college/university. The figures for such candidates for the years 2000 to 2005 are 40%, 36%, 44%, 46%, 41% and 48% respectively.⁶¹ Such high percentages vitiate the basic assumption made by the Kothari Committee as mentioned above. Given the inadequacies of the present system, the Alagh Committee recommended the replacement of optional subjects with a set of three compulsory papers on:

- (a) Sustainable Development and Social Justice,
- (b) Science and Technology in Society, and
- (c) Democratic Governance, Public Systems and Human Rights.

⁵⁸Paragraph 1.32, Report of the Kothari Committee

⁵⁹Paragraph 3.30, Report of the Kothari Committee

⁶⁰Paragraph 8.5.4.2, Report of the Alagh Committee

⁶¹Source: Information provided by UPSC.

5.5.3.6 The curriculum and the general objectives of each compulsory subject would be designed to bring out the issues or the problems which the civil services would need to address. The Committee also noted that in countries like France and the UK, the Civil Services Examinations have a focus on human rights, economic and social development, administrative and environmental law, public systems management, science and technology and economics and accountancy. Thus, in order to moor the examinations to the demands of a civil service of the 21st century, the papers on the compulsory subjects would need to cover issues related to our society, social structure, political and administrative governance, emerging areas of change and modern developments in science and technology as they affect society at large. This, in the view of the Committee, would give a specific focus to the civil services recruitment process, rather than keeping it as a general ‘fishing’ process with a degree of randomness to it.⁶² The Committee also felt that this would reduce the total time taken to conduct the examination by three to six months.⁶³

5.5.3.7 The Commission agrees with the conclusions reached by the Alagh Committee. However, it is of the view that this should also apply to the Preliminary Examination. In other words, the Preliminary Examination should consist of an objective type test having one or two papers on general studies. The Main Examination should consist of conventional type compulsory papers dealing with the Constitution of India, the Indian legal system, Indian economy, polity, history and culture etc. A Committee may be constituted by the Government in consultation with the UPSC, to decide on the structure and syllabi of the compulsory papers for both, the Preliminary and Main Examinations. Further, the Commission is of the view that sufficient lead time may be provided to the prospective candidates for the civil services from the date of acceptance of these recommendations.

5.5.4 Essay Paper

5.5.4.1 The Alagh Committee had recommended the merger of the Essay paper with the compulsory language papers and allowing for a weight of 5% to the marks obtained in them. The Commission is of the view that the essay paper should not be merged with the language papers which only test the language proficiency of the candidates. There should be a separate Essay paper in the Main Examination for testing the candidates’ ability and skills in comprehension, analysis and presentation as also their knowledge and language skills. As mentioned earlier, the evaluation of the essay paper should only be done in case of candidates who have scored a threshold level of marks in the Preliminary Examination.

5.5.5 Language Papers

5.5.5.1 The Kothari Committee had found it imperative that candidates be tested in their knowledge of English and at least one Eighth Schedule language. The Alagh Committee

⁶²Paragraph 8.5.11, Report of the Alagh Committee

⁶³Paragraph 8.6, Report of the Alagh Committee

had also endorsed this view. However, it felt that the standard of testing should be upgraded to a slightly higher level from the present matriculation level and a 5% weightage should be given to the marks obtained in these papers. It also recommended the merger of the separate Essay paper into the language papers.

5.5.5.2 While endorsing the view of the Alagh Committee regarding continuance of testing of proficiency in English and one Eighth Schedule language, the Commission feels that modern methods of standardization and grading of testing in language skills should be adopted and accordingly, appropriate tests should be designed. Grading systems and standardization as adopted in the United Kingdom may be examined for this purpose. Further, the Commission feels that no weight need to be attributed to testing of language skills.

5.5.5.3 Recommendations

- a. ***Structure of Examination:*** Either of the following two models may be adopted for compressing the examination cycle.
 - i. **The Preliminary and Main Examinations for the Civil Services Examination would be conducted together on two to three consecutive days. Evaluation of papers for the Main Examination should be done in case of only those candidates who have secured a threshold level of marks in the Preliminary Examination. The personality test would follow thereafter.**

OR

- ii. **Based on the results of the Preliminary Examination, candidates eligible for taking the main examination and the personality test would be short listed in accordance with their rankings. Only these short-listed candidates would be eligible for appearing in the Main Examination, which would be conducted within two months of the Preliminary Examination. The short list would be limited to about two to three times of the number of vacancies available. Thus it would be possible to start the Personality Test and the Main Examination almost simultaneously.**

- b. Content:**
- i. The Preliminary Examination should consist of an objective type test having one or two papers on general studies including the Constitution of India, the Indian legal system, Indian economy, polity, history and culture. There should be no optional subjects.**
 - ii. The Main Examination should consist of two papers only in the compulsory subjects. These compulsory subjects may include Constitution of India, Indian legal system, Indian economy, polity, history and culture etc. The question papers should be of the conventional descriptive type. Besides, there should be a separate essay paper as a part of the Main Examination.**
- c. Steps may be taken by DOPT in consultation with the UPSC to finalise the syllabi of compulsory subjects for the both the preliminary and main examination, for the recruitment cycle 2010. This could later on be dovetailed with the recommendation of the “Expert Committee” suggested in Paragraph 5.3.6.**

5.6 Allocation of Service and Appearing in the Examination after Allocation of Service

5.6.1 At present, allotment of services to successful candidates is done before they report for training, on the basis of their position in the merit list and preferences expressed by them. It has been mentioned earlier that the Kothari Committee had recommended such a scheme as the final stage of its three-stage process, which was not accepted by Government. The Alagh Committee had also looked at the question of allotment of services. To help selected candidates to make an informed choice of service, it recommended that:

“the selected candidates may be required to exercise their service preferences only on the completion of the Foundation Course at LBSNAA but the allocation would continue to be on the basis of the original merit list prepared by the UPSC.”⁶⁴

5.6.2 The Commission agrees with the recommendation of the Alagh Committee and recommends that allotment of services to the successful candidates should be done only on the completion of the Foundation Course, but should be on the basis of the merit list prepared by the UPSC.

⁶⁴Paragraph 10.3.3

5.7 Other Modes of Induction into the Civil Services

5.7.1 On the pattern of examinations conducted by the UPSC, many of the State Public Service Commissions also conduct examinations to select candidates for the State Civil Services. As per Rule 4, read with Rules 8 and 9 of the IAS (Recruitment Rules), 1954 recruitment to the IAS shall be by the following methods –

- i. 66 2/3rd per cent shall be by direct recruitment by a competitive examination;
- ii. 28 1/3rd per cent shall be by promotion from the State Civil Service; and
- iii. 5 per cent shall be by selection from among members of other services.

5.7.2 As per the Indian Administrative Service (Appointment By Selection) Regulations, 1997, the State Government shall consider the case of a person not belonging to the State Civil Service but serving in connection with the affairs of the State who is of outstanding merit and ability and holds a Gazetted post in a substantive capacity, and has completed not less than 8 years of continuous service under the State Government. Thus, in case of the State of Karnataka, the total authorized strength of IAS posts is 259, out of which 181 posts are filled by direct recruitment and 78 posts are being filled through promotion. Out of these 78 posts, 67 are being filled by officers promoted from the State Civil Service (SCS) and 11 seats are being filled by officers promoted from the non-SCS.⁶⁵

5.7.3 The general practice is that officers of the State Civil Service get inducted into the IAS in about eight to twenty-five years, there being wide variations across States. This has been a cause of major grievance on the part of the State Civil Service officers. Also in some cases, the officers selected for the IAS have very few years of service left and get such seniority that they have to be appointed to posts not commensurate with their actual seniority as state civil service officers. After deliberations, the Commission is of the considered view that the induction of officers of the State Civil Services into the IAS should be done by the UPSC on the basis of a common examination. However, instead of having an ad-hoc or sporadic system of examination or having a system of 'Special Recruitment drives', the UPSC should conduct an annual examination for officers from the State Civil Service who have completed 8-10 years of service in Grade 'A'. The eligibility criteria should also include norms such as an upper age limit of 40 years etc. On the basis of this examination, the UPSC should provide the State Governments with an eligibility list. State Governments should fill up their quota for promotion to the IAS on the basis of this eligibility list. Such a system of induction would not only address the grievances of the State Civil Service

Officers, but also ensure fairness in the selection process and result in induction of better human resources. However, in order to ensure that the existing officers in the State Civil Services are not denied adequate opportunities, the examination in the next two years may be conducted without any upper age limit and thereafter an upper age limit of 40 years may be introduced. The Commission also feels that a maximum of two attempts should be allowed to an eligible candidate for taking this examination. The same principles should also be applicable to all state civil services, which have a promotion quota in the other All India Services (IPS and IFS).

5.7.4 Presently, apart from direct recruitment, induction into the Group 'A' Central Services is also done by way of promotion of officers on the basis of Annual Confidential Reports (ACRs) and 'vigilance clearance'. Further, in case of many of the Central Services, there is no direct recruitment to Group 'B' posts. The ratio of Group 'A' posts to be filled up by direct recruitment and by way of promotion as well as the mechanism varies from Service to Service. Thus, the Commission is of the view that induction by way of promotion into Group 'A' Central Services should, in addition to consideration of ACRs, also be done by way of examination on the basis of the criteria as mentioned above. However, as these Services have a specific functional role, the nature of the examination, ratio of posts to be filled by promotion etc. should be decided by the concerned departments in consultation with the UPSC.

5.7.5 Recommendations

- a. **The induction of officers of the State Civil Services into the IAS should be done by the UPSC on the basis of a common examination.**
- b. **UPSC should conduct such an examination annually for officers from the State Civil Services who have completed 8 to 10 years of service in Grade 'A' posts. The eligibility criteria should also include norms such as an upper age limit of 40 years etc. On the basis of this examination, the UPSC should provide the State Governments with an eligibility list. The State Governments should fill up their quota for promotion to the IAS on the basis of this eligibility list. A maximum of two attempts should be allowed to an eligible candidate for taking this examination. To ensure that the existing officers in the State Civil Services are not denied adequate opportunities, the examination in the next two years may be conducted for all such eligible officers and the upper age limit of 40 years may be introduced, thereafter.**

- c. **The mechanism mentioned above should also be applied in case of induction into other All India Services at the State level.**
- d. **Induction by way of promotion into Group ‘A’ Central Services should, in addition to consideration of ACRs, also be done through conduct of examination on the basis of the criteria as mentioned above. The nature of the examination, ratio of posts to be filled by promotion etc. should be decided by the concerned departments in consultation with the UPSC.**

5.8 Allotment of Cadres to the All India Services

5.8.1 The present system for allotment of cadres for the All India Services has been a matter of continuing debate. Till 2007, the allotment of cadres was a mix of a merit-based allotment to insiders in fulfilment of their choice of home state, combined with a random roster system for those who did not qualify for their home State. Candidates were not required to give their preference for any other State apart from their home State. This system achieved a balanced distribution of officers to various States but had a disadvantage in that high ranking candidates, at times, were not getting their home State due to lack of sufficient insider vacancies in that category and were therefore, relegated by the roster to a State which may not be a preferred option for the officer. This often became a source of long-term disappointment, particularly for candidates who had obtained high ranks but found that the process gave no weightage to their rank once they failed to qualify for the insider vacancies in their home cadre. This sense of dissatisfaction that merit did not appear to play a sufficient role in cadre allotment, was compounded by a complex randomized allotment process for outsiders that made it difficult to satisfy the needs of all aspirants. The earlier system – limited zonal preferences – although it led to a greater degree of satisfaction, resulted in reduced inter-regional mobility.

5.8.2 The different systems of cadre allotment which have been tried from time to time, are indicated below:

- a. Merit-cum-preference system (1947 to 1965)
- b. Roster system i.e. allocating candidates except SCs / STs and women, according to their rank in the merit list to the cadres arranged in alphabetical order (1966 to 1977)
- c. Limited Zonal Preference System: (i) Vertical limited zonal preference (1978)
(ii) Horizontal Zonal preference system (1979 to 1983)

- d. Roster system of allocation without any special dispensation (1984 till 2007).⁶⁶

5.8.3 Government has now formulated a new Cadre Allocation Policy (2008).⁶⁷ This policy seeks to achieve a balance between the need for posting officers to different parts of the country and the “preferences” of the officers. The highlight of the policy is that officers are allocated to different cadres primarily on the basis of merit and their preferences. This, however, is subject to the reservation roster and the underlying principle of maintaining a ratio of 1:2 between the insiders and outsiders. The Commission is of the view that the new policy mitigates to a great extent the shortcomings that characterized the earlier cadre allocation policy. The Commission endorses the new policy but with some observations which are mentioned below:

5.8.4 It has been noted that there is reluctance on the part of candidates from outside the North East to serve in that region while at the same time the few ‘insiders’ from the North East who qualify for the services are not assured of allotment in their State/region.⁶⁸ The Government of Nagaland for example has been representing⁶⁹ that the “chances of a Naga IAS Officer getting a home cadre is actually only 1 in 12 whereas according to the general principle of IAS cadre allotment rules, it should have been one out of 3 vacancies”. Also, these States have small cadres and the chances of having more than one insider vacancy are remote. In view of the special characteristics of the North Eastern States as well as the apparent reluctance of officers from outside to serve in these States, it is felt that there is justification for a special dispensation by which ‘insider officers’ (those domiciled in Manipur, Nagaland, Mizoram, Arunachal Pradesh, Meghalaya, Tripura and Sikkim) are given a chance to serve in their own States. This could be done by allotting at least one vacancy in each of the relevant cadres for persons domiciled in the States listed above. This would mean that every year in a cadre e.g. Nagaland, at least one vacancy - irrespective of the number of vacancies in that year - will be earmarked for a successful candidate from Nagaland desirous of working there.

5.8.5 Under the new system proposed above, the list of successful candidates would be taken and if candidate(s) is/are available from the above-mentioned seven States and if a successful candidate has opted for the respective home cadre, then he/she should be first allotted to that cadre. Such an allotment would have to be done irrespective of whether the vacancy is for that category or not. In case there are more than one eligible insider candidates, then the allotment may be done in the order – ST, SC, OBC, and General candidates. This may, however distort the inter-se distribution among the General, OBC and SC/ST categories at the national level. Therefore having done this allotment, a slight adjustment may be required in the allocation of vacancies among the different categories in a few other States. Once the

⁶⁶Report of the Group for reviewing the policy for cadre allocation of IAS officers

⁶⁷Government Letter No. 14015/27/2005-AIS (I); Dated- 21st Feb. 2008.

⁶⁸Government of Nagaland has pointed out that in last 12 years, 5 Naga IAS officers have been allotted to other States even as 10 outsiders initially allotted to Nagaland cadre subsequently got their cadres changed leading to a shortage of IAS RR officers in that State

⁶⁹Chief Minister, Nagaland's letter dated 13th July 2005 to Union Minister of State for Personnel, Public Grievances and Pensions

insider quota of the small North Eastern States is filled up, then further allocation may be done as per the policy issued by the Government of India in 2008.

5.8.6 Recommendations

- a. **The following amendments should be made in the new Cadre Allocation Policy (2008) for allocation of Cadre to candidates selected for the IAS:**
 - i. **At least one vacancy each year in each of the cadres of AGMUT⁷⁰ (only for the State of Arunachal Pradesh) Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura may be allotted to a successful candidate domiciled therein provided he/she has opted for his/her home State. This may be done even if there is no ‘insider’ vacancy in these cadres.**
 - ii. **In case there is more than one eligible candidate, then the allotment may be done in the order – ST, SC, OBC and General candidates, as applicable to each state.**
 - iii. **Once the home State quota of the above-mentioned North Eastern States is filled up, further allocation may be done as per the Cadre Allocation Policy (2008), after making adjustments necessitated by the changes recommended above.**

5.9 The Union Public Service Commission

5.9.1 Role and Functions

5.9.1.1 The first Public Service Commission was set up on October 1st, 1926 by the British Indian Government in response to the demands of the Indian leaders. The scope of this Commission was further widened under the Government of India Act, 1935 and the Commission was named the Federal Public Service Commission. After Independence, a constitutional status was accorded to it and it was called the Union Public Service Commission. The Union Public Service Commission has been entrusted with the following duties and role under the Constitution:⁷¹

1. Recruitment to services & posts under the Union through conduct of competitive examinations;
2. Recruitment to services & posts under the Central Government by Selection through Interviews;

⁷⁰AGMUT: Assam-Meghalaya, Goa, Manipur-Tripura and Union Territories

⁷¹Extracted from the Website of UPSC (<http://www.upsc.gov.in>)

3. Advising on the suitability of officers for appointment on promotion as well as transfer-on-deputation;
4. Advising the Government on all matters relating to methods of Recruitment to various services and posts;
5. Disciplinary cases relating to different civil services; and
6. Miscellaneous matters relating to grant of extraordinary pensions, reimbursement of legal expenses etc.

5.9.1.2 Thus broadly the functions of the UPSC could be categorized as follows:

- a. Recruitment
- b. Promotions
- c. Disciplinary matters
- d. Miscellaneous matters

5.9.2 Recruitment

5.9.2.1 Article 320(1) of the Constitution provides:

“ It shall be the duty of the Union and the State Public Service Commissions to conduct examinations for appointments to the services of the Union and the services of the State respectively”.

5.9.2.2 Accordingly, the UPSC conducts the following examinations:⁷²

1. Civil Services [Preliminary] Examination
2. Civil Services [Main] Examination
3. Engineering Services Examination
4. Indian Forest Service Examination
5. Indian Economic Service/Indian Statistical Service Examination
6. Geologists' Examination
7. Combined Medical Services Examination
8. Special Class Railway Apprentices Examination

⁷²Extracted from the Website of UPSC (<http://www.upsc.gov.in>)

9. National Defence Academy and Naval Academy Examination.
10. Combined Defence Services Examination.
11. Section Officers'/Stenographers' Limited Departmental Competitive Examination.
12. Central Police Forces (Assistant Commandants) Examination

5.9.2.3 Conducting these examinations and recommending the names of suitable candidates is one of the most important functions of the UPSC. Besides, the UPSC also conducts recruitments by having direct interviews (or through recruitment tests) for vacancies in Government of India that are not covered by the competitive examinations.

5.9.3 Consultation for Framing Recruitment Rules

5.9.3.1 According to Article 320(3)(a) of the Constitution:

“ The Union Public Service Commission or the State Public Service Commission, as the case may be, shall be consulted –

- (a) *on all matters relating to methods of recruitment to civil services and for civil posts;*
- (b) *.....”*

The Constitution also stipulates:

Provided that the President as respects the All India Services and also as respects other services and posts in connection with the affairs of the Union, and the Governor, as respects other services and posts in connection with the affairs of a State, may make regulations specifying the matters in which either generally, or in any particular class or case or in any particular circumstances, it shall not be necessary for a Public Service Commission to be consulted.

5.9.3.2 Keeping in view the aforesaid provisions, the Union Public Service Commission (Exemption from Consultation) Regulations, 1958, as amended from time to time specify cases in which it is not necessary to consult the Commission. Thus, though Government is empowered (Article 309) to make recruitment rules for various services or posts, under Article 320(3) consultation with UPSC is mandatory (except for the cases exempted). Therefore scrutiny of the recruitment rules of various departments and suggesting any changes in them is an important function of the UPSC.

5.9.4 Promotions

5.9.4.1 Selections for the All India Services from the State Services are regulated by the respective promotion regulations/rules. These rules provide for a Selection Committee headed by the Chairman or a Member of the UPSC. Similarly, for the Central Services there is a provision for Departmental Promotion Committees to be headed by the Chairman or Member UPSC. Besides, for all Group A posts, wherever the respective Recruitment and Promotion Rules so provide, the UPSC is required to hold meetings of the Departmental Promotion Committees. Over the years this function has expanded in keeping with the expansion in the structure of Government. This can be seen from the fact that in 2006-07 the Commission considered 1253 cases involving 12760 officials in as many as 353 DPC meetings for various posts in the Central Services. This indicates that the Commission has been encumbered with routine administrative matters at the cost of its broader mandate which is to advise the government on the principles of recruitment and promotion. The Commission, elsewhere in the Report, has suggested that an independent Public Service Authority should be entrusted with the task of selecting officers for senior positions in government. For other officers – up to the selection grade - it would be wise to delegate the routine functions of holding DPCs to the Departments concerned. The UPSC should be given the broader mandate of supervising these DPCs through mechanisms including a periodic review and reporting system, audit etc.

5.9.5 Disciplinary cases

5.9.5.1 Article 320 (3) (c) of the Constitution provides:

“The Union Public Service Commission or the State Public Service Commission, as the case may be, shall be consulted –

(c) on all disciplinary matters affecting a person serving under the Government of India or the Government of a State in a civil capacity, including memorials or petitions relating to such matters.”

5.9.5.2 It is further provided that:

Provided that the President as respects the all-India services and also as respects other services and posts in connection with the affairs of the Union, and the Governor, as respects other services and posts in connection with the affairs of a State, may make regulations specifying the matters in which either generally, or in any particular class of case or in any particular circumstances, it shall not be necessary for a Public Service Commission to be consulted.

5.9.5.3 The Union Public Service Commission (Exemption from Consultation) Regulations, 1958, spell out the cases where such consultation is mandatory. Accordingly, during the year 2006-07 the UPSC had received 1188 disciplinary cases under the above Article including 334 cases brought forward from the previous year and the Commission tendered advice in 622 cases. Of these, effective advice leading to imposition of penalty numbered 522. Out of these, there were 48 cases of dismissal and 6 of removal whereas there were 159 cases of pecuniary penalties, 177 cases of cut in pension, 62 cases of censure and 79 cases where proceedings were dropped. The Commission feels that the time and expertise of the UPSC should not be taken up in dealing with routine and 'minor' disciplinary cases. The Commission in Chapter 14 while examining the disciplinary procedures in government has taken the view that these procedures need to be streamlined as the large number of steps prescribed in the current procedures have rendered them cumbersome and ineffective. The Commission is therefore of the view that consultation with the UPSC should be mandatory only in cases leading to the likely dismissal or removal of a government servant from service and all other types of disciplinary cases should be exempted from the UPSC's purview.

5.9.6 Recommendations

- a. Promotion of officers through Departmental Promotion Committees (DPC), upto the level of Selection Grade may be delegated to the concerned Departments. The UPSC should supervise the functioning of these DPCs through periodic reviews, audit etc.**
- b. In the case of disciplinary proceedings, consultation with the UPSC should be mandatory only in cases involving likely dismissal or removal of a government servant.**

6.1 Significance of Training

6.1.1 It is universally acknowledged that training is a critical component of human resource development. It complements a person's education by updating his/her knowledge, inculcating skills and values and helping to change entrenched mind-sets. It also promotes team spirit and in general increases the value of an individual for his/her organization and, consequently, society. In the context of the Civil Services, as Shri L.K. Jha has pointed out "*administrators are not born but made*". Training of civil servants is thus an important personnel function of Government. In fact, there is already a well established and fairly good system for training of senior and middle level civil servants in India but unfortunately its scope and reach does not extend to all civil servants. Over the years, with increased emphasis placed on training, a number of training institutions have also been set up with specialized training faculty and use of modern training techniques. Many of these institutions run training programmes in collaboration with leading national and international academic institutions.

6.1.2 In the pre-Independence period, the higher civil services had an organized system of training. The structure of training of ICS officers is described by Shri B K Nehru as follows:

After having been chosen, you had to undergo one or two years' probation in England according to whether you had taken the London or the Indian examination. This period was spent at Oxford, Cambridge, or the School of Oriental Studies in London. It consisted principally of studying Indian Law and procedures, mostly criminal and the Law of Evidence, getting an idea of the revenue system, reading Indian history and learning the language of the province to which you had been assigned. Thereafter, there was one final examination which included, among other things, your ability to ride a horse!

The real training started on one's arrival in India. The new recruit was put in the charge of a Deputy Commissioner or Collector. These trainers were specially selected

*for their interest in, and capacity for teaching the newcomer not only what his duties were, but to instill into him the proud traditions of the service he had joined. He was also taught what his behaviour should be, how he should acquaint himself with the culture, customs, desires and difficulties of the people in the villages, how to make and keep the revenue records, and how to try both criminal and revenue cases.*⁷³

6.1.3 The pre-Independence period also saw the setting up of several national and state level training institutions. However, after Independence the thrust of these training programmes changed with time. Emphasis was laid on socio-economic development rather than on regulatory functions.

6.1.4 In the mid-eighties, the then Prime Minister, Shri Rajiv Gandhi, revamped the structure of training - particularly for the IAS. Emphasis was placed on mid-career training of officers. A one-week vertical training programme was introduced. Besides, a periodic four-week programme was made mandatory for the middle level IAS officers and a large number of national academic institutes were involved in the training of senior civil servants. However, with the passage of time, the emphasis on training got reduced, attendance in these training programmes started dwindling and their compulsory nature was diluted.

6.1.5 After the economic liberalization in the 1990s, training institutions have tried to re-orient the training programmes. Attention is now given to good governance, transparency and objectivity in administration, democratic decentralization through the Panchayati Raj Institutions, creating a congenial environment for infrastructural and industrial development and a citizen-centric approach.

6.1.6 Today almost all major organized services have a national level training institute/academy. Some organizations like the Indian Railways have established a network of training institutions for training of civil servants of different categories. States have established Administrative Training Institutes (ATIs) for training of State Government employees. Some States have also established District Training Institutes for training of cutting edge functionaries. The Training Division of the Department of Personnel and Training administers induction training to recruits to the Indian Administrative Service, other All India Services and the Central Services. The Department also sponsors training programmes on a variety of subjects for different categories of Union and State Government employees. The Training Division provides assistance for upgradation of the training equipment of government training institutions. It has also been coordinating the implementation of the National Training Policy which was formulated in 1996.

6.2 The National Training Policy

6.2.1 The Government of India's National Training Policy which deals with the training needs of civil servants points out that "it (training) has acquired an added relevance for building up necessary leadership and confidence among civil servants to measure up to the expectations of the public in the context of rapid technological changes as also the economic, social and political transformation taking place in the country." The National Training Policy guidelines also emphasized the importance of training as "one of the effective and tested tools for performance enhancement, as well as upgradation of knowledge and skills of the personnel. Organizational motivation and morale, as reflected in attitudes and administrative culture, are rendered relevant and sharply focused through effective training programs. Sensitivity to emerging political and social concerns, modernity in thinking and reorientation of administrative systems would require specifically focused training programs to enable their diffusion throughout the administrative structure." The Policy recognizes that training is an effective and tested tool for performance enhancement, as well as upgradation of knowledge and skills of personnel. It states that the objectives of training should be:⁷⁴

- a. Keeping up-to-date and enhancing professional knowledge and skills needed for better performance of individuals and organisations;
- b. Promoting better understanding of professional requirements as well as sensitisation to professional, socio-economic and political environment in which work is done; and
- c. Bringing about right attitudinal orientation

6.2.2 The Training Policy stipulates that training programmes should focus on :

- (a) **Responsiveness:** to the challenging democratic needs and expectations of the citizens and organisational and technological developments.
- (b) **Commitment:** to democratic values and concept of partnership and participative decision making.
- (c) **Awareness:** of technological, economic and social developments
- (d) **Accountability:** to ensure high performance in every professional field and cost-effective methods of delivery.

⁷⁴www.lbsnaa.ernet.in

6.2.3 The National Training Policy (1996) emphasizes training for all. It stipulates that training would be imparted to all rungs of the Civil Services starting from the lowest and cutting-edge level to the highest in policy making. For the purpose of appropriate training design, the Civil Services shall be divided into the following three levels:

- a. The lowest level functionaries, that is operative at the cutting-edge, who are mostly members of the Group ‘D’ Services and the lower stages of Group ‘C’ Services:
- b. The supervisory levels and the middle management/administrative level (they are mostly members of the Group ‘B’ Services, but also shade off into higher stages of Group ‘C’ at one end and the lower stages of Group ‘A’ at the other); and
- c. Group ‘A’ services and All India Services comprising the administration/management level.

6.2.4 As regards funding of training activities, the National Training Policy envisaged that each Department should set apart 1.5% of its salary budget to be used solely for the purpose of training and should not be diverted for use elsewhere. However, a suitable monitoring mechanism to supervise the implementation of this policy has not been set up. The Commission feels that such a mechanism needs to be set up immediately.

6.3 Current System of Training for the Civil Services

All those selected for Group A Services are currently required to undergo a two-year (approximately) induction training though for some services like the Indian Forest Service the duration is longer. The content of the training programme varies from Service to Service. Induction training for the Group A (general management services and specialized services), comprises a Foundation Course and a Professional Course. The Foundation Course is common to all of them. Officers of some technical Services like the Indian Economic Service and the Indian Statistical Service also participate in the Foundation Course. For the non-Group A Services, the pattern varies. While some have the requirement of mandatory induction training, others do not have such a requirement and report directly to their departments for posting. The latter are expected to essentially learn “on the job”. For the sake of convenience, the present training practices are highlighted using the example of the IAS. This has been done in view of the diversity of its training needs and on the consideration that if a programme can be designed to adequately meet the complex requirements for the IAS, then the training design for other Services may perhaps be simpler. Wherever appropriate, current practices followed in some other Services have also been presented in

this Report. Some aspects of training of Group B, C and D employees have been examined in Chapter 7.

6.3.1 Foundation Training

6.3.1.1 As its name suggests, the Foundation Course provides the foundation for public service. It is a bridge between the academic world of college education and the structured chaos of governance. The main objectives of the Foundation Course are the following:

- (i) developing an esprit de corps among the officers of different services,
- (ii) fostering the attitudes and values that every civil servant should possess, and
- (iii) imparting a basic understanding of the environment and the machinery of the government

6.3.1.2 Spread over a duration of 15 weeks, this course is conducted at the Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie. A major portion of the training period - 12 out of the 15 weeks - is devoted to course work and 3 weeks to village study and extracurricular activities like trekking and river rafting, essentially aimed at leadership development and team building. The subjects taught include management, economics, public administration, law, political concepts and Constitution of India, Indian history and culture and computers.

6.3.1.3 Officers belonging to the general management and specialised services, for which recruitment takes place through the Civil Services Examination are required to undergo the Foundation Training. However, those recruited for most of the technical services, for example through the Indian Engineering Services Examination, are not required to undergo the Foundation Training. In many of the Services, that are otherwise required to undergo the Foundation course, the course is not mandatory and if a candidate could not attend it for any reason (usually due to his/her interest in writing the civil services examination again) this requirement gets exempted.

6.3.2 Professional Training for All India Services and Other Organised Group A Services

6.3.2.1 The remaining part of the two-year induction training is spent on professional training where officers are given inputs that are specific to their jobs, particularly in order to equip them for the kind of assignments they are likely to have during the first 10 years of their career. This professional training is coordinated by a professional training institute for each Service. Among them are the National Police Academy at Hyderabad, the Foreign

Service Institute at New Delhi, the Railway Staff College at Vadodara, the National Forest Academy at Dehradun, the National Academy for Direct Taxes at Nagpur, the Audit and Accounts Staff College at Shimla, etc. The LBSNAA remains the professional training institute for the IAS.

6.3.2.2 In respect of the IAS, the professional training is divided between the LBSNAA and the State cadre to which the officer is allotted. It is divided into the following components (Table 6.1):

Component	Duration	Objectives	Broad contents
Phase I training	24 weeks	Develop the necessary skills, knowledge and attitudes to discharge the responsibilities of the assignments of an IAS officer during the first decade of his/her service	Public administration, law, economics, management, political concepts and Constitution of India
District attachment	52 weeks	To provide an opportunity to apply the knowledge and skills acquired during the phase I to real life situations	Range of attachments with district level offices and a series of study assignments
Phase II	6 weeks	To provide an opportunity to reflect on and synthesize the knowledge and skills acquired during the phase I and the district training	Seminars and group discussions

Phase I and Phase II are conducted at the LBSNAA and the district training (in the State Cadre) is conducted between these two phases. While the LBSNAA coordinates the broad activities during the district training, many of the details are decided by the district collector under whom the officer undergoes this phase of the training.

6.3.2.3 Phase I includes a Winter Study Tour of about eight weeks duration, popularly known as “Bharat Darshan”. It provides a unique opportunity to better understand the diverse nature of the country and its unity in diversity. The Study Tour is also utilized to get the trainees acquainted with the Armed Forces, public and private sector undertakings, media, NGOs, urban bodies, and Parliamentary practices.

6.3.2.4 The training of about 52 weeks in the State cadre is essentially spent in understanding State specific issues such as the State Laws, administrative practices, socio-economic

conditions, history, culture, language, land revenue system, etc. Officers are usually attached to a district, where the district collector “mentors” the officer during this phase. There are several attachments to different offices, usually those that the officer would supervise during his/her initial assignments. These attachments help the officer to also appreciate the working conditions in such offices and thereby be a better supervisor in the years to come.

6.3.2.5 The pattern of district training varies from State to State, with some States having developed a very structured calendar whereas others rely on a more loosely structured system, leaving it to the officer and his/her “mentor” Collector to mutually devise a training calendar. In order to ensure that there is at least some structuring of the sandwiched training, the LBSNAA prescribes a number of assignments which include socio-economic survey of a village, maintenance of weekly diaries, etc.

6.3.2.6 On the whole, the induction training for the IAS is well designed to meet the needs of the district assignments where the officers are required to coordinate a wide range of activities including

- Maintenance of law and order and supervision of the local police
- Conducting of elections
- Administration of the land records and revenue system
- Performing magisterial functions under various statutes
- Disaster management and relief /rehabilitation operations
- Implementing development programs

6.3.2.7 The professional trainings for other Services focus on a more subject-specific set of inputs in keeping with the requirements of the likely future assignments of officers. A structured professional course for the Revenue officers was started in 1945 in Mumbai. Courses for officers of the Indian Revenue Service are now conducted for a duration of 16 months at the National Academy of Direct Taxes in Nagpur. During the course of the training, professional inputs are given on Accountancy, Tax Laws, Business Laws, Company Law, Property Law, Partnership Law, Hindu Law etc. The probationers are also given intensive training on important related subjects like search and seizure operations, working of the capital markets, representations before the Appellate Tribunal, computerization process and business re-engineering processes of the Income Tax Department. Officers are also given soft skills and management inputs to train them to be effective and efficient officers. After 10-11 months of professional training, officers have a 8-10 weeks on-the-job training to help them gain practical experience of law and accountancy. In these 16 months

the officers also have a three-week industrial attachment and a three-week attachment to an Income Tax Office. A one-week Parliamentary attachment helps the officers to understand Parliamentary procedures in our country.

6.3.2.8 The training of officers of the Indian Revenue Service (C&ES) is done at the National Academy of Customs and Excise and Narcotics (NACEN), Faridabad. The training of 16 months is broadly divided into 2 modules of 8 months each, one related to Excise and the other to Customs. During the modules, the officers have an attachment at a regional Customs House for 2 months and an attachment with the preventive formations for one month. In the Excise module, the officers have an attachment of 2 months with the Excise divisional ranges and an industrial attachment of one month. Other relevant attachments of the officers are with the National Police Academy and the Narcotics Control Bureau. Officers are given intensive inputs in subjects like Customs and Central Excise Laws, International Trade, Accountancy, related International Conventions and Treaties, Public Administration.

6.3.3 Mid-Career Training

6.3.3.1 The need for mid-career training is derived from the premise that as an officer goes up in the hierarchy the nature of his/her job changes. In particular, in respect of the IAS, it has been seen that during the first 8-10 years of his/her service, an officer is primarily concerned with the implementation and coordination of programmes at the field level. The next 8 to 10 years, when the officer moves into higher positions, the nature of his/her job shifts to project/programme formulation and in management of programmes on a larger state-wide basis. At still higher levels, the officer is primarily concerned with policy formulation, first within a sector, and then across sectors. Each of these is a specialized function and requires special skills which cannot necessarily be learnt on the job.

6.3.3.2 The current programmes of mid career training fall into two categories: compulsory training and optional programmes. Compulsory training comprises those programs that an officer is compulsorily required to undergo. Optional programmes are those that an officer may choose to undergo and is not compulsorily nominated for.

6.3.3.3 In 1986, a structured system of compulsory mid-career training was started for the IAS comprising a combination of a one week training programme every year and four week programmes at three levels in their career. Under the system officers were required to undergo:

- A two-week training programme in the service ranges of 6-9 years, 10-16 years and 17-20 years each.

- A one-week training programme every alternate year during the service range of 10-30 years.

6.3.3.4 The one-week programmes focus on a theme and also draw officers from a wide range of seniority levels, thus bringing about a kind of vertical integration. Themes range from “Ethics” and “Leadership Development” to more specific ones like India’s international trade, Information Communication Technology (ICT), infrastructure financing, etc. On the other hand, the two-week programmes are broader in coverage and are to a narrower band of seniority levels.

6.3.3.5 These programmes are conducted at a number of institutions. An annual calendar is prepared and circulated each year and officers are required to submit their choices. By and large, officers are assigned to programmes based on their choice.

6.3.3.6 With effect from 2007, a new and more comprehensive system of mid-career training has been introduced for the IAS. It has the following features:

- a. It is structured to bring the entire batch of officers recruited to the IAS in a particular year for the training programme.
- b. It is a mandatory requirement for further promotion at certain stages in an officer’s career.
- c. Mid-career training programme is a mandatory requirement for further promotion at certain stages in an officer’s career. Participation in mid-career training programme would not necessarily qualify the officer for promotion but non-participation would debar him for promotion.
- d. Phase I and Phase II trainings are held at the time of induction of the officer to the Service. While Phase I is held immediately after the Foundation course, Phase II is held after the state-level training is completed by the officer. The revised guidelines provide for three more Phases during the career of the officer.
- e. Phase III and Phase IV of the mandatory training of 8 weeks each is a minimum requirement for promotion to the JAG and Supertime scale respectively. Thus, an officer could participate in the Phase III of the training at any time between the 7th and 9th years of service and in Phase IV between the 14th and 16th year of service. Phase V of 4 weeks is to be undertaken between the 26th and 28th years of service i.e., before an IAS officer is normally considered for

empanelment as an Additional Secretary/Secretary to the Government of India. Participation in Phase V shall be the minimum requirement for empanelment as Additional Secretary/Secretary and for further increments after the 28th year of service.

- f. DOPT is to prepare a plan and initiate steps for upgrading and re-equipping the LBSNAA for undertaking Phase III, IV and V of the training programme, in addition to Phase I and II which it already handles.
- g. The Expert Committee under the Chairmanship of Dr. Y.K. Alagh recommended the following set of institutions to conduct the training programmes: Phase III – Duke Centre for International Development, Duke University and the TERI School, New Delhi; Phase IV – IIM, Bangalore and Maxwell School of Public Administration, Syracuse University; Phase V – Kennedy School of Government (Harvard University) and IIM, Ahmedabad. Offers may be invited from leading institutes – domestic and international – for design and delivery of the training, which are to be decided upon by the Expert Committee.
- h. While Phase III lays stress on project management and execution aspects of public policy, Phase IV is about policy formulation and management of environment in the context of policy making and execution. The emphasis in Phase V inputs is on evaluation of public policy in the political economy milieu as well as on leadership and international issues.
- i. All the phases of mandatory mid-career training must be attended by all officers in the first year that it falls due and exemptions would be allowed only under extraordinary circumstances and with the prior approval of DOPT.

6.3.3.7 The compulsory mid-career training of the Indian Revenue Service officers is done at two stages; first, when the officers are promoted from one level to the higher level i.e. on promotion as Joint Commissioner, Commissioner and Chief Commissioner level. Structured according to the needs of the echelon to which the officers have got promoted these course focus on management skills, creative leadership and investigation or judicial skills. These courses are conducted to equip the officers with the changing profile of their job. The course duration varies from 3 to 15 days. Batch-wise training is conducted for officers at the end of the 15th year of service and, the other, at the end of the 25th year of service. The course duration is for three days each. Specialized modules reacquaint the officers with the current best practices and methods in the field of tax administration. Other mid-career programmes include specialized courses that are attended by officers dealing

with the subjects. These are optional courses and are usually well attended. The duration of the courses is normally one week. Some of the specialized courses are listed below:

- Assessment of Fringe Benefit Tax
- Assessment of Trusts, Cooperative Societies and Banks
- Internal Audit
- Assessment of Transaction in Capital Markets
- Assessment of Real Estate Dealers and Builders
- Transfer Pricing
- Impact on Tax of Amalgamation and Mergers
- International Taxation
- Revenue Forecasting
- E-governance
- Stress Management, Gender Sensitization

6.3.3.8 In addition to the compulsory programmes, there is a wide choice of optional programmes that all Group A officers can attend. Many of these are fully paid for by the Department of Personnel and Training whereas some are paid for by the sponsoring Department. Examples of such optional programmes are:

- Short and long term training programmes abroad under the scheme of “Domestic Funding for Foreign Training”
- Higher studies abroad on study leave (in some cases also supported by partial funding from the Department of Personnel and Training)
- One year Masters programmes in Public Policy run by IIM-Bangalore, TERI, MDI Gurgaon and IIM – Ahmedabad
- Advanced Program in Public Policy & Administration run by the IIPA
- One year program run by the National Defence College, New Delhi
- Chevening scholarships programme offered by the UK Government
- Programmes sponsored by other international agencies

6.3.3.9 These courses involve a selection process and therefore not all who apply get selected. There is an element of competition as against compulsory programmes where every officer has to be nominated.

6.3.3.10 As is evident from the list, most of these programmes aim at enhancing the academic qualifications of an officer and bringing about greater professionalism in the area of public policy making. Formal qualifications in public policy or public administration are the result of these long duration programmes. Some are shorter duration programmes aimed at refining the knowledge of an officer in a specific area.

6.3.3.11 There is general recognition that qualifications in public policy are an important element in developing professionalism among civil servants. However, there was complete absence of any such academic programme in the country due to which officers usually went to educational institutions in the United States (US) and United Kingdom (UK) under scholarships available from international organizations. However, this provided an opportunity only to a small number of officers and, therefore, a decision was taken to start such academic programmes in India. Over the last few years, at least four Master's level programs in public policy have been started. These not only enable officers to acquire greater professionalism, but also offers a pool of faculty members who could serve as specialized consultants for short assignments with the Government.

6.3.3.12 Officers in general management services such as the IAS (during their career) have to work in different sectors like health, finance and infrastructure. While they are not expected to have deep technical knowledge of these sectors, it is necessary for them to have a broad understanding of the sectoral issues and concerns. Moreover, in a rapidly changing global environment, changes are taking place in the philosophy of public service and newer concepts such as eliciting greater involvement of the private sector and NGOs as partners and also seeking involvement of the stakeholders in decision-making are becoming the norm. These need to be factored into the mid-career training programmes.

6.4 Weaknesses in the Present Training System

6.4.1 Even though the Government of India as well as State Governments have given importance to training and the need to institutionalize these through setting up of training institutions at various levels, there remain basic shortcomings-cutting across all services and at all levels-that need to be addressed.

6.4.2 While the induction training for Group 'A' officers, especially the IAS, was well structured and conceptualized, several weaknesses have crept in over the years. In particular, one weakness that has been highlighted on several occasions relates to the value attached to the Foundation Course. Officers selected to the IAS, or the Indian Foreign Service undertake the Foundation Course at the appropriate phase of their overall training. However, officers selected for other services tend to seek leave for writing the Civil Service Examination again,

and therefore, undergo the Foundation Course at the fag end of their two-years training. In some cases, officers are even exempted from undergoing the Foundation Course. In fact, the technical services do not have to undergo this course. Some services also do not consider attending the Foundation Training to be mandatory while others require attendance but attach no value to the officers' performance in the training. This greatly devalues the crucial induction training mechanism.

6.4.3 The induction training – for IAS officers- has a major shortcoming; it tends to focus predominantly on the district and sub-divisional assignment that an IAS officer is likely to hold in the initial years of his/her career but does not adequately take into account the need for development of domain expertise and knowledge of various sectors of government nor is it responsive to the officer's individual interests and academic qualifications. This training has also been criticized for being outdated and reflecting a relatively archaic mindset by not being in tune with the nature of the job performed in the present-day context. The design and contents of this programme have been recently reviewed in great depth by the Aiyar Committee and these need to be examined and implemented. Unfortunately, information on a similar review for the other services is not known.

6.4.4 An over arching weakness for all training programmes is the minimal value attached to training by many senior officers. Caught up in the compulsion of short-term needs as against the long-term objectives of an organization, immediate supervisors may tend to be guided by the compulsions of the immediate need and not spare their best officers for training. This implies that only “spareables” get trained and not the more important “good performers”. Also, those who are appointed to train are frequently from the ‘spareable’ category and are not chosen on the basis of their ability, commitment and knowledge of training. A corollary to this has been that, often trainings are not taken seriously by the trainees. The Commission would also like to point out that only 203 weeks out of a 33-36 years (11%) or longer career of a civil servant is likely to be spent on his/her training as is evident from the schematic depiction of a typical career training schedule for an IAS officer – Table 6.2. This figure is much less for other civil services and extremely low for the Group B, C and D government servants.

6.4.5 A revised system of mid-career training has been introduced for the IAS from 2007. This has been structured in line with the changing job profile of an officer and the need to develop competencies for different assignments at different levels of government. It has been stipulated that promotions would not be given if the training is not completed. However, there is no formal evaluation of performance of trainees even in these newly introduced programmes. These mid-term training courses of all durations continue to be rather generic and do not adequately cater to the need for inculcating greater domain knowledge in civil

servants. Importantly, promotions continue to be based on an evaluation of how well an officer has been in performing the tasks assigned to him (through his/her ACRs) and his/her performance in developing skills through training programmes or other academic pursuits is not given adequate importance. Initial feedback seems to suggest that there is a possible mis-match between the actual design of the programmes and their objectives. It is recommended that a quick review of these programmes be conducted so that any failure or shortcomings noticed in the first round of conducting them can be rectified.

6.4.6 Training efforts are largely focused on the senior civil services and very little goes into training the middle and lower levels of government. In fact, these levels are very important as they are the citizens' interface with government and the image of any government is made or marred by the way the patwari, the gramsevak, a police constable and the extension officer functions. It is these levels that also need a major motivation building initiative as they are the ones whose

Table 6.2: Total Duration of Training in the Career of an IAS Officer

Years of service	Event	Training	Duration in weeks
1 & 2		Induction training – FC, Phase I, district training, Phase II	104
5	Promotion to Senior Scale		
7 – 9		Phase III	8
10	Promotion to Junior Administrative Grade		
14	Promotion to Selection Grade		
17	Promotion to Super-time Scale		
10-16		Long duration course in public policy	52
17-19		Phase IV	8
20	Empanelment to Joint Secretary		
20 – 27		Short courses, sabbatical, etc to build on domain knowledge	26
27-29		Phase	4
29 – 30	Empanelment to Additional Secretary		
Last year of service		Training on dealing with retirement	1
Total	Out of a career span of at least 33 years (1716 weeks)		203

prospects of promotions and other forms of reward are limited. In this context, Box 7.2 which shows the impact of the training of such government servants in Gujarat and the training of Safai Karamcharis in Satara district, under a project of the Department of Personnel, is revealing. It shows the importance of such initiatives.

6.4.7 The contents of these trainings also leave much to be desired. The conventional training programmes focus largely on enhancing professional skills and knowledge of civil servants. Other important aspects of training - helping the civil servant in understanding and analyzing the environment in which he/she operates and bringing about the desired attitudinal and behavioural change in civil servants – are often neglected. It has also been observed that the training programmes do not provide adequate emphasis on ‘administrative law’. A large number of civil servants discharge quasi-judicial functions. Besides, with increasing accountability of civil servants and a large number of decisions of government facing judicial scrutiny, it is imperative that all civil servants are well acquainted with the laws and their application in general and administrative law in particular. Training programmes of civil servants at all levels must address this issue.

Box 6.2: The Hardheartedness of the Educated

When Mott asked Gandhi what gave him cause for the greatest hope, Gandhi unhesitatingly referred to the people’s capacity for non-violent resistance despite the gravest provocation. And when Mott queried Gandhi on what filled him with the greatest despair, Gandhi said: “The hardheartedness of the educated is a matter of constant concern and sorrow to me.”

Source: India Today, December 18, 2006. <http://archives.digitaltoday.in/indiatoday/20061218/pre-vlal.html>. Vinay Lal.

6.4.8 Apart from a few of the Group A Services, there is no structured mid-career training for many Group A Services. There is also no structured mid-career training for any of the Group B, C and D Services. A move has been made for introducing mid-career training for the CSS, but this is yet to be formally introduced. In the few cases that mid-career trainings do exist, it is not mandatory and performance in the training is not evaluated. Hence, such training is often not treated with the degree of seriousness it deserves. Even the relevance of the mid-career training of IAS officers, started in 1986 with laudable objectives, has, over the years, been considerably diluted, virtually converting these programmes into a routine activity. There were no penalties for non-attendance and extremely low fees were paid to the training institutes, considering the current market rates.

6.4.9 Training programmes for the Civil Services are conducted in a large number of Government Training Institutions at the Union and the State level. In addition, a large number of academic institutions are also now undertaking mid-career training programmes. However, a high quality educational institution may not always turn out to be a high quality training facility for Civil Servants. This is because academic institutions are not always able

to design training programmes with the right mix of theoretical and practical inputs that are relevant for the civil services.

6.4.10 The National Training Policy has laid down the road-map for strengthening and streamlining the training efforts of all the Ministries of Government of India, but in the absence of a monitoring mechanism, it has not been possible to evaluate the effectiveness of the National Training Policy. It is high time that monitoring is made an intrinsic part of the ‘Training Policy’.

6.5 Recommendations Made by the First ARC and Various Committees

6.5.1 The First ARC recommended the formulation of a national policy on civil service training setting out objectives, priorities and guidelines for preparation of training plans. It also recommended the creation of a ‘Training Division’ to perform the leadership function of promoting, coordinating and facilitating training in the Government of India. It further recommended the creation of a training cell in each Ministry/Department. The Commission recommended the extension of the ‘Foundation Course’ to all technical Class-I services. It also made several recommendations regarding the contents of various training programmes.

6.5.2 The need for an intensive mandatory mid-career training for IAS officers has been strongly advocated by several committees constituted to make recommendations on various aspects of the Civil Services. These committees have also emphasized that the performance of officers in these training programmes must be taken into account for their career progression. The primary objective of such programmes is to help develop “next level competency” before the officers get promoted to higher positions. This would be in line with the global trend.

6.5.3 The Yugandhar Committee, set up to review the current system of mid-career training for the IAS, has recommended training at three levels, namely, the 12th, 20th and 28th years of service. The Surinder Nath Committee, set up to review the system of performance appraisal, promotions and placement, has also recommended mid-career training for all Group ‘A’ services and suggested that the performance in these programmes should carry 25% weight in determining suitability for promotions and empanelment. A committee of Secretaries that examined the Surinder Nath Committee Report has gone further and recommended that such mid-career training be imparted at four points in an officer’s career. The Hota Committee on Civil Service Reforms has endorsed the recommendations of the Surinder Nath Committee. A Committee under Dr. R.V. Aiyar also went into the design of the induction training for the IAS and made a number of suggestions.

6.5.4 The Aiyar Committee observed that the competencies required for senior positions can be imparted only by a much longer duration mid-career programme than what Phases III, IV and V now envisage. It recommended that during his/her career an IAS officer should be required to participate in two mandatory long-term programmes. It drew an analogy with the armed services of separating the preparation for lower level field commands from those of higher command, and going for an extended in-service training of about one year for officers who are seen to be on the fast track to higher positions. It also observed that such a long duration mid-career programme would be akin to the professional degree in Public Policy and Systems Management that the Alagh Committee on Civil Services Examinations had recommended. A consortium of institutions could organize such a programme with LBSNAA as the lead institution.

6.6 A New Approach to Training Civil Servants

6.6.1 General Principles

6.6.1.1 The Commission is of the view that, first and foremost, every government servant must undergo mandatory training at the induction stage and also periodically during his/her career. Successful completion of these trainings should be a minimum necessary condition for confirmation in service. Measures to evaluate performance in subsequent training must be put in place and taken into account in determining suitability for promotions and also for determining inter-se seniority. This has now become necessary for the following reasons:

- the environment in which officers have to work is, in comparison with the past, more demanding and complex and is also rapidly and constantly changing,
- there is all-pervasive demand for improved governance,
- a paradigm shift has occurred in the idea of governance, of what governments should do, and also how they should govern, and
- the reinforcing forces of globalization, urbanization, democratization, and the IT revolution are immutably altering the practice of governance.

6.6.1.2 Often issues like high costs and inability to spare an officer for a training course have been the reasons for officers not attending training programs. These should be strongly discouraged and, if necessary, be made a ground for imposing penalties. Training is far less expensive than the loss that could result from the decisions or inaction of an uninformed official. Similarly, as pointed out earlier, the duration of training is insignificant when

compared to the length of service in the government. There may sometimes be practical problems in sparing an officer if he/she is required to leave a charge at short notice. To obviate such difficulties, notice for mandatory training should be given at least 6 months in advance. This would not only enable the employing department to plan interim arrangements but also enable the officer to mentally attune himself/herself for the learning opportunity. Major personal emergencies and unforeseen official contingencies aside; two successive failures to attend training programmes should debar the officer from future programmes and also his/her next promotion.

6.6.1.3 The quality of training is very important because poor quality of training could result in lack of interest of the trainees in the training itself. A number of factors are responsible for poor quality of training programmes. These include financial constraints because of which the best faculty is not utilized by the training institutes as also a mis-match between the expertise of the training institutes and the subject matter of the training programme entrusted to it. It has also been noted that prestigious institutes often do not take adequate interest in training programmes while relatively lesser known institutes impart better training both in terms of quality and content. It is, therefore, necessary that there should be an intensive evaluation of the quality of all training programmes and only those institutions that deliver best results should be utilized for training of civil servants.

6.6.1.4 The Commission would like to emphasize that training should seek to impart the knowledge, skills and aptitude necessary for performing their assigned jobs. Ideally, therefore, training should be designed separately for each person and for each job, by taking into account the needs of the job, the existing capabilities of the officer and thus identifying the gaps in his/her knowledge, skills and aptitude for performing the job. However, as this is not possible in a country of India's size, it is necessary to identify clusters of jobs, and participants and thus clusters of training. This will mean that a series of "training needs analyses" will have to be carried out and training programmes designed accordingly.

6.6.1.5 The duration of each training programme will vary depending on the complexity and intensity of the inputs. It will also vary from service to service and for different levels. Therefore, it will not be possible here to suggest either the duration or the specific inputs required for each training programme. These are matters of detailed design and should be carried out as an independent exercise for each cluster of jobs/officials.

6.6.2 Induction Training

6.6.2.1 The objective of induction training is manifold. It seeks, firstly, to instill, in the new recruit the ethos of public service. Secondly, it seeks to facilitate an understanding of the

structure of the government machinery and the role of its different components. Thirdly, it serves to impart the skills and knowledge necessary for performing a specific job.

6.6.2.2 The inputs for instilling the ethos of public service and explaining the structure of the government machinery, administrative law etc would be common for all Services, whereas the skills and knowledge required for the specific responsibilities of different Services would vary. This justifies the current practice of having a common Foundation Course for several Services and a separate Professional Course for each Service. The Commission is of the view that all services including technical Services which do not undergo the Foundation Course at present, should be included in the course. It would also be appropriate if this course could be conducted at a single institute like the LBSNAA. Infrastructure shortages if any, in the LBSNAA, will need to be made good to enable them to run an adequate number of Foundation Courses to cover all Group 'A' Service officers.

6.6.2.3 The current Foundation Course for the Group 'A' Services especially as reviewed by the Aiyar Committee has been taken as a benchmark. A two-years duration for the professional training programmes of all Group A and All India Services also appears to be an appropriate period. Similarly, the duration for the Foundation and Professional programmes for the Group 'B', 'C' and 'D' needs to be fixed after taking their job requirements into account. This may be taken as an initial set of suggestions which could be modified as part of the exercise to actually design programmes for each of these categories of civil servants.

6.6.2.4 Unfortunately, the contents of many professional programmes appear to be rather outdated and need to be reviewed to serve present-day needs. This exercise has already been carried out for the IAS by the Aiyar Committee. Since the Aiyar Committee has had very wide ranging consultations, fresh views on its recommendations are not being offered here. Any in-depth examination or review would best be done only after its recommendations are implemented for a few years. Accordingly, it is suggested that the Foundation Course, as recommended by the Aiyar Committee, be applied to all Group 'A' Services. The professional program for the I.A.S. may also be implemented as recommended by the Aiyar Committee. In addition, the district training, for IAS officers should include an on-the-job training in one field of his/her choice for a period of one month so that the element of domain specialization linked to the officer's own interest and qualifications is initiated at a nascent stage of his/her career. It is also recommended that for the other Services, Committees may be set up to review the current programmes, through wide ranging consultations with all stake-holders and not merely from inputs from members of the Service. Views of potential clients and those who require the services offered by such officers should receive due importance.

6.6.3 Mid-career Training

6.6.3.1 The objective of mid-career training should be two-fold; firstly, to update the knowledge base of the participant in the context of today's rapidly changing environment, and secondly to develop competencies for changes in the job profile, as would happen when a promotion takes place. Mid-career programmes can also serve as a medium for enhancing formal qualifications, thereby creating greater confidence in an officer. Therefore a good mid-career training must serve the following needs:

- Provide an opportunity for updating one's knowledge and skills base, especially at a time of rapid change.
- Provide an opportunity to learn the skills essential for higher positions, as an officer goes up in the hierarchy and faces a change in his/her job profile.
- Provide an opportunity to acquire basic knowledge of a new sector to which an officer may be assigned.

6.6.3.2 In this context, the Commission has considered proposals to assign areas of specialization or domains to officers (paragraph 8.4). This would imply that officers can be considered for different assignments only on the basis of the domains assigned to them. This would require that mid career learning opportunities relevant to the domain should be available for officers both before and after promotion to the SAG level. The requirement before such promotion is to enable an officer to acquire professional capability at an early stage itself in the expectation that in most cases the domain sought will be assigned. The requirement after the selection is primarily to enable continuous learning and updating of domain relevant knowledge.

6.6.3.3 Competencies required from civil servants in the IAS and other general Services can, therefore, be classified into two categories. One is the domain knowledge, i.e., knowledge of the sector in which the officer functions. For example, officers working in the area of petroleum and natural gas must have an understanding of the petroleum sector while those working in the area of rural development must have in-depth knowledge of agriculture and poverty etc. Similarly, officers working in the area of international trade would require an understanding of the international trading regime etc. In the second category would fall the specific skills required by an officer for carrying out his/her functions and responsibilities based on his/her position in the official hierarchy. For example, the function of officers at the lower end of the hierarchy includes more of implementation responsibility while those at the mid-level would need skills to perform managerial and supervisory tasks of monitoring

and programme formulation. Officers at the higher levels perform policy oriented functions and would need to develop skills related to these functions.

6.6.3.4 It would, therefore, be appropriate if a mid career training is conducted a little before a promotion becomes due. Such a programme would, then, serve three purposes:

1. Help in updating the knowledge base of an officer
2. Develop competencies for the new job profile
3. Test the presence of attributes required for the promoted post and thereby help assess suitability for promotion

6.6.3.5 The design of the mid-career programmes would again depend on the nature of the Service and the extent of inputs required to be given. It is not possible, in this Report, to suggest the requirements for each Service or even each category of Service. As an example, it is recognized that in the case of the IAS there is a clear change in the job profile as one goes up in the hierarchy. Over the first 10-11 years, officers largely function in field positions, interspersed by some postings in the State Secretariat or in the offices of heads of departments. However, after completing about 12-13 years of service, officers to enter the second phase of their careers which largely involve postings in the State Secretariat or as heads of field agencies under development departments. In the State Secretariat they hold middle level posts and primarily support policy formulation and implementation. Monitoring and evaluation as well as project appraisal are also important functions performed by them. As heads of departments they are primarily concerned with formulating and managing development programmes across the State. On completion of 17-18 years of service, they enter the third phase of their careers when they are largely posted in the State or Central Secretariat. Their responsibilities at this level are primarily policy formulation in focused sectors and overseeing the implementation of such policies. Finally, after about 28-30 years of service, they enter the last phase of their career when they hold top posts in the State/ Union Government and are largely concerned with inter-sectoral policy formulation and larger system management responsibilities. Except during the first phase of 10-11 years, officers can also head or hold senior management positions in corporate entities owned or substantially controlled by the State or the Union Government.

6.6.3.6 During all phases of their career, officers are called upon to display sound qualities of leadership and human resource management. Concern for the citizen is a key requirement in all the activities they undertake. Hence, the mid-career training programme introduced in 2007 has been designed with this career profile in mind.

6.6.3.7 In this context it is important to recognize that in the present-day context, it is important for all officers occupying managerial and senior positions to have an exposure to global developments. It is for this reason that an international exposure visit has been included in the mid-career programmes for the IAS. This should be a feature of all mid-career programmes of Group A services and at least one of the mid-career programmes for Group B services. However, these international visits should primarily be exposure visits and not be confined to academic classroom sessions in an Institute.

6.6.3.8 Mid-career training programmes should include a balanced mix of both short-term and long-term courses. The short-term programmes should be mandatory and should serve the twin purpose of upgrading the knowledge of the officer and also assessing whether he/she has the qualities and potential to undertake higher professional responsibilities. Each officer/official should be evaluated on completion of training programmes. This evaluation, coupled with the officer's ACR assessment, should be the criteria for his/her selection for the long-term training programme. Apart from the existing generic short-term training courses, there should also be some sector-specific training courses which can facilitate the development of domain expertise in civil servants. It would be necessary to identify suitable training institutions with a diverse range of outstanding faculty, including those invited on a guest basis for the long-term training courses.

6.6.3.9 On the lines of assignment of domains to members of organized Group A Services, assignment of domains may also be done for members of the CSS and the CSCS, who function in a wide variety of sectors. In all such cases it will be necessary to ensure that domain specific learning opportunities as well as structured training programs are available for those assigned to a domain. While structured training could be available at two or three points in the career and serve the purpose of building job profile competence and knowledge, a continuous learning opportunity also has to be provided to ensure regular updating of knowledge. This can best be done through online courses that could be taken at an officer's convenience as well as a web-based library that would function as an in-house resource for all members of the public service. Such in-house learning opportunities are available in many international organizations of which the UNDP system is amongst the most sophisticated. There is a learning manager in each country office of the UNDP assigned with the responsibility of creating and promoting learning amongst the members of the staff of that office. This role has to be performed by a training manager in each Ministry, coordinated by the Training Division of the Department of Personnel/the concerned Ministry in the Government of India.

6.6.3.10 With the increased emphasis on updating professional knowledge and skills it is important that public servants are encouraged to acquire higher qualifications during

their career. Members of Group A services should, for example, be encouraged to acquire Masters degree in Public Policy/Public Administration preferably before they reach the level of Joint Secretary. This would be useful since they have to function in an assigned domain where the expectation is of greater professionalism and conceptual understanding. For the same reasons the practice of civil servants writing papers for reputed journals needs to be encouraged.

6.6.3.11 Stress Management: Working in government could create mental and emotional stress on government servants like in any other job. Each person develops his/her own way to respond to stress created by his/her job. These responses are generally in the form of anxiety, withdrawal, lack of interest in work, violent reaction etc. Thus stress is not only harmful to the individual it also reduces his/her efficiency which reflects in poor performance. However, years of research has helped in evolution of good stress management techniques which help a person to cope with stress created by work. Stress management modules have now become a regular component of training in the corporate sector. The Commission is of the view that all training programmes especially the mid-career ones should include a module on stress management.

6.7 Institutional Arrangements

6.7.1 The institutional arrangements for organizing civil services trainings are varied. Essentially, there are six broad categories of training institutes engaged in training civil servants. These are:

1. Service specific lead institutes like the LBSNA for the IAS, the Sardar Vallabhbhai Patel National Police Academy (SVPNPA) for the police, Staff College for the IA & AS, the NADT for the IRS, etc. (The Railway Staff College in Vadodra was a lead institute for all the Railway Services, but separate lead institutes have now been set up for each of the technical services)
2. General purpose training institutions that are owned or largely funded by the Government such as the IIPA.
3. General purpose training institutions that are privately-owned such as the Administrative Staff College of India (ASCI), TERI, etc.
4. Educational institutions which also serve as training institutions as part of their management development activities, such as the Indian Institutes of Management, IIFT, etc.

5. Sector specific lead institutions such as the National Institute of Rural Development, Central Institute of Road Transport, etc.
6. State level Institutes that are general purpose or sector specific e.g. YASHADA in Pune, HCMRIPA in Jaipur and the Centre for Good Governance in Hyderabad. etc

6.7.2 The LBSNAA is as an apex institute for civil service training though it has no formal control on any of the other institutes. It tends to draw its position of being a lead institute by virtue of its close association with the Department of Personnel and Training, its role in conducting the Foundation Course and the Professional Course for the IAS and its excellent infrastructure coupled with its attractive location.

6.7.3 At the State level, the Administrative Training Institutions (ATIs) occupy a similar apex position. There are a number of specialized training facilities also available at the State level.

6.7.4 Information from the Training Division of the Department of Personnel and Training indicates that there are at present hundreds of training institutes in the country. However, only a few of them can be categorized as top class training institutions. It appears that because of lack of coordination between the various organizations of Government and also between the Union and State Governments, huge amounts of money have been spent on “brick and mortar” rather than on investing in top class faculty and modern training equipment and material. To ensure optimal use of valuable resources it may be advisable to conduct an evaluation of all the existing institutions to assess their capacity to impart quality training. Only those which pass the evaluation test should be identified for upgradation and for further investment of resources. Other institutions should be closed down with their resources being transferred to institutions identified for continuation. The Commission would like to point out that countries like Malaysia have only a few institutes such as INTAN with top end facilities and they are able to cater to the needs of thousands of participants each year.

6.7.5 The following additional points relating to training institutions also need to be considered:

6.7.6 Head of the Institute and Faculty

The leadership and direction provided by the Head of a training institute is of critical importance in building both the prestige and capacity of the institution, particularly in attracting good faculty. Seniority is not always the best criteria for selecting the head of a government training institute. It is more important to select an officer who has real interest

as well as experience in training in his/her earlier assignments, to head such institutes. Unfortunately, many officers who could be excellent heads of training institutes prefer to be involved in mainstream functions within their service. On the other hand governments often tend to treat the positions as a berth for 'inconvenient' or 'unwanted' officers. To redress this situation there is need to adopt a professional head hunting approach to select heads of training institutions. Suitable incentives need to be provided so that the best possible person is identified and made available to these institutions. The same principle should apply for selection of faculty members. It has also been seen that there is a pre-dominance of service members in the training institutes who are assigned for a short period on deputation to these institutes. While this is desirable to ensure practical training, it is important to recognize that theoretical inputs are also important. It would, therefore, be useful to have a balanced blend of academic and officer faculty.

6.7.7 Funding

There are complaints that many of the training institutions are inadequately funded. In this context it would be desirable to encourage these institutions to market their training programmes and charge fees for the programmes they conduct. This would help in creating incentives for an institution to upgrade its training skills and also not be solely dependent on government funding support. Training needs are huge and a dynamic training institution should not face any difficulty in raising resources. Needless to add, apex institutions of different Services have to first discharge their primary responsibility of training members of the Service rather than taking up commercial training programmes. There was criticism of the LBSNAA having focused on such programmes for a few years, but fortunately this has since been corrected. A judicious mix of commercial programmes and programmes that meet the needs of the civil services is called for.

6.7.8 Academic Content

There is presently little clarity on how the academic content and the quality of delivery are evaluated. By and large, the detailed training course contents are designed by the individual faculty member conducting the course. A quality check is at best through feedback forms which are distributed at the end of a course, with little time being available to the participant to give any honest feedback. Some valuable inputs come through informal verbal discussions, but these do not get captured into any formal and structured evaluation of a programme.

It is therefore necessary for each institution to have an Academic Council to approve the content and design of various programmes and also arrange for a structured evaluation. For example, the possible Academic Council for the LBSNAA could comprise the following:

- Director, LBSNAA
- Joint Secretary (Training), DoPT
- One representative each from the professional training institutes of other Services – IPS, IRS, Railways, etc
- Two IAS officers in the 16-18 years service range
- Two IAS officers in the 6-12 years service range
- A well known professor each in the fields of law, economics, public administration and management education.

This structure is being suggested as the training at the LBSNAA is intended to be more practical and aimed at equipping an officer for the postings in the first 8-10 years of service, namely, field postings. Representatives of the other professional training institutes would help in making the Foundation Course more practical and relevant. Officers of the 6-12 year and 12-18 year service ranges would help align the programme more closely to the changing ground realities and professors in the fields of law and economics would help strengthen the two areas where academic inputs are important.

6.7.9 Oversight

At present, oversight of the training institutions is primarily by the Head of the Institution and to a limited extent by the concerned administrative Ministry. The Commission is of the view that all apex institutions must have a higher level oversight which not only includes management issue, but also proper realization of the larger objectives. For example, such an oversight must encompass the academic content, the quality of delivery, proper selection and placement of faculty, faculty upgradation and developing a balance between meeting the needs of the Service and the resource needs of the institute. The Boards of Governors of the IITs and IIMs are good examples of such mechanisms. A possible oversight arrangement for the LBSNAA would be a Governing council/body with the following composition:

1. Cabinet Secretary - Chairman
2. Secretaries of the Departments of Personnel, Home, Environment and Forests
3. Heads of four to five of the major professional training institutes – SVPNPA, NADT, IGNFA.

4. A sufficiently large number of eminent experts in the fields of education, management, law, industry etc.
5. Director, LBSNAA – Member-Convener

The Governing Council/Body should be adequately empowered to enable it to discharge its functions efficiently.

Governing Councils on similar lines should be constituted for other national training academies/institutes and the State administrative training institutes.

6.7.10 Centre to Promote Good Governance Practices

6.7.10.1 One weakness in our governance system is the incapacity to institutionalize the best practices from our own country and elsewhere. A conscious effort not only to identify and document best practices but also build policy and create new structures and institutions to encourage mass replication needs to be made. Setting up institutions and centres of good governance would be an excellent way to innovate and replicate such practices. These centres/institutions for good governance, in addition to researching, documenting and disseminating good governance practices and international experiences could also monitor and evaluate new initiatives, assist in strategic planning, draft policies and legislations and undertake studies in civil services reforms. Conducting training programmes would be an important function of these institutions. The centres/institutions of good governance could be set up by upgrading one of the national/state level institutes and networking it with existing selected State level public administration training institutes.

6.8 Recommendations

- a. **Every government servant should undergo a mandatory training at the induction stage and also periodically during his/her career. Successful completion of these trainings should be a minimum necessary condition for confirmation in service and subsequent promotions. Mandatory induction trainings should be prescribed for Group D staff also before they are assigned postings.**
- b. **A monitoring mechanism should be set up for overseeing the implementation of the National Training Policy (1996).**
- c. **The practice of having a ‘Common Foundation Course’ for all Group ‘A’ Services – generalist, specialized and technical, should continue. For Group**

‘B’ and ‘C’ Services, the Institute of Secretarial Training and Management (ISTM) may be developed as the nodal agency for design and delivery of common Foundation Courses.

- d. All civil servants should undergo mandatory training before each promotion and each officer/official should be evaluated after each training programme. Successful completion of the training programmes should be made mandatory for promotions.**
- e. The objective of mid-career training should be to develop domain knowledge and competence required for the changing job profile of the officer. To this end, mid career learning opportunities relevant to specific domains or specializations should be made available for officers.**
- f. Public servants should be encouraged to obtain higher academic qualifications and to write papers for reputed and authoritative journals.**
- g. A strong network of training institutions at the Union and State levels needs to be built up to cater to the training requirements of civil servants. However, instead of spreading resources over a large number of institutions, a few institutions should be identified for capacity building and upgradation.**
- h. The composition of governing bodies of the national training institutions such as the LBSNAA, SVPNPA, IGNFA and also the State Administrative Training Institutes should be broadened by inducting eminent experts. The governing bodies should be adequately empowered to enable them to discharge their functions efficiently.**
- i. A national institute of good governance may be set up by upgrading one of the existing national/state institutes. This institute would identify, document, and disseminate best practices and also conduct training programmes.**

GROUP 'B' AND GROUP 'C' SERVICES

7.1 The Group 'B', 'C' & 'D' Employees

7.1.1 As stated earlier, Civil Services at the Centre are organized into four groups, viz. Group 'A' (which includes All India and Central Services), Group 'B', Group 'C' and Group 'D'. This classification broadly is based on the rank, status and degree of responsibility attached to the posts. Group 'A' posts carry higher administrative and executive responsibilities and include senior management positions in Ministries/Departments and field formations. The junior level of Group 'A' along with Group 'B' constitute the middle level in the government. Group 'C' staff perform certain supervisory as well as operative tasks and also renders clerical assistance. Group 'D' posts are meant for carrying out routine duties and other supporting functions. The functions performed by the Group B, C and D officers and staff are varied and range from general administration, to specialized and technical functions. There are also intra group variations in each of these categories depending on the ministry, department, organization they are working for and this is reflected in different designations and functions within each group.

7.1.2 Some Ministries have large Departments and specialized/technical Services attached with them, others are however, in the nature of nodal, policy formulating ministries that have only general administration staff working under them. The information regarding the Group A, B, C, and D posts have been tabulated as per the sanctioned strength of per Ministry (Table 7.1).

Table No. 7.1: Number of Government Servants

Group	A	B	C	D
Agriculture	331	412	2153	5510
Chemical & Fertilisers	121	205	198	141
Civil Aviation	17	16	63	49
Coal	42	79	183	97
Commerce & Industry	975	1469	3960	1871
Communications and IT	4840	10637	220652	50742

Table No. 7.1: Number of Government Servants (Contd.)

Group	A	B	C	D
Consumer Affairs, Food & PD	218	368	411	279
Corporate Affairs	412	426	261	138
Culture	341	848	17812	10367
Development of NER	146	78	324	224
Earth Sciences	538	2612	3351	2165
Environment & Forest	154	97	644	305
Finance	12840	54418	46389	27348
Food Processing Industries	86	73	73	44
Health & F.W.	3840	2514	13820	12906
Heavy Industries & P.E.	59	102	100	79
Home Affairs	14772	22012	642914	55647
Housing & Urban Poverty Alleviation	-	-	-	-
H.R.D.	299	650	612	398
I. & B.	501	1575	3803	1997
Labour & Employment	951	1238	3123	1313
Law & Justice	348	731	850	610
Micro, Small & Medium Enterprises	383	546	1388	695
Mines	3446	10255	822	4152
Minority Affairs	11	11	6	4
New & Renewable Energy	98	82	140	78
Overseas Indian Affairs	21	34	33	14
Panchayati Raj	18	22	32	13
Parliamentary. Affairs	12	41	50	26
Pesonneel, PG&P	1162	1205	6266	1119
Petroleum & NG	44	116	77	67
Planning	367	359	326	350
Power	591	566	570	294
Rural Development	140	305	247	148
Science & Technology	717	1139	7238	5892
Shipping, Road Transport & Highways	519	695	2095	1295

Table No. 7.1: Number of Government Servants (Contd.)

Group	A	B	C	D
S.J. & Empowerment	60	140	114	66
Statistics & Programme Implementation	475	1581	3667	780
Steel	42	104	73	31
Textiles	239	559	3554	1216
Tourism	-	-	-	-
Tribal Affairs	33	49	29	15
Urban Development	1520	4340	19807	7755
Water Resources	1620	2202	6265	3556
W.C.D.	76	134	280	171
Youth Affairs & Sports	42	122	201	85
D/Atomic Energy& D/Space	-	-	-	-
Cabinet Secretariat	1670	4800	10235	1409
Prime Minister Secretariat	-	-	-	-
U.P.S.C.	-	-	-	-
C.V.C.	47	92	73	73
Total:	55184	130059	1025284	201534
<i>Source: Sixth Central Pay Commission</i>				

7.2 Central Secretariat Service

7.2.1 Prior to 1947, the Indian Civil Service (known as the 'ICS') was the implementing agency for executing the policy directions of Government. At that time there were secretariat offices, whose origins can be traced back to 1919, when the Imperial Secretariat Service came into being as one of the off-shoots of the Llewellyn-Smith Committee, set up on the eve of the Montague-Chelmsford Reforms. The Committee envisaged a Secretariat Organization in the nature of a pyramid, the apex of which was the "Secretary" and at the base was a body of "Assistant Secretaries" (today known as Section Officers). After Independence, the 'Secretariat Offices' evolved into the Central Secretariat Service (CSS), which is spread across various Ministries/Departments.

7.2.2 On the role of the CSS the First ARC commented: *"At present the higher Services in the Civil Service are ab initio field Services. Their initial deployment is in the field offices of the Central and State Governments. The work relating to policy formulation claims the*

administrator's time only from about the middle part of his career. There is no class division per se between the policy-formulator and the executive. The system is so designed that the same set of personnel do executive and policy work at different times. The exception is the Central Secretariat Service which forms a large component in the present pattern of staffing of headquarters organisation of the Central Government, though it has not been designed for any executive work."

7.2.3 Today, the general administration services in the Central Secretariat, which provide support and continuity to the Central Government Secretariat set up, essentially in the Union Ministries, are as under:

Table No. 7.2: The Secretariat Services			
Service	Grade	Strength	Total
Central Secretariat Service	Senior Selection Grade (Director) Group A	110	8423
	Selection Grade (Deputy Secretary) Group A	288(including in-situ)	
	Grade I (Under Secretary) Group A	766	
	Section Officer	2353	
	Assistant	4906	
Central Secretariat Stenographer Service	Senior Principal Private Secretary Group A	58	7117
	Principal Private Secretary Group A	107	
	Private Secretary	1390	
	Stenographer Gr. C (PA)	2776	
	Stenographer Grade D		
Central Secretariat Clerical Service	Upper Division Clerk (UDC)	5535	11115
	Lower Division Clerk (LDC)	5580	

Source: <http://persmin.nic.in/dopt>

7.2.4 The CSS provides the permanent bureaucratic set up in the Union Government. Its officers have been selected through the Civil Services Examinations, as well as the all-India graduate level Assistant's Grade Examinations, conducted by the UPSC and the SSC respectively.

7.2.5 While the CSS is a general administration service, there are many ministries/ departments, attached and subordinate offices that have large cadres of their own doing

specialized and technical functions. These are in the field of taxation, policing, audit, accounts, archaeology, meteorology etc.

7.2.6 The CSS provides a strong framework for the Secretariat of the Union Government, as well as a delivery system for policy formulation, continuity in policy administration, monitoring & review of the implementation of policies/schemes and a coherent institutional memory, which are germane to good governance. In the fast changing socio-economic scenario, CSS officers have to be suitably equipped to meet the emerging challenges. Some of these challenges include speedier decision making process, adapting to modern technological changes, business process re-engineering etc.

7.3 Recruitment at Group 'B' Level

7.3.1 There is no direct recruitment at present at the Group B (Gazetted) level for either the general administration services or for the specialized services and employees reach this level only by promotion. This is the cutting edge or the visible face of government for most cadres. For the taxation departments Group B officers are the Income Tax Officer, Excise and Customs Superintendent and Customs Appraisers (these were earlier recruited directly, however, the practice has recently been discontinued); for the postal service it is the Postmaster Group B; for the accounts services it is the Senior Accounts Officer.

7.3.2 In the General Administration set-up, the key Group 'B' officer is the Section Officer and here also the earlier practice of recruiting them directly has been discontinued. Since all these officers, as mentioned earlier, function at the cutting edge level and have frequent interface with civil society, it is necessary to ensure that the most suitable persons hold these posts. In this context, it is recommended that each Department, dealing with both the general as well as specialized services, set up Committees to examine what changes are required in the system of recruitment and promotions to these posts. Prima-facie the Commission is of the view that in order to infuse fresh thinking, a certain percentage of vacancies (say 25% every year) at the level of Section Officer as well as for other specialized Group B posts, should be filled through 'Direct Recruitment'.

7.3.3 Recommendations

- a. **Each Department, dealing with both the general as well as specialized Services (Group B), may set up committees to examine what changes are required in the system of recruitment and promotions to these posts. Prima-facie the Commission is of the view that in order to infuse fresh thinking, a certain percentage of vacancies (say 25% every year) at the level of Section**

Officer as well as for other specialized Group ‘B’ posts, should be filled through ‘Direct Recruitment’.

7.4 Staff Selection Commission

7.4.1 The Estimates Committee of Parliament in its 47th Report (1967-68) recommended the setting up of a Service Selection Commission for taking over recruitment to lower category of posts from the UPSC. Subsequently, the First Administrative Reforms Commission (ARC) also recommended the setting up of a recruitment board. Accordingly, the Staff Selection Commission was constituted in 1977. The Staff Selection Commission has a nationwide network of nine Regional/Sub-Regional Offices. The Regional Offices are located at Allahabad, Bangalore, Chennai, Guwahati, Kolkata, Mumbai and New Delhi and two Sub-Regional Offices are located at Chandigarh and Raipur.⁷⁵

7.4.2 Initially recruitment for Group C (non-technical) posts was being done by the Staff Selection Commission. Afterwards the Staff Selection Commission was also entrusted with the recruitment for Group ‘C’ (non-technical) and Group ‘B’ (non-gazetted – both technical and non-technical) posts in various Ministries/Departments of Government of India, their attached and subordinate offices except those for which recruitment is made by the Railway Recruitment Boards.

7.5 Recruitment at Graduate Level

7.5.1 The SSC conducts recruitment to various categories of posts for which candidates are required to possess a graduation degree. The Staff Selection Commission holds a combined graduate level examination for various Group B and C posts like Income Tax Inspectors, Central Excise Inspectors, CBI Inspectors, Assistants, Customs Appraisers etc. A preliminary examination in the OMR format is held, followed by a main written examination of 3-5 papers. The screened candidates are called for an interview. The process of examinations from the date of advertisement to the final selection takes more than a year. The reason attributed to the long process is the number of stages in which the examination is conducted. Further, data of the past few years shows that for this examination about 10 lakhs candidates appear in a year, out of which the selected candidates are in the range of 10,000 to 30,000. In addition, the SSC conducts three separate examinations for posts of Sub Inspectors in Central Police Organisations, Tax Assistants in the Income Department and Section officer(Audit) in the office of the CAG, respectively, for which the candidates have to be at least graduates. A comparison of the main features of these four channels of graduate level recruitments is at Table 7.3.

Besides the posts mentioned in Table 7.3, the Staff Selection Commission also conducts recruitment of Junior Engineers, CPWD (technical Group C posts), Jr. Hindi Translators, Statistical Investigators etc. for which the eligibility is a graduation degree.

Table 7.3: Comparisons of Various Examinations Conducted by the Staff Selection Commission – Graduate Level					
S.No	Parameter	Combined Graduate Level Examination	Central Police Organisations	Tax Assistant	Section Officer (Audit)
1	Posts included	Assistants in CSS, SIs in CBI, Inspectors in CBEC & CBDT etc., Inspector of Posts in Deptt. of Posts and Divisional Accountants, Junior Accountants, Auditors, UDCs etc. in Central Govt. Offices (2006-07)	SI in BSE, CRPF, SSB, CISE, ITBP (2006 examination)	Tax Assistants in Income Tax Deptt. And CBEC (2007 examination)	Section Officer (Audit) 2006
2	Number of Candidates registered	CGL(M) 05-33375 CGL(P)06 -925606	77879	2,17,855	
3	Number of Candidates qualified	CGL(M)05 2811 CGL(P)06 – 45883 (qualified for main)	786	6965 qualified for skill test	
4	Age limits The Upper age limit is relaxable : (i) Upto a maximum of 5 years for SC/ST candidates (ii) Upto a maximum of 3 years for OBCs candidates (Common to all positions)	(i) 18 to 27 years for Inspector of Income Tax/ Inspector (Central Excise)/ Inspector (Preventive Officer)/ Inspector (Examiner)/ Inspector of Posts/ Assistant Enforcement Officer and Divisional Accountant/	20-25 years	20-27 years	20-27 years

Table 7.3: Comparisons of Various Examinations Conducted by the Staff Selection Commission – Graduate Level						<i>Contd.</i>
S.No	Parameter	Combined Graduate Level Examination	Central Police Organisations	Tax Assistant	Section Officer (Audit)	
	Auditors/ UDCs (ii) 20 to 27 years for posts of Assistants and Sub-Inspectors in CBI					
5	Essential Educational Qualification	Graduation Degree or equivalent from a recognised University	Graduation (Bachelor's Degree) in any stream from a recognised University or equivalent	(i) Graduation in any discipline from any recognised University (ii) Should possess Data Entry Speed of 8,000 key Depressions per hour on Computer	Bachelor's Degree of a recognised University	
6	Is there a screening-preliminary test	Yes	No	No	No	
7	What are the subjects in the preliminary exams	Part A-General intelligence and awareness Part B- Arithmetic (Marks not counted –only for screening)	NA	NA	NA	

Table 7.3: Comparisons of Various Examinations Conducted by the Staff Selection Commission – Graduate Level					<i>Contd.</i>
S.No	Parameter	Combined Graduate Level Examination	Central Police Organisations	Tax Assistant	Section Officer (Audit)
8	Pattern of main exam	Total number of papers-5 1. General Studies 2. English (qualifying) 3. Arithmetic 4. Language Comprehension (English) 5. Communication skills (English or Hindi) (All papers are conventional type)	Total number of papers -2 1. General intelligence, awareness and numerical ability 2. Language comprehension and writing skills (Paper 1 is objective type and paper 2 is conventional type Paper 2 of only those candidates who qualify in paper 1 is evaluated)	Total number of papers-2 1. Paper 1- General English and awareness 2. Arithmetic (Paper 1 is objective type and paper 2 is conventional type. Paper 2 of only those candidates who qualify in paper 1 is evaluated)	Total number of Papers-2 1. Paper 1 – General English, General Awareness. 2. Paper 2 Arithmetic (Paper 1 is objective type and paper 2 is conventional type. Paper 2 of only those candidates who qualify in paper 1 is evaluated)
9	Special Test	No	Physical Endurance Test	Skill Test as Data Entry Operator	No
10	Personality Test/ Interview	Yes	Yes	No	Yes
<i>Source : Website of SSC, http://ssc.nic.in</i>					

7.5.2 From the analysis presented in this Table it is clear that there are certain common as well as certain distinguishing features in these four examination systems.

Common Features:

- a. Candidates must possess a graduation degree so as to qualify to take any of these four examinations.
- b. Candidates are recruited based on the marks obtained in a written examination (which may be followed by a physical and personality test).
- c. The questions in these examinations are designed to test the general awareness, numerical capability and comprehension ability of the candidates.
- d. Candidates do not have an option to choose an optional subject for the test. (This is unlike the Civil Services Examination where the candidate opts for two subjects).

Distinguishing Features:

- a. While the Combined Graduate Level Examination has two sequential stages- screening (preliminary) test and the main test- the other three examinations have only one stage but are conducted in two parts. The first part has multiple choice objective type questions and the second part has conventional subjective type questions. The second part of only those candidates is taken up for evaluation, who have secured a prescribed minimum score in the first part.

7.5.3 Although a large proportion of posts require the candidates to possess a graduate degree, the prescribed age limit varies from post to post. The Commission is of the view that all such positions must have the same age limit. The Commission would recommend that the age limit for all these positions should be 20-25 years for general candidates with a relaxation of three years for OBC and five years for SC/ST and physically challenged candidates.

7.5.4 The time taken to complete the examination process in the Combined Graduate Level Examination is well over one year. This is because of the large number of candidates taking this examination. This has necessitated holding the examination in two stages –preliminary and main examination. A limited number of candidates screened through an objective type preliminary examination are then tested in a conventional examination. The objective type question paper lends itself to machine evaluation but the subjective type conventional paper has to be evaluated

manually. This manual evaluation apart from being time consuming may also not be free from the biases of the evaluators. There is a viewpoint that the conventional examination system of administering a subjective type test may be substituted by an objective type test. The argument against this proposal is that an objective type test cannot judge the comprehension, analyzing and presenting skills of the candidates.

7.5.5 On balance, the Commission is of the view that the examination system should be based on a well designed objective type question paper. The advantages of quick evaluation and total objectivity outweigh the disadvantage of not being able to assess the candidates' presentation skills. The Commission feels that this shortening of the examination process would allow the candidates to join at least a year earlier, and a part of this time could be utilized for imparting the necessary training so as to upgrade the skills of the selected candidates. Moreover, even the testing technology through objective type questions has evolved substantially and these tests can be designed to test various competencies of the candidates.

7.5.6 The Commission also feels that there is no need to conduct four different examinations for the various posts as stated in Table 7.3, Even now candidates in all these four examinations are tested in general awareness, numerical skills and comprehension. There could be a common examination and thereafter, the candidates could be allowed to apply for various posts with this examination score. The SSC may then conduct specialized tests and interviews for short listed candidates. In order to standardise the process, the examination could be held on a fixed date in a year and the marks obtained could be valid for a year.

7.5.7 Recommendations

- a. **The age limit for all positions (Group 'B' non-gazetted and Group 'C') – requiring a graduate degree - should be 20-25 years for general candidates with a relaxation of three years for OBC and five years for SC/ST and physically challenged candidates.**
- b. **The examination system should be based on a well designed objective type question paper.**
- c. **There is no need to conduct separate examinations for posts (Group 'B' non-gazetted and Group 'C') which require a graduate degree. There should be a common examination and thereafter, the candidates should be allowed to apply for various posts with this examination score.**

7.6 Recruitment for LDCs

7.6.1 The Staff Selection Commission holds an annual combined Matric level examination for LDCs, and Stenographers. The prescribed qualification for candidates is Matriculation or equivalent and on an average more than 7 lakhs candidates appear for this examination. The candidates are first screened through a preliminary examination in an OMR format and those who qualify appear for a written test. Candidates who have cleared the written test appear for a skills test whose contents vary according to the post for which they have applied. Interviews are not a part of this process. This entire process takes more than a year.

7.6.2 The Commission notes that government has decided that no fresh recruitment will be made to the LDC Grade (Central Secretariat Clerical Service).⁷⁶ Since LDCs may still be required in some departments/organizations, the Commission has examined their process of recruitment in the following paragraphs.

7.6.3 The Commission is of the view that with improved awareness levels and availability of better educational facilities the minimum qualification of Matriculation or equivalent for LDCs may be revised to 12th standard pass or equivalent. With the increasing complexities in government jobs and decentralisation, it is necessary that functionaries at the delivery level are adequately equipped to handle these enhanced responsibilities. This is also necessary as with the increasing use of computers and IT, it would be necessary that candidates who are selected have basic knowledge of these tools. The Commission recommends the minimum qualification to any Group 'C' level posts (presently LDC, and Stenographer) should be 12th standard pass or equivalent.

7.6.4 The Commission is of the view that the process of recruitment which spans over a year should be reduced. A prolonged process of examination does not necessarily enhance the quality of the candidates selected and the same rigorous standards can be applied in well designed objective type examinations. It has been argued that a written paper is necessary to judge the

Box 7.1: Skill Test (Typewriting Test)

The candidates who qualify the main examination(s) will have to undergo a typewriting test.

Typewriting Test is a Qualifying test only. Required minimum typing speed for this qualifying test is 30 words per minute (in English) and 25 words per minute (in Hindi).

Candidates are allowed to take the typewriting test either in Hindi (Devanagri script) or in English.

Candidates shall have to bring their own typewriter for the test. Use of electronic typewriter is not allowed in typewriting test.

Only those candidates who secure in the written (main) examination such minimum qualifying marks as may be fixed by the Commission at their discretion will be eligible to be considered for appearing in the Typewriting Test and only such of them as qualify at the typewriting test at the prescribed speed will be eligible for being recommended for appointment upto the number of vacancies available.

The typewriting test will consist of one paper of running matter of 10 minutes duration.

No second chance will be given to candidates if their typewriter goes out of order or fails to work during such test.

Source: <http://ssc.nic.in>

capability of a candidate for drafting and analysis of issues. However, these competencies can also be judged through a well designed objective type examination. The advantage of an objective type examination is that it lends itself to evaluation by machines and consumes very little time. An added advantage of machine based evaluation is that it does away with any biases that may creep in during evaluation. The Commission would therefore recommend that only one examination which is of an objective type be held for shortlisting candidates for the skills test.

7.6.5 The procedure for recruitment at present prescribes a skills test. This test is held on obsolete machines (manual typewriter). The Commission is of the view that such tests should be conducted using modern equipment and the Staff Selection Commission should develop this capability in house or should outsource this function.

7.6.6 Recommendations

- a. **The Commission endorses the stand taken by the Government that recruitment of LDCs should be phased out.**
- b. **In case it is felt necessary to recruit LDCs in certain organizations/departments, especially in field offices, their recruitment should be done through the Staff Selection Commission. The existing recruitment process needs to be modified on the following lines:**
 - i. **The minimum qualification should be class 12th pass or equivalent.**
 - ii. **The test should comprise of objective type questions.**
 - iii. **Short listed candidates should be administered a skills test. This should be conducted on computers so that the capability of the candidates to use word processing softwares is also assessed.**

7.7 Training

7.7.1 On joining service, some Group B and C employees are imparted training. However, the type and intensity of training varies from service to service. In several departments/organizations, the practice followed is that the officials undergo a rigorous training and only thereafter they are assigned responsibilities. The Central Police Organisations, CBDT and CBEC are good examples where officials are given professional training before they are formally inducted into Service. The CBDT has Regional Training Institutes where Tax Assistants and Income Tax Inspectors are given technical training. On induction a Tax Assistant in the Income Tax Department is given 5 weeks training of which 2 weeks are for specialized income tax computer application

training. Newly inducted Inspectors are imparted training at a 12 weeks induction programme, which has components of both professional training and some modules of generalized training, in the nature of a Foundation course. Similar is the situation with the staff selected for the Customs and Central Excise and Indian Audit and Accounts Service. Group B and C staff are trained at their Regional Training Institute and Regional Training Centre. The training imparted are in the nature of induction courses with emphasis on technical subjects. In the Central Secretariat Service, Assistants are imparted Foundation and Professional Training after joining the Service. This also is the case with the Central Secretariat Stenographers Service and lower grades in the Central Police Organizations. The Institute of Secretariat Training and Management which imparts training to Group B and C officers of Central Secretariat Cadres have prescribed a number of courses/training programmes for various grades.

Box 7.2: Training of Field Functionaries in Gujarat

A massive exercise of training the trainers was under taken. A total of 3000 government trainers were trained from among government officers and employees who volunteered for this. Each one of these government trainers delivered up to six batches of training to other employees. By the end of June 2006, 2.19 lakh employees were already covered under this training programme, which included even peons, drivers, stenographers, clerks, etc. This figure also included 55,000 police constables. A separate training programme was prescribed for teachers, and was delivered to them as part of their annual training. Two lakh teachers were therefore covered simultaneously, raising this figure of trained employees to 4.19 lakhs.

...

At the end of this programme, an analysis of the result of the written feedback from these people, revealed that 49% of employees termed it as 'Excellent' and 35% termed it as 'Very Good', 14% termed it as 'Good' and only 2% termed it as 'Average'. But more than that, the qualitative feedback received from the employees clearly showed that the employees undergone a sea change in their attitude. They had become more articulate, understanding and proactive because of the emphasis on communication skills and training on how to control their anger. Many of them did realize during the training itself, how in the past, they had been foolish enough to behave rudely with others by their body language or by their negative attitude.

Source: Reinventing Government through HRM strategies, Hasmukh Adhia

7.7.2 The Commission is of the view that it is necessary to build the capability of all officials, through induction training, before they are assigned any responsibilities. In addition to the training in specific subjects, emphasis should be given to courses that will orient the officers and staff to be citizen friendly and service oriented.

7.7.3 Mid career training should also be imparted through refresher courses to all Group B and C employees. It is recommended that every employee must attend one professional training and one soft skill training during a period of 4 years, and attendance in these training programmes should be mandatory. Non attendance of this should be viewed adversely by the Department. It may also be made essential that at the time of promotion, employees must have attended and cleared a basic number of professional trainings and soft skill training programmes. The number and contents of such training programmes/modules may be determined by each Department according to their own specializations/requirements.

7.7.4 Often supervisory officers are reluctant to relieve officials for attending mid-career training programmes. Since these training programmes greatly enhance the efficiency and knowledge of officials, cadre controlling authorities must ensure that all those nominated for the mid-career training programmes are permitted to attend.

7.7.5 For the Group B and C Services, it would be appropriate if the ISTM, which is the lead training institute for CSS, is entrusted to design and deliver a Foundation Course for all of them. The infrastructure available with them also needs to be assessed with a view to strengthen it suitably. In the design of the course curriculum, they would have to draw on the basic structure of the Foundation Course of the LBSNAA and modify it to the extent of making it relevant for the levels being trained. The design would be different for Group B and the Group C officials. Broadly, the following should be covered in the Foundation Course:-

- Constitution of India
- Values of a civil servant/public service and Ethics in Government
- Organization and structure of the government – Legislature, Executive, Judiciary, autonomous organizations
- Public Relations and responsive administration
- Indian Economy/Infrastructure Development and Public Private Partnerships
- Administrative Law and Reforms
- Office Procedure including use of IT/Computers
- Financial Management in Government
- Personnel Management and Reservation Policies
- Parliamentary/Legislative Procedures
- Disaster Management

7.7.6 The intensity, content and extent of detail would vary for the Group B and C Services. The main objective, however, is to explain the larger system of which they are a part and highlight how their departmental and individual efforts can contribute to overall good governance and the national cause. This would enhance their self esteem and motivation levels, which is critical to performance.

7.7.7 The professional training of Group B and C officials would be in their respective departments so that they receive inputs that are specific to their department. Each department should lay down an induction training schedule.

7.7.8 It is also important for all Group D staff to go through an induction course. For this purpose, a core programme to meet the requirements of different categories of Group D staff could be formulated and suitable institutes including State Training Institutes and their branches may be identified for undertaking such trainings. Also, as suggested in the National Training Policy, use may also be made of non-governmental organizations, for undertaking training of civil servants at these levels.

7.7.9 The Commission also feels that training, apart from professional inputs, should also be imparted on soft skills like etiquettes, communication skills, attitudinal improvement, stress management etc. to enable the officers and staff to be responsive and citizen friendly.

7.7.10 Recommendations

- a. Unless a government employee undergoes mandatory induction training he/she should not be assigned any regular post.**
- b. Successful completion of prescribed training courses should be a pre-condition for all promotions.**
- c. All training programmes should be concluded with an evaluation of the trainees' performance, and this should be an input while assessing their annual performance.**

7.8 Promotions

The promotion of different categories of Group B and Group C officials is governed by their respective Cadre and Recruitment Rules. The procedure for promotion from LDC to UDC, UDC to Assistant, Assistant to Section Officer and Section Officer to Under Secretary is described below.

7.8.1 Promotion from LDC to UDC

7.8.1.1 Promotional avenues are open to the regularly appointed LDCs in Union Ministries/ Departments to the post of UDC. The promotion from LDC to UDC is mainly from two streams, one by seniority and the other by qualifying in the Limited Departmental Competitive Examination. In both cases the Departmental Promotion Committees process the Confidential Report Dossier to assess the suitability of the candidate for promotion.

7.8.1.2 Promotion by Seniority

LDCs working in the Government of India who have rendered not less than 8 years of approved and continuous service in that grade, have successfully completed their probation and have either passed the typing test or have been exempted from it are eligible for promotion by seniority to the post of UDC. Promotions are based on an assessment of their Annual Confidential Reports by the DPC for the last 5 years as well as their vigilance clearance. Promotions are made on availability of vacancies in a cadre on the basis of seniority in the select list. In case a person is not considered fit for promotion, the reasons for this are to be recorded in writing.

7.8.1.3 Promotion by Departmental Examination

In pursuance of the provisions of Clause 3 of Regulation II of the Third Schedule of the Union Secretariat Service Rules, 1962,⁷⁷ the Staff Selection Commission conducts the CSCS UD Grade Limited Departmental Competitive Examination. Any regularly appointed LDC who has rendered not less than 5 years approved and continuous service in the LDC Grade and has either passed the typing test or has been exempted from passing it, is eligible to appear in the examination. He/she should not be more than 50 years of age on the relevant date. The Staff Selection Commission holds Departmental Examinations for promotion from Lower Division Clerks to Upper Division Clerks Grade of the Central Secretariat Clerical Service and equivalent in the Indian Foreign Service (B)/ Railway Board Secretariat Clerical Service/Armed Forces Head-quarters Clerical Service.

7.8.2 Promotion from UDC Grade to Assistant Grade

7.8.2.1 There are two streams for filling up the posts of Assistants; one is through direct recruitment by the SSC and the second is through promotion of UDCs. In the case of promotion, officials to be promoted should have completed regular and continuous service of not less than 8 years and should be cleared from the vigilance angle. An UDC's performance is assessed by the DPC through the ACRs for the last 5 years. Promotion is made depending on the availability of vacancies in a Cadre. Such appointments are made in order of seniority in the select list except when for reasons to be recorded in writing, a person is not considered fit for such appointment. Presently the ratio of intake through the two streams is 50:50.

7.8.3 Promotion from Assistant Grade to Section Officer Grade

7.8.3.1 Promotional avenues are open to regularly appointed Assistants in the Union Ministries/ Departments to the post of Section Officers. Promotions are given to Assistants from two

⁷⁷Government of India, Ministry of Home Affairs, Notification No.38/35/65-CS.II, dated the 25th April, 1966.

streams, one by seniority and the other by qualifying in the Limited Departmental Competitive Examination.

7.8.3.2 Promotion by Seniority

Any regularly appointed Assistant who has rendered not less than 8 years approved and continuous service in the Assistant Grade and has successfully completed the probation is eligible for promotion by seniority to the post of Section Officer. The official to be promoted should be clear from the vigilance angle. The official is assessed on the basis of his/her Annual Confidential Reports for the last 5 years. The promotion is made depending on the availability of vacancies in a Cadre. Such appointments are made in order of seniority in the select list except when for reasons to be recorded in writing, the person is not considered fit for such appointment.

7.8.3.3 The Central Secretariat Service Section Officers' Grade Limited Departmental Competitive Examination

In pursuance of the Central Secretariat Service Rules, 1962, Government of India in the Ministry of Personnel, Public Grievances and Pensions conducts the Central Secretariat Service Section Officers' Grade Limited Departmental Competitive Examination through the Union Public Service Commission. Any regularly appointed Assistant with not less than 5 years approved and continuous service in the Assistant Grade is eligible to appear in the Examination. The UPSC holds Departmental Examinations for promotion from Assistant Grade of the Central Secretariat Service and equivalent in other Services like Railway Board Secretariat Service and Armed Forces Head-quarters Service. On qualifying the examination, the performance of the successful candidates is assessed from their Annual Confidential Reports for the last five years. On the basis of marks obtained by candidates in the written examination and evaluation of ACRs, a merit list of successful candidates is drawn with the recommendation for their appointment as Section Officers.

7.8.4 Promotion from Section Officer Grade to Under Secretary Grade

7.8.4.1 Rule 3 of the Central Secretariat Service Rules, 1962 provide that vacancies in the grade of Under Secretaries (Grade I of CSS) shall be filled by promotion of regular officers of the Section Officers Grade who have rendered not less than 8 years approved service in that grade. The promotions are made through a duly constituted DPC which considers the candidature of Section Officers by assessment of their Annual Confidential Reports of last 5 years and clearance from the vigilance angle.

7.8.5 From the above it is evident that in case of promotions from LDC to UDC and Assistant to Section Officer, an element of 'Limited Departmental Competitive Examination' is present

to provide promotional avenues for deserving officials. However, in case of promotion from UDC to Assistants there is no such provision. This deprives meritorious deserving candidates (UDCs) of a chance for an early promotion. Therefore, the Commission is of the view, that the posts of Assistant in CSS should be filled in the ratio of 40 per cent by promotion from UDCs of CSCS Cadre, 40 per cent by Direct Recruitment and 20 per cent through Limited Departmental Competitive Examination.

7.8.6 Recommendations

- a. **The posts of Assistants under the Central Secretariat Service should be filled in the ratio of 40 per cent by promotion from UDCs of Central Secretariat Clerical Service Cadre, 40 per cent by Direct Recruitment and 20 per cent through Limited Departmental Competitive Examination.**

7.9 Performance Appraisal

7.9.1 The Performance Appraisal for each group of officers in various Ministries/Departments/Attached and Subordinate Offices is done on the basis of their Confidential Reports and in the case of Group C technical staff, detailed assessment of their technical functions is obtained and made. The Confidential Reports of the Central Secretariat Services are analysed below.

7.9.2 The Confidential Report proforma at the level of Section Officers/Desk Officers, Under Secretary, Deputy Secretary and Director is common and comprises of 5 parts. Part I seeks personal details, Part II stipulates that the officer give a brief description of duties, the target, objective and goals that were set for the officer, and the areas of priority in work. Achievements on the targets, objectives and goals are to be indicated by the officer. Reasons for shortfalls or commendable higher achievements are also to be indicated by the officer. Part III and IV are required to be filled up by the Reporting Officer who has to assess the officer's performance on 15 points which inter alia include nature and quality of work, quality of output, knowledge of sphere of work, and analytical ability communications skill, attitude to work, initiatives, ability to supervise, inspire and motivate, inter-personal relations and team work, relations with public, integrity and health, etc. the Reporting Officer is also required to write a few lines on some key areas of assessment. Part V entails a Reviewing Officer to comment whether he/she agrees with the Reporting Officer and also give general remarks with specific comments about the work of the officer including his/her grading.

7.9.3 There is urgent need to streamline the proforma to make it more focused and also to ensure that the main criteria for assessment should be whether the officer reported upon has achieved his/her targets, objectives and goals. The present proforma is far too descriptive and the qualities

on which the Reporting Officer is required to comment are far too many and often overlap. A better option may be to devise an appraisal form giving the Reporting Officer multiple options on the level of performance against which he/she would indicate numerically the level at which the reported upon officer has performed.

7.9.4 The confidential report proforma for Assistants and Clerks is divided into four parts which are somewhat similar to those for Section Officers/Desk Officers etc as indicated in the earlier paragraph. For reasons mentioned above, it is considered necessary that the proforma may be revised to capture in a more precise manner the nature of duties the staff member performs and whether these have been completed within the specified time frame etc. It is also felt that instead of asking for a descriptive account of the staff member on each count it may be advisable to give to the reporting officer multiple options on the level of performance against which he may indicate the level at which the officer reported upon has performed. The Commission is of the view that the proforma of the Confidential Report should also include a column wherein the area/field of interest of the official reported upon (i.e. Health, Information Technology, Finance, Transport, Defence etc) is indicated, which may be considered for his/her future postings.

7.9.5 It is common knowledge and has also been brought to the notice of the Commission that there is often considerable delay on the part of Reporting and Reviewing Officers in completing their assessments in the prescribed proforma. It is necessary that the entire process of reporting reviewing and accepting the ACRs is completed within 3 months from the end of the financial year for which the Report is to be recorded. In case of any delay, the Cadre Authorities must, not only take an adverse view, but also action against the Reporting/Reviewing authority which is responsible for the delay. To facilitate this process, a mechanism of acknowledging the receipt of the ACR proforma at various stages may be adopted, which should contain on the first page itself the details of when the ACR was submitted with the self appraisal to the Reporting Officer, the date when the Reporting Officer gave his/her comments and forwarded the ACR to the Reviewing officer and so on.

7.9.6 Recommendations

- a. The Appraisal Form should provide the Reporting Officer with multiple options on the level of performance against which he/she would indicate numerically the level at which the officer reported upon has performed.**
- b. The proforma of the Confidential Reports of Group B and C posts may include a column wherein the area/field of interest of the official reported upon (i.e.**

Health, Information Technology, Finance, Transport, Defence etc) is indicated, which may be considered for future postings.

- c. A mechanism of acknowledging the receipt of the ACR proforma at various stages may be adopted so that delays are avoided and an element of accountability is introduced.**

8.1 Placement of Officers in Government of India

8.1.1 Article 77(3) of the Constitution stipulates that the President shall make Rules for the more convenient transaction of the business of Government of India. Accordingly, the following Rules have been notified:

- (a) The Government of India (Allocation of Business) Rules; and
- (b) The Government of India (Transaction of Business) Rules.

8.1.2 The Government of India (Allocation of Business) Rules allocate the business of the Government among its different departments which are assigned to the charge of various Ministers by the President on the advice of the Prime Minister. The Government of India (Transaction of Business) Rules seek to define the authority, responsibility and obligations of each department in the matter of disposal of business allotted to it. The Government of India (Transaction of Business) Rules also place on each department the responsibility for formulation of policies in relation to the business allocated to it as also for their execution and review. In a way, these Rules also lay down the structure of the Government of India as they provide for the division of a department into Wings, Divisions, Branches and Sections. The supervision of the work of the department is normally done by a Secretary to the Government of India while a Wing is generally headed by a Special Secretary / Additional Secretary / Joint Secretary to the Government of India. The Divisions in turn are generally placed under the charge of a Director / Joint Director / Deputy Secretary.

8.1.3 The Appointments Committee of the Cabinet (known as ACC) constituted under the Government of India (Transaction of Business) Rules decides senior appointments under the Government of India. Appointments/postings of the officers in the Union Government are made under the Central Staffing Scheme which provides a mechanism for the selection and placement of officers to senior administrative posts in the Government of India. Some posts of Deputy Secretary and Under Secretary are filled in accordance with the rules of the Central Secretariat Services. Similarly, some posts are encadred with the organized Group 'A' Services.

8.1.4 The *raison d'être* of such a scheme is the Centre's need for fresh inputs at senior levels in policy planning, formulation of policy and implementation of programmes from diverse sources, viz., the All-India Services and the participating organised Group 'A' Services. The services of scientific and technical personnel and professionals in the fields of economics, statistics, law and medicine are similarly obtained from officers serving for specified periods on deputation and who return to their respective cadres at the end of their tenure. This two-way movement is of mutual benefit to the service cadres and the Government of India.⁷⁸

8.2 Postings under the Central Staffing Scheme

8.2.1 Postings of officers of the rank of Under Secretary, Deputy Secretary/Director is done by the Department of Personnel and Training and a large majority of these officers is from the Central Secretariat Services. Members of the organized Group A Services are generally not posted at the level of Under Secretary which are staffed by officers from the Central Secretariat Service. Officers from the All India Services, other Group 'A' Services and the Central Secretariat Services are posted as Deputy Secretary/Director and above.

8.2.2 The Department of Personnel and Training (Establishment Officer) invites nominations of officers for being posted as Deputy Secretary, Director and Joint Secretary from the respective cadre controlling authorities. The names of eligible officers forwarded by the cadre controlling authorities constitutes the 'offer list'. For each vacancy three officers are short-listed by the Establishment Officer based on the past performance of the officer and his/her suitability for the post. This list is placed before the Civil Services Board which in turn recommends a panel of officers (in order of preference) to the concerned Ministry. The Ministry selects a candidate out of this list. Thereafter the proposal is submitted to the Competent Authority for final approval. A similar process is adopted for postings at the Joint Secretary level, but in this case the proposal is approved by the ACC [For being eligible to be posted as Joint Secretary, an officer must have been empanelled as a Joint Secretary under the Central Staffing Scheme (described in chapter 9)]. In case of Additional Secretary and Secretary, recommendations are made to the ACC by the Cabinet Secretary.

8.2.3 The Personnel Management system in Government of India was examined by the First Administrative Reforms Commission and it came to the conclusion that the change in the role of the Government and the large diversification of its functions call for a variety of skills in the higher administration. They were of the view that it would be necessary to adopt new approaches to the career planning of technical and scientific personnel and other specialists like economists, doctors and engineers etc. They recommended that posts in

⁷⁸[http://persmin.nic.in/circular_reports/eo_div/CSS/36_77_94_EO\(SM-1\).pdf](http://persmin.nic.in/circular_reports/eo_div/CSS/36_77_94_EO(SM-1).pdf)

Government may be classified as falling within (i) functional or (ii) outside the functional area. The Commission broadly recommended that functional posts should be filled-up by officers of the corresponding functional Class I Services.

8.2.4 As regards the placement of officers, the Surinder Nath Committee observed as follows:

“The principal problem with the present system of selections for particular positions under the Central Staffing Scheme is that there is no systematic matching of the competency requirements for particular positions and the backgrounds of the candidate officers. Also, there is no formal system of eliciting the interests and preferences of officers for particular positions, consistent with their background and broader career interests. These lead to unseemly scrambles for particular prestigious positions, in which unstructured influences are pervasive. The result is, frequently, a glaring mismatch between the required competencies and the backgrounds of officers selected for the positions. Career profiles of officers end up displaying the features of a “random walk”, with no regard to building skills and capabilities. In the long-term, these result in poor policy-making and implementation, as well as insufficient capacity for policy-making and public management.”

8.2.5 The Committee recommended that Parliament may enact a Civil Services Act setting up a Civil Services Board for the Union Government which will perform functions presently being done by the Central Board presided over by the Cabinet Secretary. It further recommended that the Civil Services Act may also provide for a special Committee of Secretaries to prepare panels of names for appointment to posts of Additional Secretaries and Secretaries to Government of India.

8.2.6 The Commission is of the view that in posting an officer the emphasis should be on getting the most suitable person for the post based on his/her past experience, future potential and overall record. The mechanisms and the processes created for posting an officer should be able to achieve this end. While addressing this issue, the Commission has examined the following aspects of placement:

- a. Process of selection of officers for different positions and the institutional mechanism
- b. Assignment of domains to officers

- c. Tenure of postings
- d. Field postings of officers during the initial part of their careers.

8.3 Process of Selection of Officers for Different Positions and the Institutional Mechanism

8.3.1 The Commission reiterates that while posting officers in the Government of India, the paramount consideration should be to post an officer best suited to the job. At the same time the process of selection should be totally transparent and free from extraneous influences. Officers should be posted to a position after a rigorous process of selection. The Commission has examined the process of placement of officers at the Deputy Secretary/Director level in this chapter and for Joint Secretary and above in the next chapter.

8.3.2 At present, vacancies in posts of Deputy Secretary/Director are filled up through deputation of officers from the All-India Services and the Central Services Group 'A' and by selection from the Central Secretariat Services. The Department of Personnel and Training (DOPT) invites applications from the concerned cadre controlling authorities as per the procedure described in Para 8.2.2.

8.3.3 It has been represented to the Commission that the present system is neither transparent nor objective. Moreover, the process is carried out for different vacancies as and when they arise and the list of officers available at that point of time is taken into consideration while short listing officers for a particular post. Because of this, it is possible that positions do not get assigned to officers who are most suited for the post.

8.3.4 The Commission is of the view that all vacancies arising at the level of Deputy Secretary/Director during a financial year should be identified well before the beginning of that financial year, by the DOPT. The Ministries concerned should also give a brief job description for these positions. These posts along with their job description should be notified to the cadre controlling authorities of the concerned All India Services and Central Services Group 'A'. On receipt of nominations from the cadre controlling authorities, DOPT should match the requirements of various positions with the competencies of the officers in the 'offer list'. The Department of Personnel and Training should thereafter seek approval for the entire list from the Competent Authority. This would imply that all posting orders would be issued at the beginning of each year and the officers would join their respective positions on the dates indicated. This system would obviate the need for issue of any placement order in the intervening period except under special circumstances.

8.4 Assignment of Domains

8.4.1 As stated in earlier paragraphs the functions of the civil services in India can be broadly classified into three main categories: (a) policy formulation, (b) programme / project preparation, and (c) implementation of programmes and policies. Consequently, as mentioned in Paragraph 6.6.3.5, there is a change in the nature of the functions and responsibilities as an officer move up the official hierarchy. In this context, domain competence becomes increasingly important when an officer starts dealing with policy formulation during the later half of his career. Domain competence refers to knowledge and experience in the sector, where the civil servant functions and this is normally acquired not only through academic studies, but also through managerial experience in that sector.

8.4.2 The First Administrative Reforms Commission had recognized the importance of domain competency and advocated its philosophy for the management and staffing of civil service positions in the following manner:⁷⁹

- Devising a rational basis to fill policy-making positions with officers having required qualifications and domain competence. This would involve an optimum use of different Services for policy making assignments in the secretariat.
- Selecting senior management personnel from all relevant sources - generalist and specialist. Talent needs to be identified and nurtured in all the services.
- Providing greater opportunities to talented and competent personnel to move to higher positions in the Government.

8.4.3 The First ARC classified the higher civil service posts into two categories: (a) posts in the field and (b) posts at headquarters. The field posts were held by the members of the 'functional' services, which included not only the various engineering services but also services such as Accounts and Income Tax. The Commission noted that the only service that was not functional but occupied most of the higher posts in the civil services was the IAS. The Commission recommended that the IAS should also be converted into a functional service. In the words of the Commission,

If the higher posts in the different functional areas are encadred within one Service, as has happened in the case of the IAS posts in the States, qualified and competent persons will not be attracted to all the needed functions and, hence, growth of well-organised Services in the emerging areas of administration are likely to be inhibited. In the changing context, therefore, the old concept underlying the formation and the role of the IAS would require readjustment. We would recommend that a specific functional field must be carved out for the IAS. This would consist of Land Revenue Administration, exercise of magisterial functions, and regulatory work in the States, in fields other than those looked after by officers of other functional services.⁸⁰

8.4.4 Consistent with its philosophy of organizing the administrative machinery along functional lines and inducting talent from all sources, the First ARC recommended eight broad areas of specialization for posts of Deputy Secretary and equivalent:⁸¹

- *Economic Administration*
- *Industrial Administration*
- *Agricultural and Rural Developmental Administration*
- *Social and Educational Administration*
- *Personnel Administration*
- *Financial Administration*
- *Defence Administration and Internal Security*
- *Planning*

8.4.5 The First ARC recommended a scheme of reforms to enable entry into the middle and senior management levels in the Central Secretariat from all services on the basis of knowledge and experience in the respective areas of specialization. The Commission also indicated, in broad terms, the knowledge and specialization required for holding posts in each of these areas. The Commission recommended that selection of personnel to the eight areas of specialization was to be made by a mid-career competitive examination. All Class I officers belonging to the All India and Central Services with experience of eight to twelve years in the functional areas would be eligible. The selection process would consist

⁸⁰Ibid, Paragraph 8, Page 16

⁸¹Ibid, Page 24

of a written test to be administered by the UPSC, and an interview to be conducted by a Committee consisting of the Chairman of the UPSC and two senior Secretaries of the Government of India.

8.4.6 Government did not accept the recommendations of the First Administrative Reforms Commission for delimiting areas of specialization in the Secretariat and manning these areas with personnel drawn from all sources through a mid-career competitive examination.

8.4.7 The Surinder Nath Committee (set up in 2002) was of the view that assigning specific domains to officers is of crucial importance. For the purpose, the Committee distinguished between the general skills that the officers have in respect of policy/programme formulation from domain competency. The Committee said,

Domain competency relates to sufficient background in a certain context of policy making. It differs from general schemes of policy programme formulation in that such general skills would relate primarily to knowledge of formal techniques of policy analysis/programme formulation and experience of policy/programme formulation generally, while “Domain Competence” would involve, in addition, significant subject matter knowledge, gained from work experience, academic study, training and research.⁸²

8.4.8 The Committee outlined two alternatives in the context of assignment of domains to the officers. The Committee observed:

In defining and assigning Domains to officers, two broad alternatives are possible. In the first, the number of Domains may be very few, say 3-4 (e.g. economic, social development, political and security, and culture and media) and officers may qualify for (not more than) one Domain each. In the second, Domains are defined more finely, say 10-12 (e.g. agriculture and rural development, natural resources management, social sectors, culture and information, public finance and financial management, energy, etc.), and officers are assigned to several (say, 3) Domains. In the first alternative, significant differences in the backgrounds and requirements of formal knowledge in different sectors (e.g. public finance versus energy) are not captured. Also, if officers are confined to a single Domain, they may have fewer opportunities to pursue their career interests. Additionally, long lists generated for particular positions on the basis of officers available in a given Domain may be too large, imposing strain on the process of short listing. The second alternative is, accordingly, preferred.⁸³

8.4.9 Accordingly, the Committee recommended that the following eleven domains for adoption under the Central Staffing Scheme.

- Agriculture and Rural Development
- Social sectors (Education, Health, Tribal Welfare, etc.)
- Culture and Information
- Natural Resources Management including Environment (green side)
- Energy and Environment (brown side)
- Communication Systems and Connectivity Infrastructure
- Public Finance and Financial Management
- Industry and Trade
- Domestic Affairs and Defence
- Housing and Urban Affairs
- Personnel and General Administration, Governance Reform and Regulatory Systems

8.4.10 The Committee also provided a matrix describing the relevant departments where each of the above 'Domains' would be broadly relevant by way of acquiring the necessary background and posting. The Committee also drew up a matrix giving an indicative set of academic backgrounds and areas of training, higher study or research that would be relevant for each of the 'Domains'.

8.4.11 The Committee indicated the process that should be followed for assignment of domains. It said:

The assignment of domains may be part of the empanelment process which would identify officers for posting to the GoI at levels of JS and above. Officers empanelled as Secretaries to GoI may carry their Domain assignments at the AS level empanelment, unless there is a significant change in their qualifications or work experience at the AS level. Officers due for consideration for empanelment may claim (and be assigned)

up to three Domains. They may submit a write-up (not more than 1000 words), summarizing their experience, academic background, training courses undergone, research accomplishments, recognitions earned, and significant achievements during their career relevant to these areas. The factual material in these write-ups should reflect the contents of the PAR dossiers. These write-ups should be scrutinized by the Empanelment Committee which may be assisted by eminent academics/experts in the respective fields for evaluation of work experience, academic and training courses undergone, research accomplished, etc. The Committee would evaluate the claims of the officers to specific Domains, which may be accepted or denied. No quota system need be imposed in respect of how many empanelled officers may figure in each Domain, as the interests of efficient personnel management would require that the pool of officers for particular positions should be sufficiently large. In the unlikely event that one or more listed Domains do not attract sufficient applicants, the Committee may assign a Domain to officers with the relevant backgrounds, exceeding the limit of 3 Domains in their case, if necessary.⁸⁴

8.4.12 The insights provided by the First Administrative Reforms Commission and the Surinder Nath Committee are very useful. It needs to be appreciated, however, that there is considerable confusion about the concept of domain competence. It is generally discussed from the point of view of a generalist to decide as to which Ministry he/she may be best suited based on his/her experience, aptitude and potential. Domain competence actually refers to functions and not Ministries. Ministries require officers with different domain competence and the challenge at senior management levels is to select generalists who have “specialised” and specialists who have “generalised” and appoint them to appropriate positions. To illustrate, Union Ministries such as Health or Railways, do not constitute single functional domains. In addition to their core functions i.e. provision of health care and rail transport services respectively, both ministries have many additional functional areas such as personnel administration, finance and accounts, vigilance etc. That is why it may not be feasible to assign posts in a Ministry to one domain or vice versa.

8.4.13 Acquisition of domain competency is imperative and steps need to be taken to assign civil servants at the start of their mid-career to specific domains so that the objective of matching the skills and backgrounds of officers to the requirements of a particular civil service positions at senior levels while preserving a broad spectrum orientation of the services as a whole across a range of sectors is fully met. It is suggested that the responsibility of assigning domains should be given to an independent ‘Authority’ (it

may be mentioned here that the Commission has recommended the constitution of a Central Civil Services Authority in paragraph 9.8). For the purpose, the Authority should invite applications from all officers working in the Government who have completed 13 years of service. The thirteenth year is an appropriate time for assigning the domain to the officer as he/she would be, at this stage, getting into the Non Functional Selection Grade (NFSG) scale in the service. At the Union Government level the officer becomes eligible to become a Director in a Union Ministry. Domain assignment at this stage of the career would also be appropriate because when the officer is eligible to be at the level of Joint Secretary he/she would have had at least three to four years exposure to a domain. Applications for domain assignment should specify the academic background of the officers, their research accomplishments (if any) and significant achievements during their career relevant to the domain applied for. Officers should be interviewed and their claims for assignment to specific domains evaluated. On the basis of such an exercise, the Authority should assign domains to the officers. In case some domains do not attract applicants, the Authority should assign these domains to officers with relevant backgrounds. Once the domains are assigned, the government (both Union and State) should post officers to these domains.

8.4.14 Regarding classification of domains, the eight broad domains proposed by the First Administrative Reforms Commission do not adequately capture the domain competencies required in today's context. The classification suggested by the Surinder Nath Committee could be improved upon. The Commission would therefore suggest the following illustrative domains which could be further refined (Table 8.1).

S. No.	Main domain
1	General Administration
2	Urban development
3	Security
4	Rural Development
5	Financial Management
6	Infrastructure
7	HRD Social Empowerment
8	Economic Administration

Table 8.1: The Functional Domains of Civil Services (illustrative) (Cont.)

S. No.	Main domain
9	Tax Administration
10	Agriculture Development
11	Natural Resources Administration
12	Health Management

8.4.15 The Commission is of the view that posts at the SAG level in different Ministries should be classified based on these domains and this should be taken into consideration at the time of placement of officers. A similar system of assignment of domains should be adopted for the Indian Police Service where the domains could be – Internal Security, Intelligence, Investigation etc. On a similar pattern, domains can be assigned to officers of other organised Services.

8.4.16 The Commission is of the view that domains once assigned to an officer should normally hold good for the entire career. The Commission is also of the view that assignment of domains to an officer may be through a consultative process between the proposed ‘Authority’ and the officer(s).

8.5 Tenure

8.5.1 An important proposition in organization theory is that the higher the rate of personnel turnover, the lower the organizational efficiency. This is equally, if not more true for large public organizations like Government. Years ago, Robert Wade had claimed that “any serious discussion of how India’s development administration can be made to work better must put personnel transfers near to top of the agenda for reforms”. Unfortunately, frequent transfers of civil servants continue to be one of the most vexatious governance problems still facing India. It adversely affects governance because civil servants are not allowed to stay in a position long enough to acquire adequate knowledge and experience of their job, and an understanding of the milieu and culture in which they have to function and the problems they need to redress. They are unable to build the required mutual confidence and understanding which takes time to develop and is necessary for administrative leadership. It prevents civil servants from staying in a position long enough to institute or sustain reforms and it is both demoralizing and demotivating when civil servants are not in a position long enough to see the fruits of their efforts which could be a source of enormous satisfaction to them. Frequent transfers and posting lead to lack of accountability and corruption.

8.5.2 Short tenures are not only characteristic of the administration at the lower echelons, but also are a regular feature in the higher civil services (e.g. the IAS, IPS etc). The following table provides details of IAS tenures from 1978 to 2006 for selected years.

Table 8.2: IAS Post Tenures – 1978-2006

IAS as of 1st January	Number	Length of time in post (% of IAS)			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
1978	3,084	58	26	10	6
1979	3,236	55	30	10	5
1981	3,373	60	22	11	7
1982	3,539	52	31	9	8
1983	3,734	51	29	13	7
1984	3,797	56	26	12	7
1985	3,910	51	31	11	7
1986	3,970	58	25	12	6
1991	4,497	58	25	10	6
1992	3,951	56	27	11	6
1993	3,991	49	31	13	8
1996	4,621	48	28	13	11
2006	4,711	55	27	10	8

Source: Compiled from the IAS Civil List for the relevant years

8.5.3 As can be seen, the number of IAS officers spending less than a year in their respective postings has ranged from 48 to 60 per cent of the total strength of the IAS over the years. Interestingly, the number of IAS officers who spend more than three years in their respective postings is consistently less than 10 per cent of the total strength of the IAS. In fact, the solitary year for which it has been marginally higher than 10 per cent is 1996.

8.5.4 Moreover, the details in Table 8.2 do not adequately reflect the position in the State Governments because the Table also includes the duration of the postings in the Union Government in which there is much greater stability in the tenures of civil servants. The position is in fact much worse in State Governments. A 1998 study of civil servants working in Delhi Government⁸⁵ found that on an average, these officers lasted less than a year in one department in that Government. According to the study, in less than five years there were seven postings of Principal Secretaries in the Departments of Finance and Urban Development, and five postings each of the Commissioners of Excise, Transport, and Food and Civil Supplies in the Government of NCT of Delhi.

8.5.5 In Mohsina Begum's case, the Allahabad High Court had observed,

“Whenever a new government is formed, there is a tidal wave of transfers of government servants on the basis of caste or community or monetary considerations leading to total demoralisation of the bureaucracy and its division on caste and communal basis, besides the spread of corruption and breakdown of all norms of administration”.

8.5.6 The Fifth Pay Commission recommended that in order to ensure administrative continuity and stability to incumbents, a minimum tenure for each posting of officers should be predetermined, and it should normally be three to five years, except in cases where a longer tenure is justified on functional grounds, like continued availability of certain specialised skills. It also recommended the constitution of high-powered Civil Service Boards, both at the level of the Union Government and State Governments to look into and regulate cases of premature transfers of civil servants.

8.5.7 The Conference of Chief Ministers held on 24th May 1997 discussed the frequent transfer of civil servants and its harmful effect on the implementation of government's programmes. The Conference was of the view that frequent and arbitrary transfer of civil servants affects the ability of the system to deliver services effectively to the people. Although the Conference had some reservations about the constitution of Civil Services Boards, it recommended that such boards should be set up in State Governments to implement a streamlined transfer and promotion policy to assist the political executive who would ultimately decide regarding such matters based on identifiable criteria. Some State Governments complied with the recommendations of the Conference of Chief Ministers and have set up Civil Services Boards/Establishment Boards with the Chief Secretary as

the Chairman and other senior officers of the State Government as Members. But as the Hota Committee (2004) found, “the Boards set up by executive order in different States have failed to inspire confidence as more often than not, they have merely formalised the wishes of their Chief Ministers in matters of transfer of officials”.⁸⁶

8.5.8 The National Commission to Review the Working of the Constitution also commented on this aspect. The Commission said:

*“The questions of personnel policy including placements, promotions, transfers and fast-track advancements on the basis of forward-looking career management policies and techniques should be managed by autonomous Personnel Boards for assisting the high level political authorities in making key decisions. Such Civil Service Boards should be constituted under statutory provisions. They should be expected to function like the UPSC. The sanctity of parliamentary legislation under Article 309 is needed to counteract the publicly known trends of the play of unhealthy and destabilizing influences in the management of public services in general and higher civil services in particular”.*⁸⁷

8.5.9 The Hota Committee (2004) discussed the frequent transfer of civil servants in some detail. It observed:

We are of the opinion that absence of fixed tenure of officials is one of the most important reasons for tardy implementation of government policies, for lack of accountability of officers, for waste of public money because of inadequate supervision of programmes under implementation and for large-scale corruption. We feel that an officer of the higher civil service is given a fixed tenure of at least three years in his post and given annual performance targets, effectiveness of the administrative machinery will register a quantum jump. In our view, there is considerable force in the oft-repeated adage that good administration is not possible without continuity and intelligent administration is not possible without local knowledge.

We have received overwhelming evidence that at present, officials of the State Government - particularly officials of the All India Services serving in connection with affairs of the state - are quite demoralized as they are transferred frequently at the whims and caprices of local politicians and other vested interests, who successfully

⁸⁶Paragraph 5.08.09; Report of the Hota Committee

⁸⁷NCRWC – paragraph 6.7.1; <http://lawmin.nic.in/ncrwc/rinalreport,vlch6.htm>(entr on 17.9.08)

prevail upon the Chief Minister/Minister to order such transfers. Often Chief Ministers have to oblige powerful factions in their own party by transferring senior officers who may be honest, sincere and steadfast in carrying out government's programmes but are otherwise inconvenient as they do not oblige the local politicians. We are distressed to note that owing to faction ridden party politics in some States, public interest suffers and Collectors/District Magistrates, Senior Superintendents of Police/Superintendents of Police/Deputy Inspector General of Police and Divisional Forest Officers, Conservator of Forests and other senior officials are asked to pack their bags at frequent intervals and ordered to move out.⁸⁸

8.5.10 The Hota Committee recommended the establishment of Civil Service Boards. It said

We are firmly of the view that a Civil Services Act has to be enacted to make the Civil Services Board/Establishment Board both in the States and in the Government of India statutory in character. In the proposed set up in the Government of India, the Appointments Committee of the Cabinet will be the final authority for the transfer of officers under the Central Staffing Scheme. The same principle of fixed tenure should apply to senior officers who are not under the Central Staffing Scheme, but are working under the Government of India for which the Departmental Minister is the final authority for transfer. The Chief Minister will be the final authority for transfer of all Group 'A' officers of State Service and AIS officers serving in connection with affairs of the State. If a Chief Minister does not agree with the recommendations of the Civil Services Board/Establishment Board, he will have to record his reasons in writing. An officer transferred before his normal tenure even under the orders of the Chief Minister can agitate the matter before a three-member Ombudsman. The Chairperson of the Ombudsman will be a retired official of proven honesty and integrity. The other two members can be on a part-time basis from among serving officers. In all such premature transfers the Ombudsman shall send a report to the Governor of the State, who shall cause it to be laid in an Annual Report before the State Legislature. The Ombudsman may also pay damages to the officer so transferred to compensate him for dislocation and mental agony caused due to such transfer. We are conscious that we are recommending a statutory barrier to the frequent transfer of senior officials but the matter has come to such a pass that it requires a statutory remedy. We also clarify that the Chief Minister as the highest political executive has the final powers to order transfer of an officer before his tenure his over.

8.5.11 There appears to be unanimity on the point that it is necessary to give a fixed tenure to a civil servant in his/her post. In fact, the Draft Public Services Bill, 2007 has stipulated in Clause 16(e) that

“The Central Government shall fix a minimum tenure for cadre posts, which may be filled on the basis of merit, suitability and experience.”

8.5.12 In Clause 22, the Bill enjoins the Cadre Controlling Authorities to

“notify within a period of six months from the coming into force of this Act, norms and guidelines for transfers and postings to maintain continuity and predictability in career advancement and acquisition of necessary skills and experiences as well as promotion of good governance. Transfers before the specified tenure should be for valid reasons to be recorded in writing. Provided that the normal tenure of all public servants shall not be less than two years.”

8.5.13 The Bill proposes the constitution of a Central Public Services Authority in Clause 18. In terms of Clause 21, the Central Authority *“shall aid and advise the Central Government in all matters concerning the organization, control, operation and management of Public Services and Public Servants.”*

8.5.14 The Commission is of the view that the Central Civil Services Authority (discussed in detail in Chapter 9) should be charged with the responsibility of fixing the tenure for all civil service posts under the Union Government. At present, the functions of the Authority are envisaged as advisory under the provisions of the Draft Public Services Bill, 2007. This needs to be changed, and so far as the fixation of tenure is concerned, it is suggested that the decision of the Authority should be binding on the Government. The Authority should also be given the responsibility to monitor postings and place before Parliament a periodic evaluation of the actual average tenure for each post and for the Central Government as a whole. Establishment of State Civil Service Authorities for the States with similar responsibilities needs to be urgently taken up by the State Governments where tenures are much less stable. The details of the State Civil Services Authorities would be examined by the Commission in its Report on ‘State Administration’.

8.6 Field Postings of Officers during the Initial Part of Their Career

8.6.1 Generally, officers from the All India Services as well as the other organized Group ‘A’ Services are assigned field postings during the first 8 to 10 years of their service. However,

it has been brought to the notice of the Commission that there have been instances where State Government/concerned authorities have posted these officers during this period to the Secretariat/Headquarters instead of in the field. Such cases, even if few in number, are not in the public interest since it is necessary for an officer to have adequate experience in the field and familiarize himself thoroughly with “ground realities” to enable him to discharge his/her higher responsibilities later. The Commission would, therefore, strongly recommend that officers from the organized services should not be given non-field assignments in the first 8 to 10 years of their career.

8.7. Recommendations

- a. In posting officers in Government of India, the primary consideration should be to select the most suitable person for the post that is on offer.**
- b. Domains should be assigned by the Central Civil Services Authority (the Commission has recommended the constitution of this Authority in paragraph No 9.8 of this Report) to all officers of the All India Services and the Central Civil Services on completion of 13 years of service.**
- c. The Central Civil Services Authority should invite applications from all officers who have completed the minimum qualifying years of service, for assignment of domains. The applications should specify the academic background of officers, their research accomplishments (if any) and significant achievements during their career, relevant to the domain applied for. A consultative process should be put in place where the officers should be interviewed and their claims to specific domains evaluated. The Authority should thereafter assign domains to the officers on the basis of this exercise. In case some domains do not attract applicants, the Authority should assign these domains to officers with the relevant knowledge and experience.**
- d. All vacancies arising at the level of Deputy Secretary/Director during a financial year should be identified well before the beginning of that financial year, by the Department of Personnel and Training (DOPT). The Ministries concerned should also give a brief job description for these positions. All these posts and their job description should be notified to the**

cadre controlling authorities of the concerned All India Services and Central Services. On receipt of nominations from the cadre controlling authorities, the DOPT should try to match the requirements of various positions with the competencies of the officers in the 'offer list'. The DOPT should then seek approval for the entire list from the Competant Authority.

- e. The Central Civil Services Authority should be charged with the responsibility of fixing tenure for all civil service positions and this decision of the Authority should be binding on Government.**
- f. Officers from the organized services should not be given 'non-field' assignments in the first 8-10 years of their career.**
- g. State Governments should take steps to constitute State Civil Services Authorities on the lines of the Central Civil Services Authority.**

9.1 Creating a Leadership Pool

9.1.1 The quality and effectiveness of a nation's civil servants are critical ingredients in determining its standards of governance. Civil servants, particularly, at senior levels, should possess the following key attributes - leadership, vision, wide comprehension, professional competence, managerial focus, ability to innovate and bring about change and to work in a team. Selection to leadership positions in the civil services is thus vital to the whole process of governance.

9.1.2 In this Chapter the Commission has examined salient features of the SES in other countries, the pros and cons of a SES, based model for India and the present system of selection of officers at senior levels.* The Commission has thereafter suggested a new selection process for placements at senior positions in Government of India emphasising domain specialisation and greater competition.

9.2 Senior Executive Service

9.2.1 Characteristics of SES

9.2.1.1 As discussed in Chapter 3 of this Report, creation of a Senior Executive Service (SES) has been a common theme in the reform agenda of countries which have embarked upon civil service reforms during the last three decades. The idea is to appoint a small group of civil servants into the SES from which high-level government appointments are made. This carefully chosen group of civil servants is located near the apex of the executive pyramid, just below the Ministers. The SES is a subset of the entire pool of civil servants to whom they are expected to provide leadership by their vision, superior performance, integrity and innovation. It is an enclave within the civil service that receives broader opportunities, has special conditions of employment, is made accountable for rigorous standards of performance and behaviour, is paid a higher rate of remuneration, and has less job security. The distinguishing features of the SES are:

- It comprises of a group of civil servants who are appointed to top-level positions across ministries, departments and agencies

- It usually occupies policy-making positions or heads major operating agencies or line departments
- It works closely with the political executive
- It constitutes less than 1% of the civil service
- It is open to applicants from outside the civil service as well as to serving officials
- It is carefully chosen on the basis of open advertisements and well-publicised talent search
- It is appointed on contractual terms with higher rates of remuneration
- Career progression in the SES is determined by performance
- It is bound by a distinctive set of ethical standards such as values and code of conduct.

9.2.1.2 Internationally, the role of the SES has been to provide leadership and management to improve the performance of government organizations. The SES provides a useful bridge between policy making and implementation. Based on their domain knowledge and experience in the sector, the SES is in a position to present information to the political executive in a manner that makes it possible for effective policy choices to be made.

9.2.2 Structure of SES

9.2.2.1 The SES exist as enclaves in the civil services and some enclaves are more closed than the others. The degree of openness/closeness is derived from the two observed models of SES. The career-based SES as found in India, France, Italy, Japan, Korea, Malaysia and Spain, consists of civil servants recruited at the entry level through competitive examinations, with a small proportion entering the SES through promotion from feeder cadres such as the State/junior civil services. Its members, chosen early in their careers, are trained and groomed to become an elite corps and are put on accelerated career trajectories. The managed rotation of the SES across the government favours the nurturing of specialists who can quickly grasp the ropes of any organization to which they are posted. The advantage of its closed nature is that there is a common culture and value system, and an enviable degree of esprit de corps, a combination that facilitates excellent communication across the governmental spectrum. The assurance of a secure career path is, however, the career SES's

main shortcoming because it tends to discourage initiative by reducing competition and abets complacency. This is because appointments to the top civil service positions are made from among the members of this select group. It is difficult not only for highly qualified and competent persons outside the government, but also for high performers from other branches of the civil services to get selected for top positions in government.

9.2.2.2 The position-based SES as in Australia, Belgium, New Zealand, the UK, Netherlands and USA is more open because appointments to identified senior positions are made from a wider pool comprising all civil servants who are qualified to apply as well as those applicants from the private sector with relevant domain competency and experience. Its openness is its basic strength. All professional cadres in the government and even those outside the government can compete for selected top positions. Not only does this system open up the choice of top civil service appointees from different sources, it also makes it possible for lateral entrants to bring in their own work culture which enables renewal and adaptiveness in government organizations. Although this system is more open than the career system, in practice, the bulk of appointments in the position-based system are from among career civil servants. In the American SES, only 10% of the positions is filled up by “outsiders”. In Australia, recruitment to the SES from outside the Australian Public Service has ranged from 25% in 1992-93 to 14% in 2000-01.

9.2.2.3 Although the career-based and position-based systems are premised on two distinct models, the differences between them are not water-tight. There are countries having one or the other system which have successfully adopted elements of the alternate system with a view to enhance the effectiveness of their chosen model. For instance, some career-based systems have opened their closed ranks to encourage competition in their senior echelons. 20% of Korea’s career-based SES is now recruited from the open market. On the other hand, the SES in USA - a position-based system - has adopted an attribute of the career-based system in that it has introduced incentives to enhance the esprit de corps through greater mobility for its civil servants between federal organizations. Rank-in-person is now granted to SES members, which, they can carry to whatever part of the federal service they move.

9.2.3 Management of the SES

9.2.3.1 Career management is more decentralised in the position-based system as compared with the career-based system. Appointments to the SES in the USA is decentralised: federal departments themselves designate positions as SES as well as recruit SES candidates. In the UK, each ministry decides which positions are to be included in the SES. In keeping with its selective character, the SES is very small compared with the civil services as a whole - typically less than 1% of the entire civil service. The numbers in the SES range from 300 in

New Zealand and 490 in Singapore to 7,700 in the USA. In Brazil, strict regulation governs the total number of SES positions that can receive the special compensation package. Belgium's Copernic programme reduced its SES size from 2,000 to the current strength of 450.

9.2.3.2 While members of the career-based SES are employed from the time of recruitment to the age of retirement, the position-based SES are on the basis of contracts. In the USA, the SES is an open-ended contract. Australia, New Zealand and Sweden have fixed-term contracts. In terms of the Australian Public Service Act, Secretaries to the Government are appointed on a contract basis for a maximum of 5 years. In New Zealand, the contract of Chief Executives of the agencies is with the State Services Commissioner for a period of 5 years. Starting with 1996, all members of the SES in the UK are covered by personal contracts for an indefinite period.

9.2.4 Performance Management in SES

9.2.4.1 As already stated, performance orientation distinguishes the SES from the rest of the civil services. Performance standards are stipulated in advance. The US 'Government Performance and Results Act, 1993' requires that departments must establish Performance Review Boards to make recommendations to the appointing official on the performance of executives, including recommendations on performance ratings and bonuses.

9.2.4.2 Performance in the SES is appraised rigorously. In New Zealand, the State Services Commissioner assesses the performance of each Chief Executive against the performance agreement, using a variety of sources including assessment by the concerned minister, central agencies and self-assessment. This assessment is followed by a face-to-face meeting with the civil servant being appraised.

9.2.4.3 In Australia, the work responsibilities and performance indicators are mutually agreed upon between the SES civil servant and his/her supervisor. At the end of the performance cycle, the supervisor rates the performance according to the agreed indicators. The appraisal forms the basis for eligibility to performance-based pay.

9.2.4.4 SES pay in the position-based system has a component that is determined by performance. In the US, one of the stated objectives of creating the SES was to put in place pay-for-performance measures in order to reward senior managers. In New Zealand, chief executives are rewarded up to 15% of the basis pay if their departments meet the targets of the strategic incentive plan. In Canada, discretionary lump-sum amounts representing 10 to 15% of pay is paid to members of the SES under the Performance Management Plan introduced in 2000-01.

Table 9.1: Country-wise Features of the SES									
	Australia	Canada	France	Malaysia	India	New Zealand	Singapore	U.K	USA
	Structure								
Mainly career or position based?	Career	Career	Career	Career	Career	Position	Career	Career	Position
Displays any features of the other system?	Yes, in open recruitment of heads of departments	Yes, in allowing external applicants for top posts	No, except for few political appointments	No	No	No, except for centralised selection of Chief Executives	No	Yes, contract appointment of some SES	Yes, in rank-in-person for SES and in OPM over-sight
Employed in national agencies only or sub-national as well?	National agencies	National agencies but scope for secondment provinces	National and local agencies	National and provincial agencies	National, provincial and local agencies	National agencies	National agencies and statutory bodies	National agencies and executive agencies	National agencies
Generalists or specialists?	Generalists	Generalists	Generalists, except for top posts	Generalists	Generalists	Generalists and specialists	Generalists	Generalists and specialists	Generalists and specialists
Size	NA	3600	5360	3700	5000	300	490	3200	7000
	Recruitment								
Early or mid-career?	Mid-career	Early, but selection for SES in mid-career	Early	Early	Early	Mid-career	Early	Early, but selection in mid-career	Mid-career
Basis of selection	Merit and open to all within and outside government	Merit and open	Merit (political decision for top posts)	Merit	Merit	Merit and open	Merit- closed system	Merit and open; Fast Stream Programme to identify candidates	Merit and open except for 10% political appointees

Table 9.1: Country-wise Features of the SES									
<i>(Contd.)</i>									
	Australia	Canada	France	Malaysia	India	New Zealand	Singapore	U.K	USA
Structure									
Transparency in selection process	Complete, supervised by PSC	Complete, supervised by PSC	Based on merit-based competition transparent except for political appointments	Merit-based competition through PSC and selection committees for top posts	Merit-based competition through PSC and selection committees for top posts	Open competition through SSC and Chief executives	Merit-based competition through PSC	Merit-based competition through PSC and selection for top posts by separate process	Merit based selection and certification except for political appointments
Affirmative Actions	Non-discriminatory	Non-discriminatory	Non-discriminatory	Ethnic quotas with special provisions for disabled persons	Quotas for disadvantaged groups and disabled persons	Non-discriminatory	Non-discriminatory	Non-discriminatory	Equal Opportunity Act and affirmative action for minorities
Managing the SPS for distinctively higher performance									
Who manages the SPS?	Public Service Department and PSC	Treasury Board and PSC	Civil Service Department	Civil Service Department and PSC	Department of Personnel	State Service Commissioner and Chief Executive	PSC and PS Division in PM's Office	Cabinet Office	Office of Personnel Management and Agency heads
Centralisation of Management	Considerable decentralisation	Considerable decentralisation	Considerable decentralisation	Centralised management with limited delegation to departments and provinces	Shared control of federal and provincial governments	Decentralised management with mandated consultation with State Service	Centralised management by PSC and Personnel Board	Centralised management by Cabinet Office	Yes, by agencies in consultation with OPM
Succession Planning	Yes	Yes	No Specific strategy	No specific strategy	No specific strategy. Recent interest in domain specialisation	Yes, by chief executives in consultation with State Service Commissioner	Yes, by PS division	Yes, by Senior Civil Services Group in Cabinet Office	Yes, by agencies in consultation with OPM

Table 9.1: Country-wise Features of the SES									
<i>(Contd.)</i>									
	Australia	Canada	France	Malaysia	India	New Zealand	Singapore	U.K	USA
	<i>Structure</i>								
Training	Comprehensive strategy overseen by PSC and departments	Comprehensive	In-service training regulated by laws and regulation	Centralised	Centralised	Supervised by State Service Commissioner	Mandated minimum training each year	Training for skill-building and policy analysis, overseen by cabinet office	Joint involvement of Agencies and Federal Executive Institute
Employment arrangements: tenure or contract?	Contract	Tenure	Tenure, except for political appointments	Tenure	Tenure	Contract	Tenure	Indefinite contract	Indefinite contract
Separate code of conduct?	Yes	Yes in the form of corecompetencies	Common code of conduct for all civil servants	Special code of conduct rules	Special code of conduct rules	Special code of conduct based on State Service Act	Special code of conduct	Special code of conduct	Special code of conduct and core qualifications
Performance appraisal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Career Progression dependent on performance?	Clear Link	Clear Link	Clear Link	Link to higher posts within closed system	Link to promotion and preferred posts	Yes	Yes	Yes	Yes
Pay component determined by performance?	Rules for performance pay; use of broadband system of pay	Discretionary lump sum amounts of 10 to 25 per cent of pay	No	Annual salary progression determined by performance	No	Yes	Yes	Yes; use of overlapping pay bands and performance pay	Yes; use of overlapping pay bands; special fund for payment of performance bonuses and departments, flexibility to operate special packages

9.2.5 SES in India

9.2.5.1 The career-based system in India has a long history dating back to the British period. The All India Services in particular owe their provenance to Article 312 of the Constitution which empowers Parliament to provide by law for creation of one or more All India Services and further lays down that the Services known at the commencement of the Constitution as the Indian Administrative Service (IAS) and the Indian Police Service (IPS) will be deemed as All India Services. In effect, these constitute the career based SES in India.

9.2.5.2 The first Administrative Reforms Commission while examining the whole issue of personnel administration with reference to the higher management positions in Government of India, had distinguished between two categories of senior management posts viz. posts within the functional area which should be staffed by the relevant functional cadre and posts outside the functional area for which the required functional experience may be available in the All India Services, the Central Services and among specialists like engineers, scientists, economists etc. The Commission went on to recommend that at the level of Joint Secretary and Additional Secretary in senior management, outside the purely functional posts, *“the areas of specialism will broaden out and it should be possible, and it is necessary to provide for mobility from one specialism to an allied specialism. At the highest level of Special Secretary or Secretary and equivalent in the Central Government, the factor that should count most is one’s general managerial competence”*.⁸⁹ Accordingly, the First ARC suggested that senior management posts outside the functional area should be filled up by officers who have had experience as members of the policy and management pool in one of the eight “specialisms” (the concept of domains has already been examined in Chapter 8).

Box 9.1: The Sarkaria Commission on Centre-State Relations – on the Role of the All India Services

- (i) *The All India Services are as much necessary today as they were when the Constitution was framed and continue to be one of the premier institutions for maintaining the unity of the country. Undoubtedly, the members of the All India Services have shown themselves capable of discharging the roles that the framers of the Constitution envisaged for them.*
- (ii) *Any move to disband the All India Services or to permit a State Government to opt out of the scheme must be regarded as retrograde and harmful to the larger interest of the country. Such a step is sure to encourage parochial tendencies and undermine the integrity, cohesion, efficiency and coordination in administration of the country as a whole.*
- (iii) *The All India Services should be further strengthened and greater emphasis given on the role expected to be played by them. This can be achieved through well planned improvements in selection, training, deployment, development and promotion policies and methods. The present accent on generalism should yield place to greater specialisation in one or more areas of public administration. Training and career development policies should be geared to this objective. Disciplinary control should aim at nurturing the best service traditions and relentless weeding out of those who fail to make the grade. Finally, there should be greater coordination and periodical dialogue between the authorities in the Union and the State Governments who are responsible for the management of these services.*

⁸⁹Report of the First ARC on ‘Personnel Administration’, paragraph 35, page-26.

9.2.5.3 Government of India has, in the past, also inducted outside talent from time to time into the higher tiers of government usually in advisory positions but occasionally even in key administrative assignments. For example the Chief Economic Advisor, Government of India is traditionally a lateral entrant who, as per rules, should be below 45 years of age and is invariably an eminent economist. A number of other outstanding persons have been inducted at the highest level as Secretaries to Government.

9.2.6 Pros and Cons of a Position based SES Model for India

9.2.6.1 The Commission has deliberated on the advantages and disadvantages of the career-based and position-based SES model for India. Some shortcomings have been pointed out with regard to the functioning of the career-based SES in India. The assurance of a secure career path has been held to be the career-based system's biggest lacuna. The weakness in practice is seen to have been compounded by a heavy reliance on seniority, an inadequate annual reporting system and frequent transfers. It has discouraged initiative by reducing competition in the higher echelons of government. It has been difficult not only for highly qualified persons from outside government, but also for high performers from other services to get selected for top civil service positions. It has also been alleged that the quasi-monopolistic hold of the career civil services on senior management position breeds complacency, inhibits innovative thinking and prevents the inflow of new ideas from outside government. Such arguments constitute the rationale for the suggestion that a position based SES type of structure may need to be considered for the Indian civil services.

9.2.6.2 The counter argument, however, is that the All India Services (and the IAS in particular), provide a unique link between the cutting edge at the field level and top policy making positions as has also been mentioned by the First ARC and by the Sarkaria Commission. This bridge between policy making and implementation, while crucial to all systems, has been of strategic significance in the Indian context, given the regional diversity of the country and was an aspect of the British administration in India which was consciously adopted by our Constitution makers.

9.2.6.3 It is also argued that exposure and sensitivity to the country's complex socio-political milieu and to the needs of the common man, which widespread field experience provides to these Services, may not be available in the private sector, since the private sector does not have the same width and depth of exposure to this type of field experience. Lateral entry only at top level policy making positions may have little impact on field level implementation, given the multiple links in the chain of command from the Union Government to a rural village. In addition, while the SES type of system which draws the best talent from both the public and the private sector has its advantages; it may also have disadvantages

specific to India in terms of the lack of sufficient and suitable talent in the private sector, the operational difficulties of fresh recruitment for an SES, the possible adverse impact of such recruitment (particularly if done on a large scale,) on the constitutional mandate for affirmative action as a result of the creation of a new recruitment channel at a senior level, the issue of conflict of interest when it comes to entrants from the private sector and the potential loss of internal talent as well as the likelihood of atrophy of the existing career based services. It is also argued that a position-based SES may not be a viable option for the civil services in India since none of the countries mentioned in paragraph 9.2.2.2 have the size, complexity and the unique federal structure of India. Making comparisons with countries like Australia, Canada, New Zealand and USA may not be very relevant as the structure of the Civil Services will have to be thought of with reference to the local culture, the ethos of public service in the country, its history, present level of economic development, larger political environment etc. The Commission has considered this issue in all its aspects and in the context of emerging challenges and on balance feels that there is a case for a progressive approach to incorporation of certain features of a position based SES model into the civil services in India. This is outlined in paragraph 9.5.

9.3 The Present System of Selection of Officers for the Level of Joint Secretary/SAG and Above

9.3.1 At present, an ‘empanelment’ system is in operation in Government of India for earmarking officers for leadership positions in which only those officers who have superior career records are put on a ‘panel’ of names by a group of Secretaries who are entrusted with the job of evaluating their service records. Only persons on the panel are selected for top civil service assignments. The modalities of the empanelment process have been described under the Central Staffing Scheme as follows:

- *It has been the practice to draw a suitability list (known as panel) of eligible officers from the All-India Services and Group ‘A’ Services participating in the Central Staffing Scheme. This exercise is normally conducted on an annual basis, considering officers with the same year of allotment together as one group.*
- *At the level of posts of Joint Secretary and equivalent, the Civil Services Board finalises the panel for submission to the ACC. In this work, the Civil Services Board may be assisted by a Screening Committee of Secretaries.*
- *The panel approved by the ACC on the recommendation of the Civil Services Board will be utilised for making appointments to posts under the Government of India, but inclusion in the panel would not confer any right to such appointment under the Centre.*

- *The cases of such officers who were not included in any panel in a particular year would be reviewed together after a period of two years i.e. when two more annual confidential reports on their performance have been added to their CR dossiers. Another such review may be conducted after a further period of two years.*
- *A special review may be made in the case of any officer whose CR undergoes a material change as a result of his representation being accepted against recording of adverse comments on his annual confidential report.*
- *The Cadre Controlling authorities would be informed of the names of officers under their administrative control as and when they are included in the panel finalized with the ACC approval.*
- *Inclusion in the panel of officers adjudged suitable for appointment as Joint Secretary or equivalent would be a process of selection based on the criteria of merit and competence as evaluated by the senior members of the Committee Board on the basis of the CR dossiers.*

9.3.2 For the HAG grade (or the present Additional Secretary level), a Special Committee of Secretaries (SCOS) is constituted to assess (on a grade of 10), the service records of officers as well as their experience profile and evaluate such qualities as general reputation, merit, competence, leadership and aptitude for participating in the policy making process and recommend a list of officers for inclusion in the panel. A minimum period of residual service (2 years), experience in the Union Government at the JAG or above level (3 years), vigilance clearance etc are also mandatory. For empanelment at the Additional Secretary level, there is also the mechanism of an expert panel which evaluates the ACRs and makes assessments which will be taken into account by the SCOS. Guidelines for the empanelment process also state that for the HAG and Secretary level, if the process does not lead to adequate representation of categories like women, SC/ST, the North East and particular State cadres in the panel, the criteria for empanelment would be suitably relaxed to give due representation to these categories. A review process for officers not selected is also permitted, batch-wise and once a year with no officer to be considered for review more than twice.

9.3.3 The Surinder Nath Committee suggested two different models for selection of officers for higher positions. In the first model, the officer is to be evaluated based on the performance appraisal reports of the last ten years which should be moderated to ensure consistency. The officer is to be given a score on a ten point scale based on the following.⁹⁰

- a. *The overall grading secured*
- b. *The assessment against work performance*
- c. *The assessment against different attributes; and*
- d. *The pen picture of the officer*

9.3.4 In the second model suggested by the Surinder Nath Committee, greater emphasis is placed on acquisition of necessary skills for higher positions than in the case of the first model. The following evaluation criteria was suggested:⁹¹

- a. *An evaluation of the officer from his performance appraisal reports (including performance in positions outside the Indian Government system), for the last 10 years –weight of 50%*
- b. *“Richness of work experience”, as determined from his entire service record – weight of 20%*
- c. *Evaluation of significant achievements or failures (“critical events”) in his entire service period - weight of 5%*
- d. *Acquisition of formal professional skills for the higher positions – weight of 25%*

9.3.5 The Group made the following recommendations with regard to the empanelment:⁹²

- a. *The output of the empanelment process would be a list of officers found suitable process for selection to specific positions under the Central Staffing Scheme, together with their respective Domain assignments. All empanelled officers must be informed of the fact of their empanelment, including Domain assignment.*
- b. *Individual batches may be taken up sequentially along with those from previous batches who are due for review. Thus, there would be a fresh batch to be considered each year and some review batches. Cases of such officers who are not empanelled when their batch is taken up for consideration on the first occasion, may be reviewed up to twice more. Before each review, for the Joint Secretary’s level, an officer should have earned two more annual PARs and for higher levels one more PAR.*

⁹¹Ibid – paragraph 9.9.4

⁹²Ibid – paragraph 10.4.4

- c. *A norm of empanelling not more than 50% of the officers of the fresh batch, for the Joint Secretary level, should be adopted. All the non-empanelled officers of the review batches who secure higher overall scores, in the evaluation, compared to the last empanelled officer of the fresh batch, may also be empanelled. Thus, the percentage of empanelment within a batch may go over 50% after the review stage. The percentage of officers of the fresh batch empanelled at higher levels would be lower, and would need to be worked out on the basis of the likely vacancies, as well as the cushion to allow meaningful selection for particular position depending upon the skills and background.*

In awarding scores to each candidate, for empanelment to positions of Joint Secretary and above, the empanelment committee may adopt the formulation suggested in Model B(above) for promotions except that the zone of consideration would be the entire fresh batch and review batches. The transition provisions may also be the same as for promotions under Model B.

- d. *The UPSC should be involved in the empanelment process. Interviews for empanelment to the positions of Joint Secretary and above should be introduced. The interview would validate the claims of skills for the higher position, and would not be a personality test.*
- e. *The empanelment committee should be chaired by the Chairman/Member of the UPSC and should include atleast two eminent professionals and other suitable senior officers as may be agreed between the Cabinet Secretary and Chairman of the UPSC.*

9.3.6 The Committee on Civil Service Reforms headed by Shri P. C. Hota had made the following recommendations regarding the empanelment process:⁹³

“Empanelment method:

At present, the empanelment of officer’s to the post of Joint Secretary and above is made on the recommendations of the Civil Services Board/Special Committee of Secretaries and then approved by the Appointments Committee of the Cabinet. The number of officers empanelled is invariably much larger than the number of posts available. This leads to pressures to create high level posts which have little or no work, just to accommodate empanelled officers. Officers also start jostling for posts in the Central Staffing Scheme which are perceived to be prestigious. With the suggested ceilings in the percentage of empanelment of each batch and reduction in the number of senior level posts, this rationalization of empanelment of officers for posts of Joint Secretary

and above in the Government of India, under the Central Staffing Scheme should not be difficult.

Once officers are empanelled as Joint Secretaries / Additional Secretaries/Secretaries, the Cabinet Secretary may send the proposal through the Home Minister who is a member of the Appointments Committee of the Cabinet (ACC) to the Prime Minister who heads the ACC and is in charge of the Ministry of Personnel, Public Grievances and Pensions. We received overwhelming evidence that the practice of sending such proposals to the ACC through the Minister in charge of the Ministry/Department has led to extensive lobbying for posting by empanelled officers in different Ministries and often proposals drawn up on the basis of merits of the case by the Establishment Board presided over by the Cabinet Secretary get stuck with different Ministers and pressures are brought to bear on the Board to send “appropriate” names. We recommend that posts of civil servants in different Ministries be filled up on merit and suitability of the officer to hold such posts and the Establishment Board/Special Committee of Secretaries is the best judge of such merit and suitability. Hence, in all cases of appointment of Joint Secretary and Additional Secretary to Government of India, the proposal may go to the Minister in charge of the Ministry/Department who is a member of the ACC and if the Minister does not agree with the recommendations of the Committee of officials, he may send it back to the Committee with his observations within a stipulated period. If the Committee, after giving their utmost consideration to the observations of the Minister in charge are not able to agree, it may send the proposal with its comments to the Home Minister with the observations of the Minister in charge. It is then for the Home Minister as a Member of the ACC and the Prime Minister who heads the ACC to decide the matter based on the merits of the proposal.”

9.3.7 It has been represented by various officers and several Service Associations that the process of empanelment is not fair, objective and transparent. The Commission has examined the process of empanelment to the level of Joint Secretary in Government of India. Empanelment is basically a process for evaluation of the competence of officers. Prima facie the process, as it exists today, appears to be quite rigorous. However, it suffers from a limitation that it depends solely on the Annual Performance Appraisal of the officers. The system of performance appraisal has a propensity to be subjective and there is often a tendency for the ‘Reporting Officer’ to adopt a ‘soft’ approach in assessing an officer with the deficiencies often going unreported. Also by relying only on the ACRs for empanelment, the system overlooks a very important attribute – the future potential of an officer. Furthermore, selection is made without either interviewing the officers or testing them formally. Those who are not empanelled are not given any reasons and have no right

of formal appeal. An officer not empanelled as Joint Secretary normally spends the rest of his/her career in the State Government and is not usually empanelled later for Additional Secretary or a Secretary in the Government of India. By implication, the process suggests that officers who are not considered suitable for working in senior positions in Government of India are considered good enough to work in the State Governments. Promotions to senior positions in the State Governments are largely on the basis of seniority, and there is often insufficient consideration of merit or performance for promotion and posting to civil service positions.

9.3.8 The Commission is of the view that screening of officers is an important part of preparing a pool of officers who are to be considered later for leadership positions under the Central Staffing Scheme at senior levels in Government of India. The performance appraisal reports of the officers who are being considered would necessarily have to be an important input in this process of selection. As the performance appraisal reports are not able to capture all the attributes of an officer, particularly his/her future potential it would be necessary to have an independent assessment of the capabilities of the officer. The Commission is of the view that the present procedure for empanelment of officers to the level of Joint/Additional Secretary and above needs to be replaced by a transparent, objective and a fair placement system. This has been elaborated in the succeeding paragraphs.

9.4 A New Selection Process for Placements at Senior Positions

9.4.1 The issue of placement of senior officers in Government of India was examined by the Surinder Nath Committee which made the following recommendations regarding the process of selection of officers for posts of Joint Secretary and above under the Central Staffing Scheme:⁹⁴

Step 1: Notification of vacancies likely to arise in the course of the forthcoming year

Each Administrative Ministry would convey to the Department of Personnel & Training (DoPT), 3 months prior to the start of the year, the vacancies at each level likely to arise during the year. Each notice would include a job description of the subjects/themes/functions of the position.

Step 2: Identifying the relevant Domain Competency for each post

The DoPT would tentatively identify the appropriate Domain competency for each post notified on the basis of the job descriptions. This identification would be confirmed by the CSB.

Step 3: Publication of the list of vacancies

Following Steps 1 & 2, the DoPT would publicize the list of likely vacancies during the year (through its website and other means), together with the job descriptions and identified Domain competencies, for access by all prospective candidate officers. The candidate (empanelled) officers may, in turn, indicate by e-mail to the website itself, or by other means, their interest in being considered for (up to 3) particular positions. (A software would have to be developed for consolidating all such responses, and confirming to each officer the registering of their expressions of interest, as well as restricting access for expressions of interest through passwords).

Step 4: Generation of Long-Lists

For each post, a long-list would be generated by the Department of Personnel listing all the officers who are still available from among those who have indicated their interest in the post and with the requisite Domain competency. In case, sufficient officers who have indicated their interest in the post are no longer available, or an insufficient number had expressed interest in the first place, the DoPT may generate/add to the long-list of other available officers with the requisite Domain competency. This long-list, together with the Performance Appraisal dossiers of the officers, would be forwarded to the CSB.

Step 5: Generation of Short-Lists

The long-list for each post would be pruned by the CSB by matching the requirements for the post as revealed in the respective job descriptions and the specific background of each officer, and considering their overall suitability for the particular position. The output would be a short-list for each post.

Step 6: Final Selection for the Post

The CSB would transmit this short-list to the ACC for final selection to the post.

9.4.2 The position of Joint Secretary in the Government of India is crucial as it has both policy making and supervision of policy implementation roles. The pool of existing officers who have reached the Joint Secretary grade would constitute an important source of officers for staffing these key positions. Besides, it has been argued that lateral entry from the market should also be encouraged at the higher management levels as this would bring

in corporate exposure as well as specialized knowledge which may not always be available with career civil servants. It is also argued that at the level of Joint Secretary it would be desirable to post officers who have had some exposure and experience in the areas with which he/she would be dealing with while working as a Joint Secretary. In other words there is need to select officers who have preferably worked earlier in a similar domain. The Commission has, therefore, examined the following principal issues that are relevant for taking a view on a new process of selection of officers for the posts of Joint Secretary and above in Government of India:

- a. Assignment of domains;
- b. Fostering competition in
 - selection of officers at the level of Joint Secretary (super time scale) by a greater measure of internal competition among all Group 'A' Services
 - selection of officers for the present Additional Secretary (HAG) level by competition both from within government and (for selected posts) from the private sector; and
- c. Institutional mechanism both for assignment of domains and for selection and placement of officers.

9.4.3 The issue of domain assignment has already been examined by the Commission in Chapter 8.

9.5 Fostering Competition in Selection of Officers at the Super Time and HAG Levels

9.5.1 Ways of Introducing Competition

9.5.1.1 Table 9.1 clearly indicates that in the countries surveyed the SES comprises almost entirely of generalists. This highlights the point that at senior management levels, conceptual clarity combined with leadership and decision making ability as well as a broad vision for the sector is of much greater importance than mere technical knowledge.

9.5.1.2 The recently submitted report of the Sixth Central Pay Commission, which had earlier consulted with this Commission on certain Terms of Reference of the two Commissions which overlap, has made the following recommendations that are germane to this issue:⁹⁵

- *Certain posts in Senior Administrative Grade (SAG) and Higher Administrative Grade (HAG) requiring technical or specialized expertise and not encadred in any of the services to be opened up for being filled by suitable officers within the Government as well as by outsiders on contract. Shift from career-based to post based selection in the higher echelons of Government in order to get the best domain based expertise.*
- *Creation of additional posts in Senior Administrative Grade / equivalent / higher grades in future to be strictly on functional considerations with such posts invariably being created outside the cadre to be filled by method of open selection.*

9.5.1.3 After evaluating the pros and cons of a position-based SES model for India, the Commission agrees with the view that there is need for introducing an element of competition in appointments to the top posts both in the State Governments and Government of India. What is proposed is not an abandonment of the idea of career-based system altogether, but introduction of a combination of a career-based and a position-based systems in which the career-based system could be opened up to encourage competition for appointments to senior civil service positions in Government of India. For creating a senior management or leadership pool in Government of India, competition can be infused through two main mechanisms:

- a) opening up the senior management cadre to all existing Services; and
- b) lateral entry by opening the senior management cadre to aspirants from the private sector who can bring new skills into government.

9.5.2 Opening up the Senior Management Cadre to All Existing Services

9.5.2.1 Once it is accepted that there is a case for greater competition to tap the best talent, both “in-house” (from inside government) and from the private sector, to staff leadership positions in government departments, it would be a natural corollary that creation of such a senior management cadre should be done across the board in all government departments. The Sixth Central Pay Commission in its recent report has recommended an open method of selection to the posts of SAG and above that are not encadred in any Service and has also suggested decadring 20% posts in SAG and above so that the Government has the option to select the most suitable personnel for some posts from any source.

9.5.2.2 The Commission is in agreement with the Sixth Central Pay Commission’s views in this regard. The best way to introduce this element of competition would be by ensuring

that the Services / departments / cadre controlling authorities that wish to participate in this senior management pool should be required to accept the principle that leadership position in their Services / cadres should also be thrown open to competition from senior managers both within the civil services and, in some cases, from the private sector. The earmarking of such common senior management cadre / pool posts may be done on the basis of consultations between the departments and the proposed Civil Services Authority and eligibility of departmental officers to vie for posts in the senior management cadres/ pool may be made contingent on the completion of this process.

9.5.2.3 For positions at the Joint Secretary / SAG level, the Authority would follow the interview process but limit the field to competition amongst all officers from the eligible Group 'A' Central Services and All India Services officers with the minimum qualifying years of service and who belong to departments / cadre controlling authorities who are participating in the pool. This would lead to a large number of Group 'A' officers from various services repeatedly applying for a limited number of posts thus making the process unmanageable. It would therefore be advisable to stipulate that officers cannot apply for more than three posts in each year. The Central Civil Services Authority would stipulate the eligibility criteria, the required domain expertise as well as the requirements of qualifications, seniority and work experience. Since the competition here would be among government servants themselves, the Authority would make the selection based both on the performance in the interview and the service record of the short listed applicants / civil servants.

9.5.3 Lateral Entry

9.5.3.1 So far as the second element or lateral entry from outside the government is concerned, it has been argued, as mentioned in paragraph 9.2.6, that throwing open all senior management positions to a fresh round of de novo recruitment at any particular level may, in the Indian context, carry certain risks. At the same time, there is almost universal acknowledgment of the need to induct outstanding skills and talent from outside the government to staff some positions in government departments. The Commission feels that lateral entry as done in the past on an ad hoc basis can hardly be considered a suitable model of manpower planning since the present incumbents in government departments tend to resist entry of outside talent and the whole process remains personality driven and inchoate. There is therefore a need to institutionalize the process of induction of outside talent into the government.

9.5.3.2 The key issue that needs to be decided is the level at which the induction of the lateral entrants into key leadership positions in Government of India should take place. After

careful consideration, the Commission is of the view that lateral entries should be done at the present level of Additional Secretary / HAG which is a leadership position from which one can aspire to reach the rank of Secretary to Government. These posts involve leadership rather than purely operational roles and issues such as requirement of greater functional/technical knowledge at operational levels and the difficulties of managing large-scale recruitment at lower levels can be avoided by following this approach. The Commission is of the view that the Central Civil Services Authority (to be created under the proposed Civil Services law) should be entrusted with the task of identifying the posts at the higher management level, HAG and above, where induction of outside talent would be desirable. Such posts could then be opened for recruitment by tapping talent both from within and outside the government through a transparent process to be implemented by the Authority. This would be similar to the existing process for Director level appointments in the Central Public Sector Undertakings (PSUs). The mechanism through which this would be achieved is described below:

9.5.3.3 The Central Civil Services Authority (proposed) in consultation with the Union Ministries, earmark certain positions at the present Additional Secretary / HAG and above levels for which outside talent would be desirable. Applications to fill up the vacancies for these posts would be invited from interested and eligible persons from the open market and also, from serving officers. The Authority would conduct interviews and the best person for the job would be selected.

9.5.3.4 On completion of its selection process for posts at SAG level and higher, the Authority's recommendations in this regard would be sent to government for approval. While submitting its Annual Report to Parliament, the Authority should specifically draw the attention of the Legislature to cases in which its recommendation has not been accepted by the government. A similar process could be considered by the State Government for their leadership positions.

9.6 Fostering Competition in Postings to the Central Police Organizations

9.6.1 The Sixth Central Pay Commission, in its recent report, has examined the possibility of lateral movement of Defence Services personnel into the Central Police Organisations and recommended that in future, all recruitments to the posts of Short Service Commissioned Officers and Personnel Below Officers Ranks in the Defence Forces, CPOs and various defence civilian organisations should be made with the selected candidates serving initially in the Defence Forces for some period before being laterally shifted to CPOs / defence civilian organizations. It has been observed that this scheme will not only make available sufficient number of trained manpower for CPOs as well as defence civilian organisations but will also

significantly curtail the pension bill of the Government. This will have other side benefits for the trained manpower of the Defence Forces who will be engaged in a life-time employment.

9.6.2 This Commission is broadly in agreement with the views of the Sixth Central Pay Commission on this issue. At a broader level and in line with its thinking on the need to bring about greater openness and competition at higher levels of government so as to ensure the “right fit” between the post and the person; the Commission feels that as far as the police services are concerned, there is need to delineate three broad domains or areas of expertise viz intelligence, law and order and crime investigation. As in the case of other civil services, assignment of these domains to police officers should be done fairly early in their careers, say after 13 years of service, and their postings linked to this exercise. While domains would, in a sense, get frozen, greater flexibility in posting personnel who have gained expertise and excellence in working in these domains would have to be built into the system. The Commission feels that on the same pattern as has been recommended for the other civil services, at the SAG and higher levels in the central police agencies functioning in the three domains mentioned above, a degree of competition could be introduced. Thus, while postings to the crime investigation agencies such as the CBI would necessarily have to be limited to police officials who have the requisite experience in crime investigation; when it comes to the intelligence agencies and the central paramilitary forces, there may be a case for allowing lateral entry from the armed forces. In case of the CPOs, the Commission is in agreement with the views of the Sixth Central Pay Commission recommending that officers of the armed forces completing their Short Service Commissions (as well as other officers) should be shifted laterally to these organizations. The Commission therefore recommends that at the SAG level and above in the CPOs as well as in the Central Intelligence Agencies, officers from the IPS, from the CPOs as well as the Defence Forces may be allowed to compete.

9.7 The Institutional Mechanism

9.7.1 The Commission suggests that an independent ‘Authority’ should deal with matters of assignment of domains, preparing panels for posting of officers at the level of SAG and above, fixing tenures for various posts, deciding on posts which could be advertised for lateral entry etc. As this Authority would be performing the above-mentioned crucial tasks, it would be necessary to ensure its independence by giving it a statutory backing and stipulating that it should be headed by an eminent person with experience of public affairs to be appointed by the Prime Minister in consultation with the Leader of the Opposition in the Lok Sabha. The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India, and persons of eminence in public life and professionals with acknowledged

contributions to society as Members of the Authority. This Authority, to be named as the Central Civil Services Authority, should be constituted under the proposed Civil Services Act. As the constitution of the Central Civil Services Authority under a new law may take some time, the said Authority may be constituted, initially, under executive orders.

9.8 Recommendations

- a. **The present empanelment system for short-listing officers for posting at the SAG level and above should be replaced by a more transparent and objective placement procedure.**
- b. **At higher levels in government, it is necessary to ensure that the tasks assigned to a public servant match his/her domain competence as well as aptitude and potential.**
- c. **Ministries should classify all of their SAG level posts according to their relevant functional domains.**
- d. **There is need to introduce competition for senior positions in government (SAG and above) by opening these positions in Government (including attached and subordinate offices) to all Services. This principle would apply to all posts including those that are presently encadred with the organised Group 'A' Services. In order to operationalise this, government should make the continued participation of any of the organised civil services in the Central Staffing Scheme, contingent upon the implementation of this principle in those Departments/Cadres.**
 - i. **For the positions at the Joint Secretary/SAG level and above, the Central Civil Services Authority would invite applications from amongst all the eligible officers from the All India Services and Group 'A' Central Services which are participating in the scheme.**
 - ii. **For positions at the HAG level and above, the Central Public Service Authority would, in consultation with Government, earmark positions for which outside talent would be desirable. Applications to fill up these posts would be invited from interested and eligible persons from the open market and also, from serving eligible officers.**
 - iii. **While carrying out this exercise, the Central Civil Services Authority would stipulate the eligibility criteria, the required domain expertise**

as well as the requirements of qualifications, seniority and work experience. The Authority would conduct interviews to short-list suitable officers for these posts. Government would make the final selection on the basis of this shortlist.

- e. A Central Civil Services Authority should be constituted under the proposed Civil Services Bill. The Central Civil Services Authority shall be a five-member body consisting of the Chairperson and four members (including the member-secretary). The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India. The Chairperson and members of the Authority should be persons of eminence in public life and professionals with acknowledged contributions to society. The Chairperson and members of the Authority shall be appointed by the President on the recommendations of a Committee consisting of the Prime Minister and the Leader of the Opposition in the Lok Sabha. (Explanation:- Where the Leader of the Opposition in the Lok Sabha has not been recognized as such, the Leader of the single largest group in the Opposition in the Lok Sabha shall be deemed to be the Leader of the Opposition).
- f. The Central Civil Services Authority should deal with matters of assignment of domains to officers, preparing panels for posting of officers at the level of Joint Secretary and above, fixing tenures for senior posts, deciding on posts which could be advertised for lateral entry and such other matters that may be referred to it by the Government.
- g. A similar procedure should be adopted for filling up vacancies at SAG level and higher in the central police agencies. For example, in the Central Para-Military Forces the senior positions should be opened to competition from officers of the CPMFs, IPS and the Armed Forces (including those completing their Short Service Commissions). Similarly for the intelligence agencies officers from the armed forces as well as the CPOs with experience in the field of intelligence should be considered for postings at higher levels in the intelligence agencies.

DEPUTATION OF CIVIL SERVANTS TO ORGANIZATIONS OUTSIDE GOVERNMENT

10

10.1 In many countries, there is a well established practice of civil servants being permitted to work in the private sector as well as in academic and other non-government institutions while retaining a lien in government. In France, civil servants are even allowed to contest in elections without having to resign. Similarly, in the United States where senior positions in the government are not restricted to career-based bureaucrats, there is frequent movement of personnel at the higher echelons between government and the corporate sector, the rationale being that open movement of personnel between the government and the non-government sectors is mutually beneficial because it promotes exchange of the best human resources best practices, new ideas and innovations in both sectors. Besides, it helps civil servants to acquire a wider perspective. However, in some countries the civil services are more 'closed' with career-based civil servants occupying the vast majority of government positions. This is a conscious decision in countries where the government's role in both the economy and society is pre-eminent and free movement of personnel between the government and the private sector is perceived as likely to create major conflicts of interest. In this context, the civil services in India by and large fall in the less 'open' category.

10.2 The policy of facilitating unfettered movement of employees between government and the corporate sector has both advantages and disadvantages. Following the economic reforms in the 1990s and the subsequent globalization, there have been many opportunities for, and successes of, public-private partnerships. While the two sectors have worked together with increasing success, they bring in different sets of capabilities, and continue to be associated with different values, work culture and the best practices. For example, commitment to public service, promotion of equity, equality and social justice, maintenance of public order and security, and dealing with problems right from the grass roots level have been specifically identified with the public sector. Private sector, on its part, brings in modern management practices, innovations, flexibility and absence of red-tapism. In this context there is perhaps a case to permit government servants to go on deputation to the private sector and vice versa as such movement could encourage exchange of new ideas, widen professional horizons, and promote better understanding and mutual appreciation between the two sectors.

10.3 It must, however, be kept in mind that despite globalization and liberalization of the Indian economy, the State has continued to play a crucial role in almost all spheres vis-a-vis the private sector, and even where the private sector is a major player, there exists a strong element of governmental regulation. In the past also, civil servants who resigned and took up jobs in the corporate sector, had usually been associated with those sectors in their previous assignments, and often their joining the private sector was perceived as a quid pro quo. With avenues of employment in the corporate sector being available to a small number of civil servants holding assignments in certain ‘sought after’ sectors, a vast majority of civil servants, especially those working in the social sector and sectors like rural development, will perhaps not be affected by such a policy. This could result in an increasing reluctance by government servants to work in these crucial social sectors.

10.4 The civil services in India are governed by a set of rules issued under the Constitution and statutes which govern their terms and conditions of appointment including deputation to different positions in the Union and State Governments as well as to bodies outside government. All India Services and Central Service officers are deputed to serve in the Union Government with the consent of the concerned State Governments / cadre controlling authorities under the Central Staffing Scheme. In addition, they can be deputed to serve in autonomous institutions wholly or substantially funded by the Union Government, Central Public Sector Undertakings, constitutional and statutory bodies, as well as non-permanent non-statutory bodies which are categorized as non-central staffing posts. All India Services officers as well as Central Services Officers may also be deputed for service in a Company wholly or substantially owned by a State Government, a municipal corporation or a local body, by the concerned State Government. The relevant Rules {IAS (Cadre) Rules, 1954} in case of the IAS are as follows:

Rule 6(1)

“A cadre officer may, with the concurrence of the State Governments concerned and the Central Government, be deputed for service under the Central Government or another State Government or under a company, association or body or individuals, whether incorporated or not, which is wholly or substantially owned or controlled by the Central Government or by another State Government.”

Rule 6(2)(i)

“A Cadre officer may also be deputed for service under a company, association or body of individuals, whether incorporated or not, which is wholly or substantially owned or controlled by a State Government, a Municipal Corporation or a Local Body, by the State Government on whose cadre she/he is borne.”

10.5 So far as deputation to bodies outside government is concerned, the relevant provision is as under:

Rule 6(2)(ii)

“A cadre officer may also be deputed for service under an international organization, an autonomous body not controlled by the Government, or a private body, by the Central Government in consultation with the State Government on whose cadre shelhe is borne.”

10.6 Government has issued guidelines from time to time to regulate the movement of personnel under this provision. The guidelines issued on 26th December, 2006 had erroneously placed deputation to constitutional and statutory bodies under this provision. These guidelines also define private bodies as follows:

- a. Non-profit organizations of repute working in the fields of research, social work social development infrastructure etc.
- b. Organisations registered under the Societies Registration Act.
- c. Organisations registered under the Charitable Trusts Act.
- d. Apex bodies of Industries and Commerce under the various statutes.
- e. Organisations registered under the Cooperatives Act.

10.7 The guidelines further stated that deputation to private bodies under the above-mentioned Rule would not be allowed to organizations of a political, religious or sectarian nature or which have any pending FIR or chargesheet, or conviction for violation of any law. Those guidelines stated that the inclusion of organizations under the registration of Companies Act would be examined separately. It also set up a screening committee under the Cabinet Secretary for clearing applications seeking deputation under Rule 6(2)(ii).

10.8 As these guidelines did not specifically prohibit deputation to Companies in the private sector, several cases of deputation to private sector companies and financial institutions were permitted by government. Thereafter, presumably under the apprehension that such deputations could lead to conflict of interest situations, the guidelines were revised on 28th November, 2007. In the latest guidelines, it has been clarified that deputation to constitutional and statutory bodies would be governed by Rule 6(1) and these would be described as non-central staffing posts. Private bodies, to which deputation has been permitted are re-categorised as follows:

- i) Registered Societies or Trusts or Foundations or non-profit organizations or NGOs or cooperatives; and
- ii) Apex bodies of Industries and Commerce

Provided that such autonomous or private bodies fulfil all four of the following criteria:

- a) they are functionally autonomous of the Central and State Governments;
- b) they are not substantially funded by the Central and State Governments;
- c) the Central or State Governments do not have powers to give them directions; and
- d) they are not companies registered under the Companies Act.

10.9 Thus the revised guidelines (2007) have prohibited deputation to Companies registered under the Companies Act of 1956. The underlying principle seems to be that government servants should not be allowed to go on deputation to private commercial organizations.

10.10 The Commission has separately recommended that at higher levels of government, lateral entry from the private sector should be introduced. Facilitating a free flow of civil servants to the private sector for brief periods, however, is a more complex issue, and the policy could indeed result in a serious conflict of interest. Taking the above into account, the Commission is of the view that the dangers of possible conflict of interests outweigh any possible benefits that movement of civil servants to the private sector and back may provide and therefore is not in favour of lateral movement of government employees to the private commercial organizations and back. The situation could, however, be reviewed after 3 years.

10.11 On closer scrutiny of these guidelines, some issues regarding the movement of government servants to certain types of bodies outside government remains unclear. The guidelines allow movement to specified private bodies that are not registered as companies. This does not recognize the fact that there are societies and trusts as well as cooperatives that undertake activities which are commercial in nature. Also there are companies which are not profit oriented. The Commission feels that it is the objectives and activities of

the organizations that will determine its status as a commercial enterprise and not its organizational structure. Therefore, it may be more useful to make a distinction between the organizations to which deputation may be allowed on the basis of their activities. For the present, Government should permit deputation of civil servants to only such organizations that are engaged mainly in non-profit making activities.

10.12 Recommendations

- a. In drawing up the list of external organizations to which government servants can be permitted to go on deputation, the primary consideration should be the objectives and activities of such organizations and not merely its organizational structure. For the present Government should permit deputation of civil servants only to such organizations that are engaged in non-profit making activities.**
- b. This policy may be reviewed after three years.**

11.1 Present System of Performance Management in Government

11.1.1 The Conventional Performance Management System

11.1.1.1 Traditionally governance structures in India are characterized by rule-based approaches. The focus of the civil services in India is on process-regulation: compliance with centrally prescribed standards and rules; in other words, how things should be done and how inputs should be aligned. With such focus on processes, systems in government are oriented towards input usage- how much resources, staff and facilities are deployed in a scheme, programme or project and whether such deployment is in accordance with rules and regulations. The main performance measure thus is the amount of money spent and the success of the schemes, programmes and projects is generally evaluated in terms of the inputs consumed.

11.1.1.2 While such an approach satisfies the considerations of economy of inputs and compliance with process regulation, it fails to indicate what are the results achieved by the activities of government in general and deployment of public funds in particular. In fact, the focus on input for accountability and control has led to a situation in which civil servants are rarely held accountable for the outcomes. Compliance with rules is not sufficient for achieving outcomes. Obviously, the objective must be to shift the focus away from traditional concerns such as expenditure and activity levels towards a framework that would manage for results by developing robust indicators to assess performance in terms of results.

11.1.1.3 Performance management as it exists in government includes conventional tools like the budgetary exercise, annual reports published by the Ministries/Departments, performance budgets and the recently introduced outcome budget. Ministries and departments of government have varying practices of periodically reviewing their organizational performance. In addition, special studies are also commissioned from time to time. These are the basic requirements of a performance management system and much more is required to be done. Some earlier initiatives are described in the following paragraphs.

11.1.2 Performance Budgeting

11.1.2.1. To achieve results, Government of India introduced a scheme of performance budgeting from the financial year 1975-76. Under this scheme, along with the detailed demand for grants, a performance budget document is presented to the Parliament. The performance budget is intended to present a meaningful relationship between inputs and outputs, and indicate the correlation between planned programmes and their performance in financial and physical terms. Broadly, the performance budget has four parts, indicating:

- Broad objectives, programmes and projects, the organizations and agencies with the responsibility to implement them, the highlights of performance during the previous financial year, progress during the current year, and the programme for the next year.
- Linkages between the Five Year plans, the achievements to date, and the tasks ahead.
- Financial statements showing the outlays required for the programmes, projects or activities and the provisions in the current and next financial year.
- Details of the scope, plan of action, achievements, programmes, and performance during the current year and future programmes, along with outlays in respect of each activity in the various broad programmes of the department.

11.1.2.2 Although the scheme of performance budgeting was introduced several years ago yet it has not achieved its objective. While looking at the functioning of performance budgeting in the departments, Thimmaiah found that factors such as bureaucratic resistance, corruption among civil servants and legislative indifference contributed to the failure of the scheme.⁹⁶ Thimmaiah also found that performance budgets were prepared in the spirit of routine documentation. It has been observed that the performance budget documents are descriptive and often lack a thorough analysis of the performance of the department concerned.

11.1.3 Zero-based Budgeting⁹⁷

11.1.3.1 In the mid-1980s, the scheme of zero-based budgeting was introduced in government departments. The objective of the scheme was to:

- involve civil servants at all levels in the budgetary process

⁹⁶G Thimmaiah (1984), "Budget Innovation in India: An evaluation", Public Budgeting and Finance (4), pp.40-54

⁹⁷U This is a budgeting method in which total proposed expenditures need to be justified as against the conventional method in which only the new or incremental expenditure proposals need to be justified.

- justify the resource requirements for existing activities as well as new activities
- focus justification on the evaluation of discrete programmes or activities of each unit of administration
- establish objectives against which accomplishments could be identified and measured, and assess alternative methods of accomplishing objectives
- analyze the probable effects of different budgetary provisions or performance levels on the achievement of objectives
- provide a credible rationale for reallocating resources, especially from old activities to new activities

11.1.3.2 The scheme has not yielded the desired results. It has now been, more or less, abandoned in spite of occasional efforts by the Ministry of Finance and the Planning Commission to revive it.

11.1.4 Outcome Budgeting

11.1.4.1 More recently, Government has introduced the system of outcome budgeting. This is a positive step in incorporating a sense of results-orientation in governance structures by moving from outlays to outputs and outcomes. These are early stages of implementation and only after sufficient experience has been gained, can the success of this initiative be gauged.

11.2 Prevailing Performance Appraisal Systems for Civil Servants

As performance of an organization/agency is dependent on the performance of individual civil servants, over a period, an elaborate mechanism to evaluate the performance of individual government servants has evolved. These individual performance appraisal systems can be categorized as follows:

- a. Conventional closed system of ACR (Annual Confidential Report)
This is the traditional system, where at the end of a pre-set period (usually a calendar year), achievements of the officer are recorded and graded, absolutely or relatively. The significant feature of this method is the complete secrecy of the exercise, both in process and results, unless the rules specifically mention otherwise. Adverse remarks are communicated to the officer reported upon.
- b. Performance Appraisal with openness

This system is an improvement of the above, with the added feature of transparency and involvement of the officer at different levels. It involves setting goals at the start of the assessment period, reviews during the period and final assessment against achievement of goals. Finally, performance excellence is decided by a number (grades of 1-10) to be assigned by the reporting officer.

11.2.1 System in India

11.2.1.1 The performance of every Government servant is assessed annually through his/her Confidential Report, which is an important document providing the basic and vital inputs for assessing the performance of the Government servant and his/her suitability for his/her further advancement in his/her career on occasions like confirmation, promotion, crossing of EB, selection for deputation, selection for foreign assignment etc. Performance appraisal through confidential reports is a tool for human resource development in order to enable a Government servant to realize his/her true potential. It is not a fault finding process, but a development one.⁹⁸

11.2.1.2 The Reporting Officer, at the beginning of the year, has to set quantitative/physical targets in consultation with each of the Government servants, whose reports he/she is required to write. Performance appraisal is meant to be a joint exercise between the Government servant reported upon and the Reporting Officer. While fixing the targets, priority should be assigned item-wise, taking into consideration the nature and the area of work. The Confidential Report is initiated by the Government servant to be reported upon, who gives a brief description of his/her duties, specifies the targets set for him wherever applicable, achievements against each target, shortfalls, if any, constraints encountered and areas where the achievements have been greater.⁹⁹

11.2.1.3 In accordance with the recommendations of the Committee constituted under the Chairmanship of Lt Gen. (Retd.) Surinder Nath in 2002, the Performance Appraisal System for All India Service Officers has been modified and the salient features include setting of goals in consultation with the appraised officer, a numerical grading system (scale of 1 to 10), introduction of a pen picture of the appraisee, sharing the entire PAR with the appraisee officer, etc.

11.2.1.4 At present, the performance appraisal system in Government of India, as described above, falls largely in the first category but for the newly introduced system for All India Services officers, which has introduced many of the elements of category (b) mentioned in Paragraph 11.2.

⁹⁸Department of Personnel & Training OM No.12/2/84-PP, dated the 17th December, 1986.

⁹⁹Department of Personnel & Training OM No.12/2/84-PP, dated the 17th December, 1986.

11.3 Performance Appraisal System in the Armed Forces

11.3.1 Performance appraisal systems in the Armed Forces are more elaborate and rigorous because they are the main criteria for the very limited promotions that are made to higher positions in these Services. For example, in the Army, only 3% of officers make it to the grade of Brigadier and above. The highlights of their system are as follows:-

- a. Officers are evaluated on a scale of 1:10 on different attributes. This evaluation is done separately by the reporting officer and the next two higher levels.
- b. For the purpose of promotions, the Army generally follows two types of systems – the ‘closed’ system and the ‘open’ system. In the ‘closed’ system, the Promotion Board is not privy to the names of the officers concerned for promotion. Also officers of the same rank are permitted to attend the deliberations of the promotion board as “observers” though they cannot participate in it. In the ‘open’ system (for ranks of Major General and above); the identity of the officers being considered is also known to the Promotion Board.
- c. There is a system of rating the reporting officers wherein the reporting officers are classified as ‘liberal’, ‘strict’ and ‘rating tendency not known’.
- d. The prescribed trainings and examinations have to be cleared by the officers before they are considered fit for promotion.
- e. The entire performance appraisal record of the officer is compiled in the form of a matrix with the numerical points assigned to each attribute and other details of appointment and achievements, the type of rating given, details of reporting officers battle honors etc.
- f. Promotions in the Army are limited to the number of vacancies available making use of the three-year moving average of vacancies likely to be available.
- g. In case an officer is not promoted for the first time, his case is reviewed two more times and thereafter, if he is still not considered fit for promotion and ultimately after obtaining the benefit of time scale, he retires at the relevant prescribed age - 52 years in the case of a Colonel, 54 years for a Brigadier etc.

11.3.2 There are some variations in the performance appraisal and promotions in the other two Services. For example, in the Navy, a system of peer review exists in the form of

a feedback from batch-mates of the officer considered for promotion. They are informed of the number of vacancies and are asked to list the batch-mates whom they consider most suitable for being promoted to these posts. This peer review is not shared with the Promotion Board but is used by the Headquarters to validate the recommendations of the Promotion Board. Also in the Navy, there is a four-tier system of appraisal because being a comparatively smaller service the accepting authority for all officers is the Chief of Naval Staff. In the Air Force as in the Navy, the Promotion Board is an open one and in the Air Force, dossiers of the officers carry their photograph (the Board know the identity of the candidates). Unlike the Army which uses a three-year moving average to determine the number of slots available for promotion, in the Navy and the Air Force, annual vacancies are taken into account. In the Air Force, a part of the Performance Appraisal form is filled up after discussions between the appraisee and the reporting officer and both sign that portion of the appraisal report.

11.3.3 While there are substantial, functional and structural differences between the Armed Forces and the civil services, some of their good practices could be relevant for performance appraisal in the civil services to make it more objective and transparent. For example -

- a. A peer review for purposes of validation.
- b. Creation of a comprehensive database based on the ACRs and other inputs that could be made available to the screening committees for promotion.
- c. A system of rating of reporting officers by having a database of all the assessments made by them. This could be used for the purpose of moderating the ratings given by different reporting officers.

11.4 Analysis of the Present Performance Appraisal System for Civil Servants

11.4.1 The prevalent closed system for appraisal of civil servants in India (other than the All India Services) has major limitations. These include:¹⁰⁰

- a. It lacks in quantification of targets and evaluation against achievement of targets.
- b. Confusion still prevails among civil servants regarding what is good performance and the level of performance expected from them, by their department, superiors, and the public. The system is affected by unclear performance standards, possible bias on the part of superiors, political influence, etc.

¹⁰⁰Civil Service Day, 2008, proceedings

- c. The existing performance appraisal does not solve the problem of poor performance.
- d. Performance appraisal becomes meaningless in certain cases where the job fit is ignored while posting an officer, and where there are frequent transfers. At the same time, perceived clash between an individual's career goals and organizational goals further compounds the situation.
- e. The format may be good but sometimes the way it is filled up shows lack of due care and seriousness. This could also be because of the large span of supervision of most Government officers, which mandates them to write the ACRs of so many officers, some of whom they may not even personally recognise.
- f. Since the present system shares only an adverse grading, a civil servant remains unaware about how he/she is rated in his/her work.
- g. Many reporting officers pay little attention to distinguish good and average workers while grading them. Consequently, most Government officials end up getting very good/outstanding grading which is considered “good for promotion” and hence there is no motivation for real performers.
- h. The system of deciding on representations against an adverse entry sometimes take so long that reporting officers avoid giving an adverse entry. Many a time, for want of evidence against the reported civil servant, the reporting officer is in a defensive position and thus unable to justify his/her adverse remarks.

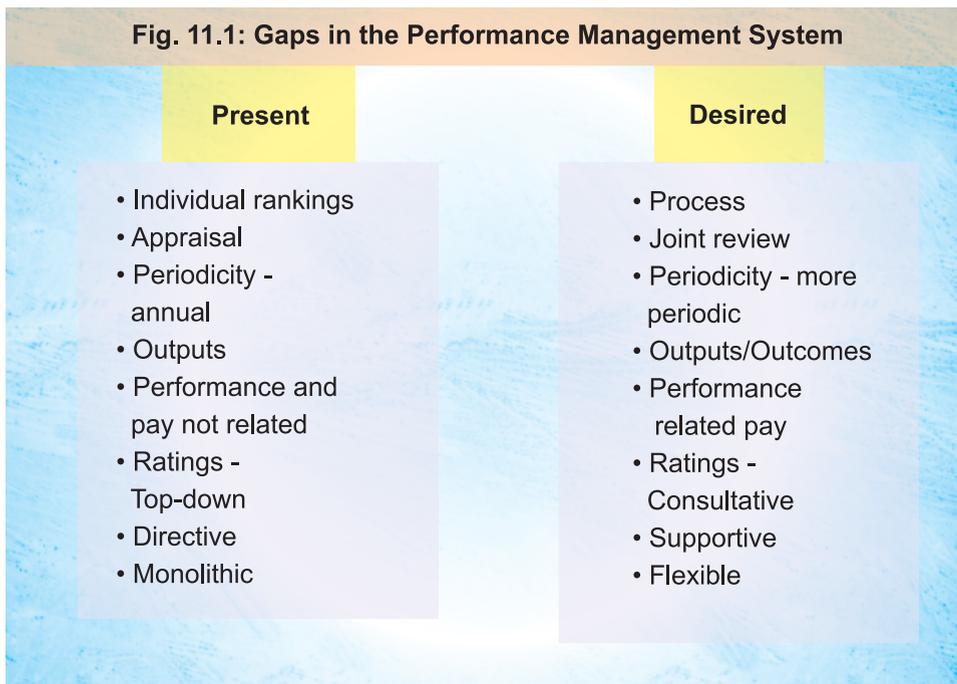
11.4.2 The new Performance Appraisal System for the All India Services has tried to overcome some of these shortcomings by including a “participative workplan through a consultative and transparent process. However, the new system also has certain limitations:¹⁰¹

- a. The new format does not recognize the difference in performance parameters applicable for civil servants working in completely different departments/agencies.
- b. The new format also does not do away with the element of subjectivity when it comes to assigning numerical ratings/grades to different attributes of the Government servants.
- c. It still emphasizes the performance appraisal report as the key element. The term Report is an improvement over Ratings, but does not recognize adequately

the development and improvement dimensions, though the objective is closer now.

- d. It does not adequately assess the potential of an officer to hold higher responsibilities.
- e. It emphasizes career development, but does not link it sufficiently with performance improvements. It underplays the need for performance improvements as a career growth intervention.
- f. There are too many levels for ratings and the accepting authority is often far removed from the officer reported upon.
- g. There is presently no training for orienting the users in the system of the new format. As a result, it could become a routine form filling exercise rather than a performance appraisal one.

11.4.3 The focus still continues to be on ratings and evaluation rather than on performance planning, analysis, review development and improvements which ultimately enables employees to achieve superior performance. The gaps which exist between the desired and the present performance appraisal system are indicated in the Figure 11.1



11.5 Making the Existing Personnel Performance Appraisal System Effective

11.5.1 Making Appraisal More Consultative and Transparent

11.5.1.1 In the present format for performance appraisal of civil servants (other than for the All India Services), it has been stipulated that the reporting officer, at the beginning of the year, has to set quantitative/physical targets in consultation with each of the Government servants whose report he/she is required to write. In spite of this, it has been observed that in practice no such effective consultation takes place at the beginning of the year for fixing the targets. The recently amended AIS Performance Appraisal Rules provide for a more structured consultation process.

11.5.1.2 The Commission is of the view that such a two-way consultative process leads to the fixing of more realistic targets which would have greater acceptability. This would also help in improving the performance of the officers and equally of the organization in which they work. The Commission is therefore of the view that the new PAR format prescribed for the All India Services should also be introduced for other Central Services/organizations.

11.5.1.3 As the term Annual Confidential Report indicates, the appraisal reports for civil servants (other than the AIS) are not disclosed to the officer reported upon – except for adverse remarks. This reduces its effectiveness as a tool for performance management. The newly introduced AIS Performance Appraisal Rules have provided for a transparent approach regarding the annual performance appraisal reports and it has been stipulated that the full annual performance appraisal report, including the overall grade and assessment of integrity, shall be disclosed to the officer reported upon. The Commission is of the view that similar provisions for promoting transparency also need to be introduced in respect of all Services/organizations.

11.5.2 Performance Appraisal Formats to be Job Specific

11.5.2.1 Based on the guidelines/instructions issued by the Department of Personnel and Training different Services/organizations have evolved formats for performance appraisal of their officers/officials. The same formats are used in respect of members of different Services irrespective of whether these officials are working in their parent departments or on deputation to outside departments/agencies. As a result, members of different Services working in the same Ministry may be appraised using different formats which is quite irrational. The Commission is of the view that the appraisal formats of civil servants need to be more specifically linked to the tasks assigned to them and to the goals of the Department/Organization in which the officer is working. To meet this objective, the Commission feels

that the appraisal format prescribed for civil servants should have three sections i.e. (i) a generic section that meets the requirements of a particular Service to which the officer belongs, (ii) another section based on the goals and requirements of the department in which he is working, and (iii) a final section which captures the specific requirements and targets relating to the post that the officer is holding.

11.5.3 Performance Appraisal to be Year Round

11.5.3.1 At present, the annual performance exercise is performed in a routine manner after the end of the financial year. As already mentioned, no effective consultations regarding setting targets for the civil servant concerned takes place under the present system even though guidelines call for such consultations. No detailed work plans or mid-year review of the performance of the civil servants being appraised have been prescribed. The revised All India Services (PAR) Rules rectify this situation by providing for an agreed work plan for the year to be decided in consultation between the officer and his/her reporting officer which has to be reviewed again in September/October and revised if required by 31st October. By incorporating provisions for a detailed work plan and a mid-year review, the new rules have helped to ensure effective and continuing consultations for target setting. The Commission is of the view that similar provisions should also be introduced for other Services.

11.5.4 Formulating Guidelines for Assigning Numerical Rating.

11.5.4.1 The conventional system prescribed in the annual confidential reports for civil servants followed a grading system that placed or rated officers in categories ranging from 'average', 'good' and 'very good' to 'outstanding'. The new PAR format for All India Service Officers replaces this with an improved rating system wherein officers are assigned a numerical grade from 0 to 10 for different parameters. While this is an improvement on the old system, the numerical gradings secured by the officers still depend on the subjective evaluation made by the reporting and reviewing officers. It is quite possible that officers of similar competence and performance may be assigned different numerical grades depending on the disposition – liberal or otherwise – of the reporting/reviewing officer. The Commission is of the view that the Department of Personnel and Training should formulate detailed guidelines to guide the reporting and reviewing officer for assigning numerical ratings for their subordinates. It would also be necessary to incorporate training modules on this aspect in the training programmes for civil servants. This should be supplemented by preparing a computerized data base wherein the details of the officers reported upon as well as the reporting and reviewing officers are captured for further analysis. This would enable the department to take a view subsequently on how numerical ratings can be moderated taking into account individual disposition.

11.5.5 360 Degree Evaluation

11.5.5.1 During the past few decades, the 360 degree feedback, also known as “multi-source feedback” has gained momentum in performance management literature. Its application today transcends national boundaries. 360 degree feedback augments the traditional practice of self-supervising performance appraisal by getting feedbacks from multipurpose sources which include:

- Self
- Superiors
- Peers
- Subordinates
- Internal Customers
- External Customers
- Others

11.5.5.2 Many countries are using or contemplating to use the 360 degree feedback in the civil services. Some of these countries are the UK, EU and Australia. The key driver to introduce this performance feedback process into the UK Civil Service was Sir Richard Wilson’s Report on Civil Service Reforms which specifically suggested the introduction of a 360 degree feedback for senior civil servants by the end of 2001. The underpinning assumption for good leadership is self-awareness and that “if done well, it is a very powerful tool of management and a very good way of helping people improve their own performance” (Wilson, cited in Moore, 2000 p.15). In the context of India where strong hierarchal structures exist and for historical and social reasons it may not be possible to introduce this system unless concerns of integrity and transparency are addressed. However, it is suggested that Government may consider sensitizing officers at all levels about the importance of this feedback mechanism and its possible use in understanding their behaviour and their ability to relate to others.

11.6 Performance Management

11.6.1 The evolution of the concept of performance management as a new Human Resource Management model reflects a change of emphasis in organizations away from command-and-control towards a facilitation model of leadership. This change has been accompanied

by recognition of the importance to the employee and the institution of relating work performance to the strategic or long-term and overarching mission of the organization as a whole. Employees' goals and objectives are derived from their departments, which in turn support the mission and goals of the organization. This search for results-orientation in several governments across the globe started with the approach to entrepreneurial government taken by Osborne and Gaebler in their influential book *Reinventing Government*.¹⁰² Later, Osborne and Plastrik set out their principles of entrepreneurial Government in their book *Banishing Bureaucracy*. One of these principles is *Results Oriented Government: Funding Outcomes, Not Inputs*.¹⁰³

11.6.2 Performance Management is the essence of managing, and the primary “vehicle” for getting the desired results through employees at all levels in the organization. The performance management process provides an opportunity for the employee and performance manager to discuss development goals and jointly create a plan for achieving those goals.

Development plans should contribute to organizational goals and the professional growth of the employee. In the absence of such a system, staff members are unclear as to the employer's expectations regarding performance objectives and standards/targets, leading to low productivity, costly mistakes, stress, de-motivation, and conflict. Sound Performance Management Systems subscribe to the crucial Principle: “What gets measured gets done”. The days of having a “one-set-of-measures-fits-all” Performance Management System are inherently flawed and long gone. Performance objectives and measures need to be specific to job categories and individual roles.

11.6.3 Performance management is the systematic process by which the organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals. Performance management is a holistic process bringing together many activities which collectively contribute to the effective management of individuals and teams in order to achieve high levels of organizational performance. Performance management is strategic in that it is about broader issues and long term goals and integrated as it links various aspects of the business, people management, individuals and teams.¹⁰⁴ To strengthen both, individual effectiveness

Box 11.1 Why a Performance Management System?

- What gets measured gets done.
- If you don't measure results, you can't tell success from failure.
- If you can't see success, you can't reward it.
- If you can't reward success you are probably rewarding failure.
- If you can't recognise failure, you can't correct it.
- If you can't demonstrate results, you can't win public support.

(Osborne & Gaebler, 92)

http://www.agridea-international.ch/fileadmin/10_International/PDF/RDN/RDN_2000/bn1_00_barandun.pdf

¹⁰²David Osborne and Ted Gaebler, *Reinventing Government* (1992)

¹⁰³Osborne and Plastrik, *Banishing Bureaucracy* (1997)

¹⁰⁴<http://www.cipd.co.uk/subjects/perfmangmt/appfdbck/perfapp.htm>

and organizational effectiveness, it is essential that individuals are suitably empowered, however authority and accountability should be commensurate with each other. Such checks and balances would improve the effectiveness of the performance management system.

11.6.4 Government has taken a step forward towards introduction of a performance management system by making a provision in the proposed Public Services Bill 2007 which provides that the Government shall, within a period of twelve months from the coming into force of this Act, establish a Performance Management System for Public Service employees, including-

- *The priorities, objectives, indicators and targets as part of the Government's strategic plans, availability of resources, constraints on performance and outcomes and skills of the public servants.*
- *Preparation of performance indicators and its periodical review, preparation and submission of Performance Appraisal Report of each employee with well-defined principles for achievement of targets set for the year.*

11.6.5 This is a welcome step. The Commission however recognizes that every organization in government will have to develop its own performance management system based on its unique requirements, but which incorporates the basic tenets of a good performance management system. The provision in the proposed Bill may be confined to making mandatory, a performance management system for every organization in the government, without getting into minute details. Various aspects of implementing a performance management system in government are discussed in the subsequent paragraphs.

11.7 Performance Appraisal vs. Performance Management

11.7.1 Often the distinction between performance management and performance appraisal is not clearly understood. Performance appraisal is one component of the Performance management cycle and is the process of assessing an employee's performance in the current position. Thus 'Appraisal' is an annual affair while performance 'management' is a year round activity. Appraisal focuses on ratings while 'management' focuses on the work, the stakeholders, service levels, productivity, motivation effort and all such performance related variables. The Table 11.1 highlights the difference between performance appraisal and performance management.

Table 11.1 Performance Appraisal vs. Performance Management¹⁰⁵

Characteristics	Performance Management	Performance Appraisal
Types of Objectives	Emphasize on integrating organizational, team & individual objectives	Individual objectives
Types of Performance Measures	Competency requirement as well as quantified measures	Qualitative & quantitative
Frequency	Continuous review with one or more formal reviews in a year	Annual appraisal
Rating System	Joint or participative process, ratings less common	Top-down systems with ratings
Reward Linkage	Does not have direct link to rewards	Often linked to pay
Ownership	Owned by line management	Owned by human resource department
Corporate Alignment	Integrated business driven system aimed at organizational & people development	Isolated system, not linked to organizational goals
Focus of Performance Reviews	Future focused	Focus on past performance
Questions Asked	What can be done to help employees perform as effectively as possible?	How well was the work done?
Emphasis	On ratings and evaluation	On performance planning, analysis, review, development and improvements
Monitoring & Designing	by the Personnel / Administration department	Designed by the Personnel/HR department but could be monitored by the respective departments themselves
Identification of Developmental Needs	At the end of the year	At the beginning of the year

11.8 Objectives and Aspects of PMS

11.8.1 The main objective of performance management is continuous improvements in performance with a view to attaining organizational goals. The performance improvements need to be seen in terms of achievement of the objectives and goals of the organization. The PMS process has two clear objectives:

¹⁰⁵Michael Armstrong & Angela Baron. Jaico Publishing House.2002 & T VRao."Performance Management of the Civil Servants"

a. The Evaluation Objective

- Evaluating & assessing the readiness of an individual to accept higher responsibilities
- To apprise the individuals of their current competency level and need to improve by giving them feedback
- To link it with compensation, rewards and career development.

b. The Development Objective

- Counselling & coaching of the subordinates to improve their performance & upgrade their competencies
- To motivate subordinates through recognition and support
- To build rapport between superior and subordinate
- To diagnose individual & organizational competencies, so that actions can be taken on problem areas
- To define the training requirements based on individual competencies.

11.9 Organizational Benefits of PMS

The PMS process helps organizations to:

- serve as the primary vehicle for implementing organisational goals and strategies (cascaded from top to bottom throughout the organisation).
- Align and integrate the objectives and Key Performance Indicators (KPI's) of the organization vertically and horizontally through all job categories and levels, including management. In this way the entire system works together in pointing towards the critical bottom line MEASURES, with bottom line RESULTS following as a matter of course (“What gets measured gets done”).
- facilitate continuous performance improvement, organisation development and culture change.

- achieve quality, efficiency and effectiveness, i.e. to meet the citizens' needs as precisely, quickly and economically as possible.
- ensure clarity regarding work expectations and performance standards, reducing job holder anxiety/stress, resource wastage and conflict.
- continually enhance employee competence through identification of output-related training and development needs and strategies.
- reduce Line Manager reluctance and fear to do Performance Appraisals with their staff.
- facilitate performance-based remuneration and rewards, so that employees can see and experience a clear link between their performance and the rewards they receive.

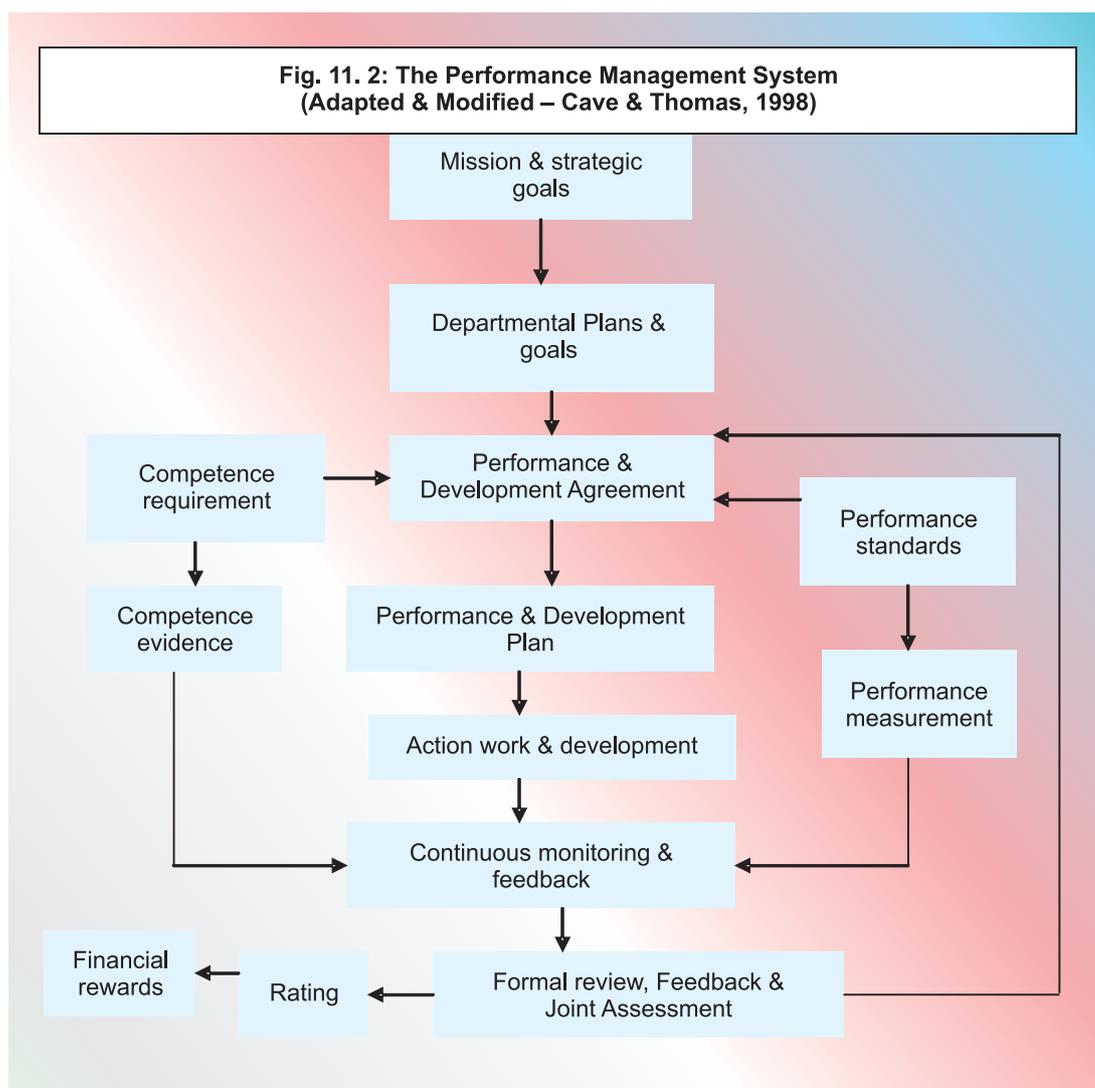
11.10 Pre-requisites for Implementing an Effective Performance Management System

- a. Strong commitment from top management.
- b. High level of participation of all concerned.
- c. Clear definitions of what constitutes performance in a given role. This emanates from the objectives of the department and the organization. This should also reflect the linkages of role with others.
- d. Identification of performance parameters and definition of Key Performance Indicators (KPIs). What comprises the performance has to be communicated to the individual, so that he/she has an idea about what the superior's expectations are.
- e. Consistency of application.
- f. Adequate organizational training to be provided to the individual to achieve superior performance.
- g. Strong commitment to regular recognition of good performance.
- h. Rewards and recognition should be built into the system and need not be linked with appraisals alone.

11.11 Processes of PMS

Performance management is a cyclical process which includes the following elements:¹⁰⁶

- Planning work & setting expectations
- Monitoring performance
- Developing the capacity to perform
- Rating performance
- Rewarding good performance



11.11.1 Planning Work & Setting Expectations

11.11.1.1 Effective organizations are proactive. Planning means setting performance expectations and goals for groups and individuals, to channel their efforts towards achieving organizational objectives. Involvement of the employees in the planning process will help them understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done. Above all, their acceptance towards the goals is also high. The planning process will result in an informal/formal agreement between the employee and his/her superior and covers the objectives to be achieved, the resources provided to the employee to achieve them as well as the autonomy and flexibility available to him.

11.11.1.2 To plan the performance of the individual, the measurable, understandable, verifiable, equitable, and achievable elements and the standards of the performance appraisals are to be set beforehand.

11.11.2 Monitoring Performance

11.11.2.1 In an effective organization, assignments and projects are monitored continuously. Good monitoring implies consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. In most countries that have undertaken reforms, considerable emphasis has been placed on performance measurement and monitoring whose two main elements are - the use of KPIs to track performance and relate outlays to output to outcomes. The outlay-output-outcome framework also serves as a significant accountability mechanism.

11.11.2.2 Monitoring performance includes contrasting and comparing the standards that were set and the targets achieved. Ongoing monitoring also provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. Monitoring continuously helps to identify unacceptable performance in the appraisal period itself and can be checked there and then, instead of waiting for the year to end.

11.11.3 Developing the Capacity to Perform

11.11.3.1 In order to develop the organization, there is need to assess and address the developmental needs of the employee. Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods. It motivates them for good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace, such as the introduction of new technology.

11.11.3.2 Performance management provides the platform to identify the need for training and development of the employee.

11.11.4 Rating Performance

11.11.4.1 In order to identify the best employees, organizations do a comparative analysis of the performance of the employees.

11.11.4.2 The rating here means evaluating the performance against the performance standards. It is based on work performed during an entire appraisal period. The rating of record has a bearing on various other personnel actions, such as granting within-grade pay increases, weightage for career progression and other incentives. Performance appraisal must factor the following considerations:

- a. Performance has been defined prior to the appraisal period.
- b. Standards & elements of performance are set and clarified to the employee, prior to the appraisal period.
- c. The opportunity to improve, must be given to the individual, before categorizing his/her performance.
- d. The circumstances including resource and other constraints also need to be taken into account while appraising performance.
- e. The employer has the right to demand performance and ensure accountabilities.

11.11.5 Rewarding Good Performance

11.11.5.1 Organizations seeking good performance from their employees, use rewards as a means to it. Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission. A basic principle of effective management is that all behaviour is controlled by its consequences. Good performance is recognized without waiting for nominations for formal awards to be solicited. Recognition is an ongoing, natural part of day-to-day experience. A great deal of the actions that reward good performance – like saying “Thank you” and congratulations on good work do not have any monetary implications. More formal rewards can take the shape of cash incentives, time off and formal recognition.

11.12 Introducing a Performance Management System

In implementing PMS in government, it must be emphasized that the PMS has to be designed within the overall strategic framework appropriate to the particular Ministry/Department/Organization. It is also necessary to link individual contributions to strategic objectives of the organization. It will therefore be necessary for each ministry/department/organization to customize its PMS relevant to them while incorporating the general features described below:

- a. *The strategic intent:* The strategic intent of an organization should cascade into strategic and operational objectives at the departmental level.
- b. *Individual assessment:* This is a process of self-evaluation and structured discussion aimed at personal, professional and individual development. This process is not intended to be merely judgemental but one that is also developmental. It is intended that the process will provide a regular open and systematic discussion of how an individual may enhance his role. The process should be seen as providing a means by which individual contributions are recognized, feedback on individual performances is given, assistance provided to staff in developing their potential and overcoming problems in agreed ways. It is intended that priority will be given to clearly relate strategic goals as there could be resource limitations. Part of the role of the Reviewer - usually the individual staff member's immediate supervisor is to assist the individual staff member (the person reviewed) in assessing his/her own performance and development regularly and fairly. The role also extends to assisting the person being reviewed in setting objectives and the extent to which the objectives are achieved. Where objectives are not achieved, this can be discussed between the reviewer and the person reviewed in a constructive manner, with a view to identifying the reasons why the objectives were not met and how the situation could be remedied.
- c. *Development of the individual - effect at departmental and organizational levels:* One of the main purposes of the PMS is to provide a systematic means not only of reviewing past performance, but also considering future developments. At the departmental level the system can help identify, agree on and plan staff development activity that in turn can lead to improved departmental planning and performance. It can also facilitate a better understanding of how all staff members contribute to a department's activities. Such an engagement can also facilitate improved communication between staff members.

All staff members, regardless of grade or category, have the ability to develop their potential in their area of work. The organization/department is central to enabling the staff to find ways of developing that potential in line with the organisation's strategic plan. The PMS provides a mechanism for clarifying what is expected in the particular job. It can also help bring about an improved understanding of departmental/organizational objectives and priorities, and how individuals' work and responsibilities relate to these. There will always be strengths and weaknesses at all levels. The process allows these to be identified and the means of overcoming these can be devised.

- d. *Enhancing quality:* The development of staff and the delivery of superior quality outcomes is the joint responsibility of individual staff, supervisors and the organisation as a whole. The process enables all to agree relevant goals which are clearly linked to strategic plans and objectives of the organisation as a whole. In so far as individual officers are concerned the process will help them to identify their contribution and how it can be improved.
- e. *Process reviews:* These should normally be conducted at least twice a year for all staff. Procedures for all should be similar in their core content but may vary as necessary to account for different responsibilities and management structures. A one-to-one discussion and feedback between the reviewer and the person reviewed should be the normal form of review.
- f. *Self monitoring:* Whereas the formal review meeting will take place once in a review period, it is important that the person reviewed monitor his/her own progress in achieving objectives on a regular basis throughout the review period. In addition, if the person reviewed feels there are issues or constraints which are preventing her/him from achieving their objectives, they can raise these with the Reviewer or, if necessary the Department Head. Early intervention will assist in the achievement of objectives and a subsequent satisfactory review.

To ensure the on-going value and quality of the PMS, it needs to be reviewed on a regular basis, in consultation with staff interests, to ensure that it remains relevant to both the Government departments, and to civil servants.

11.13 The Process of Implementation

The process of implementing a performance management system comprises three critical stages:

- a. Preparation
- b. The review discussion
- c. Follow up¹⁰⁷

11.13.1 Stage-1: Preparation

11.13.1.1 A great deal of ground work is required for performance management. It is imperative for the Reviewer to give adequate notice to the person reviewed, prior to the review discussion. This being a sensitive issue should be handled carefully. It should be taken care that there is no unnecessary delay on this matter.

11.13.1.2 It is required to make the officer being reviewed understand that the review is a platform where associates can give and take feedback. If the person being reviewed is adequately prepared it would ensure a focused and incisive review.

11.13.1.3 The Reviewer should also be prepared for undertaking a performance management exercise. He/she needs to go back to the goals set out for the person being reviewed, in the previous year and see what was promised. Results over the year should be assigned, by talking to the associate's circle of influence, comprising his/her boss, peers and juniors.

11.13.2 Stage 2: The Review Discussion

The review discussion can be further divided into three stages:

- Review
- Explore
- Agree

11.13.2.1 Review involves discussion on performance in the previous year. This is the evaluation of the targets achieved or not achieved, the reasons for the outcomes, the factors that were under control or were out of the control of the employee for the desired results etc.

11.13.2.2 Exploring is an integral part of the goal setting process. Here the ideas should not be imposed on the person being reviewed, instead he/she should be made comfortable for his/her flow of idea and the goal setting.

11.13.2.3 Agreement is vital if goals have to be set. The desired goals are mutually set by the reviewer and the person being reviewed. The reviewer should take care of the fact that the goals that are set should be the result of the ideas of the person being reviewed. This will trigger ownership of goals from the person being reviewed.

11.13.2.4 Once the goals are decided upon, they should be put down on paper and a copy given to the person to be reviewed as a point of reference for the year.

11.13.3 Stage 3: Follow up

11.13.3.1 It is necessary to ensure that performance management is a continuous activity and not a once in a year activity. It includes informal review discussions on a periodical basis, encouragement when due and guidance when necessary. It does not envisage castigating an officer or being overtly critical. The idea is to let the officer focus on his/her agreed goals and be given the freedom to work but with the stipulation that he/she alone will be accountable for the results/outcome.

11.14 Performance Agreements

11.14.1 Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems. This has been done in many forms - from explicit contracts to less formal negotiated agreements to more generally applicable principles. At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given.

11.14.2 In New Zealand, for example, the Public Finance Act of 1989 provided for a performance agreement to be signed between the chief executive and the concerned minister every year. The performance agreement describes the key result areas that require the personal attention of the chief executive. The expected results are expressed in verifiable terms, and include output-related tasks. The chief executive's performance is assessed every year with reference to the performance agreement. The system provides for bonuses to be earned for good performance and removal for poor performance. The assessment is done by a third party - the State Services Commission. Due consideration is given to the views of the departmental Minister. A written performance appraisal is prepared. The chief executive concerned is given an opportunity to comment, and his/her comments form part of the appraisal.

11.14.3 The Centres de Responsabilite in France is another example. Since 1990, many State services at both central and devolved levels have been established as Responsibility

Centres in France. A contract with their Ministry gives the Directors greater management flexibility in operational matters in exchange for a commitment to achieve agreed objectives. It also stipulates a method for evaluating results. Contracts, negotiated case by case, are for three years.

11.14.4 Reforms in these countries are instructive in the way accountabilities were clarified as a necessary first step. The important part of this clarifying process was that it was done by law. As a result of legal clarification of accountabilities, the civil servant in charge of a department became directly accountable to the departmental Minister through the annual performance agreement that was defined in advance and used as a benchmark for measuring end-of-the-period performance. In India, a provision in the proposed Public Services Law could be incorporated specifying that the heads of the line departments or of the executive agencies whenever they are set up, should sign annual performance agreements with the departmental Minister.

11.14.5 The performance agreements should be signed between the departmental Minister and the Secretary of the Ministry as also between the departmental Minister and heads of Department, well before the financial year. The annual performance agreement should provide physical and verifiable details of the work to be done by the Secretary/Head of the Department during the financial year. The performance of the Secretary/Head of the Department should be assessed by a third party – say, the Central Public Services Authority with reference to the annual performance agreement. The details of the annual performance agreements and the results of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/Outcome Budget.

11.15 Recommendations

- a. **A good employee performance appraisal system is a pre-requisite for an effective performance management system. The existing performance appraisal system should be strengthened on the following lines:**
 - **Making appraisal more consultative and transparent - performance appraisal systems for all Services should be modified on the lines of the recently introduced PAR for the All India Services.**
 - **Performance appraisal formats to be made job specific - the appraisal format prescribed for civil servants should have three sections i.e. (i) a generic section that meets the requirements of a particular service to which the officer belongs, (ii) another section based on the goals and**

requirements of the department in which he/she is working, and (iii) a final section which captures the specific requirements and targets relating to the post that the officer is holding.

- *Performance appraisal should be year round:* provisions for detailed work-plan and a mid-year review should be introduced for all Services.
 - *Guidelines need to be formulated for assigning numerical rating:* DOPT should formulate detailed guidelines to guide the reporting and reviewing officers for assigning numerical ratings for their subordinates. Training modules for implementing performance management systems should be designed and introduced for training programmes for civil servants.
- b. Government should expand the scope of the present performance appraisal system of its employees to a comprehensive performance management system (PMS).
 - c. In implementing PMS in government, it must be emphasized that the PMS should be designed within the overall strategic framework appropriate to the particular ministry/department/organization. It is also necessary to link individual contributions to strategic objectives of the organization. It will therefore be necessary for each ministry/department/organization to customize its PMS relevant to them, while incorporating the general features described in Chapter 11.
 - d. Annual performance agreements should be signed between the departmental minister and the Secretary of the ministry/heads of departments, providing physical and verifiable details of the work to be done during a financial year. The actual performance should be assessed by a third party – say, the Central Public Services Authority – with reference to the annual performance agreement. The details of the annual performance agreements and the result of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/Outcome Budget.

MOTIVATING CIVIL SERVANTS

12.1 Human Resources and Governance

12.1.1 As with any other enterprise, how effective a government is, depends on the various resources it has – human capital, finances, natural resources, technology etc. Of all these organizational resources, human capital is the most important. Therefore, organizations – Corporates, NGOs, Government - all place considerable emphasis on developing it. Human resource development includes a wide spectrum of activities - recruitment, training, placement, motivation etc. While other aspects of human capital have been dealt with in the foregoing chapters, the Commission has examined issues relating to motivation of government servants, in this chapter.

12.1.2 A motivated and willing civil service is the best instrument to achieve the outcomes desired by the state and society. Motivation comes through incentives. Contrary to popular perception that it is monetary incentives which matter the most, the fact is that academic theory as well as experience both in the Corporate sector and in Government, indicates that it is the non-monetary incentives which are the key factors in motivating employees especially in the context of Government.

12.1.3 The common perception is that the incentive structure in government is too weak and inadequate to motivate better performance. Even the tool of promotion is not always used for motivation, as the principle of seniority is generally followed rather than competence and performance. It has also been noted that often civil servants adopt a 'minimalist' approach in their functioning, and confine their work to disposing of files making no special effort at resolving problems. In other words, a public servant rarely walks that 'extra mile' in carrying out his/her duties. The Sixth Central Pay Commission observed as follows:

“Government employees are generally de-motivated, 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.”

12.2 Factors Affecting Motivation of Public Servants

12.2.1 The word “motivation” has originated from the Latin word “movere”, which means to move. Motivation can be defined as the process of driving individuals to attain the organizational as well as the individual’s goals. There are various factors which motivate a person to work. These include working to earn a living, for personal fulfilment, for professional satisfaction or to meet the challenges that the profession offers. The issue of motivation has been the subject of considerable research and a large number of theories have been propounded. It is now well understood that motivation is a complex subject and a wide variety of factors influence the motivation of an individual.

12.2.2 Herzberg had propounded a two-factor theory. He categorized the factors influencing an individual at work into two groups – hygiene factors (extrinsic) and motivation factors (intrinsic). He stated that absence of hygiene factors - wages, working conditions, quality of supervision - would dissatisfy an employee. But motivating factors – status, recognition, sense of personal achievement, challenging nature of work - would lead to satisfaction among employees. Researchers have often argued against the division of the factors into two groups but there is a consensus over the proposition that a large number of factors need to be addressed to improve motivational levels of employees in any organization. One of the important extrinsic factors for motivation is of course the monetary compensation a public servant receives. However, as stated earlier apart from the monetary remuneration, a public servant is perhaps primarily influenced by several non-monetary factors.

12.2.3 The Sixth Central Pay Commission has broadly categorized the benefits a public servant gets by virtue of his/her being in public service, into two broad categories - ‘transactional benefits’ and ‘relational benefits’. Transactional returns are those returns – monetary and non-monetary - that the employee is entitled to perennially. To illustrate, the basic pay, dearness allowance, house rent allowance, city compensatory allowance, conveyance allowance, etc., and all the intangible benefits fall under this category. “Relational” returns refer to those needs that are not necessarily monetary in nature. These returns satisfy the self-esteem and self-satisfaction needs of the employees. They include, for instance, the pride of having an association with an organization, job challenge and satisfaction, opportunities for learning and advancement, a sense of being part of a nobler cause (in case of some organizations), job security and so on.¹⁰⁸ The relational benefits in government are different for different people; but roughly the list below would be applicable to most employees.¹⁰⁹

¹⁰⁸A study of Estimating Cost to Government for a government employee; XLRI; The study was Commissioned by the Sixth Central Pay Commission

¹⁰⁹A study of Estimating Cost to Government for a government employee; XLRI; The study was Commissioned by the Sixth Central Pay Commission

- a. Employment security
- b. Respect in society
- c. Balance between work and life
- d. Opportunity to be part of the larger cause of serving the country
- e. Variety in job profile

12.2.4 Generally, the ‘transactional returns’ for a government servant are much less as compared to a similarly placed person in the corporate sector, but the ‘relational benefits’ are generally much more.

12.3 Motivating a Public Servant

12.3.1 The Sixth Central Pay Commission examined the issue of giving monetary incentives in order to motivate government employees for better performance. The Pay Commission observed:

“In India, Government employees are paid according to their service incremental salary scales. For a larger (majority) section of employees there is hardly any performance for pay incentive available to them. Their salaries are today only a composite of basic pay plus certain allowances (variable) including DA that are admissible depending on the nature of jobs and duties and accompanying working conditions. In fact, natural increases in salary are very much guaranteed to Government employees. This leads to a situation where employees do not exert themselves for a higher level of on-the-job performance and achievements, thus depriving the Government of potential productivity gains and service delivery enhancements, both in terms of quantum and quality. There is no external motivation for risk-taking and delivering a higher level of performance, because though the risk-taking is punished if things go wrong, it is not financially rewarded if things improve because of employees’ initiative and risk-taking. Over the years, this has led to the development of a culture where employees have become risk averse.”

12.3.2 The Pay Commission has recommended introduction of a new performance based pecuniary benefit, over and above the regular salary, for Government employees - Performance Related Incentive Scheme (PRIS). It is based on the principle of differential reward for differential performance. The Commission agrees with the recommendations made by the Pay Commission.

12.4 Non-monetary Motivating Factors

As stated earlier, there are a large number of factors apart from monetary motivators which impact the performance of an employee. The Commission has examined some of these in the following paragraphs.

12.4.1 Recognition

12.4.1.1 It is a well established tenet in both public and private sector organizations that linking rewards with performance is a powerful motivating tool for its employees. So far as the public services in India are concerned, this fact had been highlighted in 1984 by the then Prime Minister Shri Rajiv Gandhi who in his broadcast to the nation had said:

“Our administrative system must become more goal-oriented. A new work-ethic, a new work culture must be evolved in which Government is result-bound and not procedure-bound. Reward and punishment must be related to performance.”

12.4.1.2 Government of India has launched major initiatives for linking performance with rewards including through its recently revised Performance Appraisal System with the notification of the All India Services (Performance Appraisal Report) Rules, 2007. It has also since 2006 instituted national awards for those civil servants who have made outstanding contributions to public administration and this is duly acknowledged every year on the occasion of Civil Service Day. While these are very positive steps, there is need to further emphasise on incentives like conferring the Padma awards more frequently to serving civil servants award systems for recognizing good performance should also be instituted at the State and district levels. It must further be ensured that selection for such awards is made through a prompt, objective and transparent mechanism because the value of such awards should not get compromised by either subjectivity or lack of transparency. Further, all organizations should evolve their own in-house mechanism for rewarding good performance from simple, verbal and written appreciation to more tangible rewards.

12.4.2 Job Enrichment

12.4.2.1 A large number of public servants perform jobs which are largely routine and monotonous. This is especially true for Group ‘C’ and ‘D’ employees. As mentioned earlier a feeling of accomplishment, is an important motivator for any person but a person rarely gets a sense of achievement in the midst of drudgery. Therefore, enriching jobs is an important motivation tool. *Job enrichment is a type of job redesign intended to reverse the effects of tasks that are repetitive requiring little autonomy. Some of these effects are boredom, lack of flexibility,*

*and employee dissatisfaction (Leach & Wall, 2004). The underlying principle is to expand the scope of the job with a greater variety of tasks, vertical in nature, that require self-sufficiency. Since the goal is to give the individual exposure to tasks normally reserved for differently focused or higher positions, merely adding more of the same responsibilities related to an employee's current position is not considered job enrichment.*¹¹⁰ Job enrichment as a motivational tool has not been used widely in Government.

12.4.2.2 It may not be possible to make specific recommendations regarding job enrichment, as they would differ for each office/department and even within an office/department they would differ from position to position within the office. The Commission is of the view that it should be the responsibility of the head of the office to examine the job content of each person working in the organization and then ensure that the job is rich content-wise so that the employee derives a sense of satisfaction by performing tasks assigned to him. The head of the office could seek the assistance of a professional agency for this purpose. Any effort towards job enrichment should be backed by adequate opportunities for skill and capability development.

12.4.3 Linking Career Prospects with Performance

12.4.3.1 Better career prospects can be an important motivating factor within an organization. The corporate sector uses this optimally. In Government and the public sector because of compulsions of uniformity and absence of a perfect performance evaluation system, career prospects often get de-linked from performance. As a result, promotions are largely based on seniority. The Commission is of the view that in matters of promotion, the performance of a candidate should be given due weight. This once again brings to the fore the importance of an effective performance evaluation system.

12.4.3.2 Posts in foreign countries are mostly encadred in the Indian Foreign Services. However, there are a limited number of posts for which officers from other Central/All India Services are also considered. These assignments are generally coveted and considered to be prestigious. The general impression, however, is that selection to these positions are often not done in a transparent and objective manner. The Commission has elsewhere talked about the need for transparency and competition in all appointments both as a measure of good governance and as a motivational tool. The Commission, therefore, recommends that all foreign assignments (other than those for officers of the IFS) should be made, based on the recommendations of the Central Civil Services Authority. The Authority should follow the due process of inviting applications from eligible candidates and preparing a panel of officers who are most suitable for such assignments based on their domain competence.

12.4.4 Removing the Causes of Dissatisfaction

12.4.4.1 There are a large number of factors which lead to dissatisfaction among officers/officials in the government. Some of these factors are:

- a. Poor working conditions
- b. Unfair personnel policies
- c. Excess or absence of supervision
- d. Absence of fair-play within the organization
- e. Indiscipline
- f. Lack of transparency within the organization
- g. Lack of opportunity for self-expression
- h. Interference in objective functioning.

12.4.4.2 The above factors are well known, but a lack of emphasis on employees' motivation has often led to their being overlooked. The Commission is of the view that it should be the responsibility of the head of each office to ensure that a congenial work environment is created. Indeed, one of the inputs for evaluating the performance of a supervisory officer should be the extent to which he/she has created a congenial atmosphere in the office by addressing the above mentioned 'dissatisfiers'.

12.4.5 Disincentives for Non-performers

12.4.5.1 Reward and punishment are two sides of a coin. Therefore, while those government servants who perform well must be rewarded as discussed above, it is equally necessary both in the interests of good governance and for motivating good performers that instruments of performance management – counselling, warning, action – are used for those who do not perform. Not doing so would, in fact, negate the various incentives which are given to those employees who perform well.

12.4.6 A Sound Evaluation System

12.4.6.1 It is necessary to measure the motivational level of all employees in an organization. Therefore, each organization should institutionalize a mechanism for periodic evaluation of

the motivation level of its employees. It also needs to be understood that motivation is only a means and the end is improved performance. This underlines the importance of a good performance management system within an organization. The Commission has examined the issues relating to performance appraisal in Chapter 11.

12.5 Recommendations

- a. **There is need to recognise the outstanding work of serving civil servants including through National awards. Awards for recognizing good performance should also be instituted at the State and district levels. It must be ensured that selection for such awards is made through a prompt, objective and transparent mechanism because the value of such awards should not get compromised by either subjectivity or lack of transparency. Further, all organizations should evolve their own in-house mechanism for rewarding good performance from simple, verbal and written appreciation to more tangible rewards.**
- b. **Selections for foreign assignments referred to in Paragraph 12.4.3.2 should be made, based on the recommendations of the Central Civil Services Authority. The Authority should follow the due process of inviting applications from eligible candidates and preparing a panel of officers who are most suitable for such assignments.**
- c. **It should be the responsibility of the head of the office to examine the job content of each person working in the organization to ensure that the job content is meaningful and challenging so that the employee derives a sense of satisfaction in performing the tasks assigned to him/her. The head of the office could seek the assistance of a professional agency for this purpose.**
- d. **Each head of office should ensure that a congenial work environment is created in the office. His/her success in this should be an element in evaluating his/her performance.**

13.1 Accountability of Public Servants

13.1.1 In most countries, public officials exercise varying degrees of power in discharging their functions and responsibilities based on the authority vested in them. To ensure that there is proper and responsible use of this power and authority, all democratic countries have developed systems and procedures of checks and balances. They have also put in place incentive mechanisms to reward good performance. These systems and procedures can broadly be termed as mechanisms that promote accountability.

13.1.2 In all democratic countries, civil servants are accountable both to the political executive and to citizens for ensuring responsive, transparent and honest policy implementation and service delivery. But ensuring accountability for performance is not a simple task in government service; there are immense complexities involved in making public officials answerable for outputs and outcomes. Setting performance targets and their measurement is easier in respect of service delivery agencies particularly when the service provided is tangible and thus an easily measured unit but for many public organizations where the output is policy related and therefore, not very concrete, assessment of performance becomes much more complicated. The diffusion of responsibility and authority across different levels in Government and the lack of linkage between authority and accountability also lead to a system where plausible alibis for non-performance abound, particularly for activities that cut across departmental dividing lines or across different functional divisions within departments.

13.1.3 The accountability mechanisms in any country are broadly categorized as those that are located within the State and those outside. Accountability of the executive arm of government to Parliament and to the citizens of the country is of course the fundamental feature of a democracy. The final expression of accountability in a democracy is through the medium of periodic elections which is an instrument for punishing and rewarding the Government of the day, and therefore, serves as an ultimate instrument of accountability. An independent judiciary embodies the constitutional doctrine of separation of powers and is another important element in the system of checks and balances that exists in any

democratic country. In India, constitutional and statutory bodies such as the office of the Comptroller & Auditor General, the Election Commission, and the Central Vigilance Commission (CVC) are examples of other oversight mechanisms that are autonomous but lie within the framework of the State. Analysts have categorized these accountability mechanisms into “horizontal” accountability mechanisms which refer to those located within the State as against ‘vertical’ accountability mechanisms which are those outside the State¹¹¹ and include the media, civil society and citizens. Table 13.1 shows the categorization of such accountability mechanisms in India.

Table 13.1: Institutions and Mechanisms that Promote Accountability

Outside the State (Vertical)	
<ul style="list-style-type: none"> • To the people through elections • Through RTI Act to citizens 	High effectiveness
<ul style="list-style-type: none"> • Citizens’ oversight committees • Civil society/watchdog bodies • Media 	Low effectiveness
<ul style="list-style-type: none"> • Service delivery surveys • Citizens’ charters 	Low to medium effectiveness
Within the State (Horizontal)	
<i>External</i> (Outside the Executive)	<ul style="list-style-type: none"> • Parliament • Judiciary • Lokayukta • CAG • CVC
<i>Internal</i> (Within the Executive)	<ul style="list-style-type: none"> • Superior officers <ol style="list-style-type: none"> 1. Rewards/punishments 2. Disciplinary procedures 3. Performance Management System • CBI/police/vigilance • Internal Audit • Grievance Redressal Mechanisms

13.1.4 The Sixth Central Pay Commission observed as follows:

The institutional structures of top down management and isolated managerial efforts have proved inadequate for satisfying performance i.e. delivery of results and outcomes. There is over-reliance on ‘command’ models of administrative effort for service delivery. Citizens and service users are stakeholders and participants not just ‘customers’. This role needs to be institutionalized in the administrative structures linked to the specific

¹¹¹Derick W. Brinkerhoff-Paper for USAID

organizational service delivery. This participation of stakeholders in the process design and their institutional integration into the decision and delivery framework can be based on a 'cooperative model' of consultation and co-production. Institutional norms and practices become habits and routines and have to be consciously analyzed, confronted and substituted with alternate institutionalized practices. This perspective of purpose is important also for determining the type of Performance Related Incentive Scheme (PRIS) developed and adopted. The importance of a systems shift from top down monitoring to stakeholder-citizen participation and co-production with transparency and checks is critical for better public service delivery.

13.1.5 Of the various accountability mechanisms mentioned in the Table 13.1, the Commission has dealt with issues relating to the Right to Information Act and how it can bring transparency and accountability to Government in its first Report entitled “Right to Information – Master Key to Good Governance”. In its 4th Report entitled “Ethics in Governance”, the Commission has dealt in detail with the subject of promoting ethics in our institutions of governance including the civil services, the judiciary, legislators as well as ministers. That Report contains comprehensive recommendations on the legal framework for fighting corruption including the need for a *Rashtriya Lokayukta* at the national level, how to strengthen the *State Lokayuktas* and how to improve accountability in local bodies through the institution of Ombudsman. The Commission would be examining the efficacy of the audit mechanisms in its Report on ‘Financial Management Systems’. Elsewhere in this Report, the concept of improving discipline and accountability within Government Departments through rationalization and streamlining of disciplinary procedures has been dealt with. How the performance management system relating to Government servants can be improved by reforming the present system is dealt with in a separate Chapter in this Report. This Chapter will therefore, primarily look at other internal mechanisms for promoting accountability of public servants.

13.2 Fitness Bar

13.2.1 As stated earlier in the Report, the public perception today is that government servants are unresponsive to the needs and concerns of citizens and the system does not address this problem because the mechanisms to ensure accountability, integrity and efficiency of public servants do not appear to be adequate. The common perception is that initiation of disciplinary action against incompetent and erring government servants is more an exception than the rule. This is supported by a plethora of anecdotal evidence. Data obtained from the UPSC and the CVC clearly bring out that there are very few cases where disciplinary proceedings result in imposition of substantial penalties.

Table 13.2 : Disciplinary Cases Dealt with by UPSC in the Year 2006-07 (Source: Annual Report 2006-07, UPSC)

Cases in which advice was Communicated														
Misconduct	Group-wise Break Up				Penalty Advised									
	Group 'A'	Group 'B'	Group 'C'	Group 'D'	Dismissal	Removal	Compulsory retirement	Reduction in rank	# Pecuniary penalties	Withholding of promotion	Censure	Cut in Pension	Proceeding dropped	Total effective advice
Conviction	3	5	5	-	5	-	-	-	-	-	-	8	-	13
Corruption/ Malpractice	10	5	2	-	3	1	-	-	5	-	-	5	3	17
Dishonesty/ Embezzlement	11	5	1	-	1	1	-	2	2	-	-	11	-	17
Moral Turpitude	4	-	-	-	-	-	1	-	1	-	2	-	-	4
Absence from Duty without Leave/ Permission	47	10	2	1	33	3	2	2	10	1	1	5	2	59
Outside Employment/ Business	1	-	-	-	-	-	-	-	1	-	-	-	-	1
Insubordination	3	-	-	-	-	-	-	-	2	-	1	-	-	3
Dereliction of Duty/ Non-observance of Procedure	42	13	10	-	-	-	1	-	23	-	8	21	12	65
Irregularities in Transaction in Property	10	5	1	-	-	-	-	-	5	-	1	9	1	16
Misbehaviour	2	1	-	-	-	-	1	-	1	-	1	-	-	3
Other Charges/ Misconduct	246	77	41	1	6	1	12	11	109	-	48	118	61	366
Total	379	121	62	2	48	6	17	15	159	1	62	177	79	564

13.2.2 The life-long job security provided to a government servant further leads to such a distorted incentive structure because it is a fact that under the present system, very rarely is a government servant punished or removed for poor performance. As a result, an element of complacency and inertia has got internalized in the civil services. In fact, it has been noted that this trend not only manifests itself in terms of indifference to and disregard of citizens' complaints and concerns but also in the form of indiscipline and insubordination.

In the section ‘Dismissal Procedures’, the Commission has recommended a major revamp of the present system of disciplinary proceedings against government employees to ensure greater accountability and to minimize, if not eliminate, misconduct and indiscipline. In addition, the Commission feels that there is also need to find a systemic solution to the issue of complacency that stems from the lifelong job security coupled with lack of penal consequences for non performance or inadequate performance.

13.2.3 While the performance of government organizations and their sub-units are periodically subjected to in-depth reviews, seldom are efforts made to link organizational performance to the performance of an individual civil servant. In fact, at present, annual confidential records of civil servants are the only mechanism to assess the performance of a government servant and these records are used to evaluate the fitness of a civil servant usually at the time of promotion. The Commission is of the view that there is need to have a comprehensive in-depth assessment at important milestones in an officer’s career. These assessments, in view of the Commission, should be carried out on completion of 14 and 20 years of service.

13.2.4 The first review at 14 years would primarily serve the purpose of apprising the public servant about his/her strengths and shortcomings for his/her future advancement. This should also be used for assessing his/her training needs. The second review at 20 years would mainly serve to assess the fitness of the officer for his/her further continuance in government service. These performance evaluations could be conducted by committees constituted for this purpose. So far as the second review is concerned, as this would involve a more intensive assessment about a public servant’s fitness to continue in service, this may be entrusted to an empowered committee comprising both government officers as well as external experts. The second review would involve a very careful scrutiny and analysis of the officer’s general reputation, performance and his/her potential to hold leadership positions involving higher responsibilities in government. To the extent possible, feedback from citizens, wherever available, should be used as an input in this exercise. A personal interview with the officer should normally be a part of this process. The detailed modalities of this assessment would need to be worked out by government.

13.2.5 The services of public servants who are found to be unfit after the second review at 20 years, should be discontinued. A provision regarding this should be made in the proposed Civil Services Law. Besides, for new appointments it should be expressly provided that the period of employment shall be for 20 years only. Further continuance

in government service would depend upon the outcome of the intensive performance reviews. The Commission feels that these reviews combined with the changes suggested in the performance management system, disciplinary proceedings and the reforms in the recruitment and training of civil servants would make the entire system much more proactive, responsive and accountable.

13.2.6 The above proposals are not as radical as they may prima facie appear. Elements of such a system exist in the Armed Forces, for both officers and other ranks. Thus an officer who does not get promotion from the rank of Colonel to Brigadier, retires at the age of 54, one who does not get promoted from the rank of Brigadier to Major General retires at 56 and so on. Section 56(j) of the Fundamental Rules (FR) also provides for a fitness bar in respect of civilian government employees. The provision has however been used only occasionally in the past although it has withstood judicial scrutiny. The present proposal seeks to broad base and institutionalize such a mechanism for all government employees. The Sixth Central Pay Commission has recommended that employees seeking VRS should be eligible for pension equal to 50% of the average emoluments/last pay drawn on completion of 20 years of qualifying service thus making the VRS more attractive. Government has accepted this recommendation and the liberal retirement scheme dovetails well with the mechanism suggested by the Commission. The system of intensive reviews coupled with liberalized pension and VRS benefits can be integrated into the government's performance management system.

13.3 Ways to Promote Accountability to Citizens

13.3.1 Accountability also means answerability i.e. questions asked of public officials have to be answered by them. There are two types of questions that can be asked. One type as under the RTI Act merely seeks information/data and involves one way transmission of information. It promotes transparency and to a much lesser degree accountability in Government. The second type of question enquires not just as to what was done but why; and therefore involves a consultative two-way flow of information with the citizens usually providing a feedback in respect of the working of government departments and service delivery of public agencies. Such mechanisms include citizens' charters, service delivery surveys, social audits, citizens' report card and outcome surveys. Each of these mechanisms would be examined in detail in the Commission's subsequent Report on 'Citizen Centric Administration'.

13.4 Recommendations

- a. **A system of two intensive reviews – one on completion of 14 years of service, and another on completion of 20 years of service - should be established for all government servants.**
- b. **The first review at 14 years would primarily serve the purpose of intimating to the public servant about his/her strengths and shortcomings for his/her future advancement. The second review at 20 years would mainly serve to assess the fitness of the officer for his/her further continuation in government service. The detailed modalities of this assessment system would need to be worked out by government.**
- c. **The services of public servants, who are found to be unfit after the second review at 20 years, should be discontinued. A provision regarding this should be made in the proposed Civil Services Law. Besides, for new appointments it should be expressly provided that the period of employment shall be for 20 years. Further continuance in government service would depend upon the outcome of the intensive performance reviews.**

DISCIPLINARY PROCEEDINGS

14.1 Article 311

14.1.1 In its Fourth Report, on “Ethics in Governance”, the Commission had dealt with two specific issues relating to accountability of civil servants viz the issue of whether the protection to civil servants enshrined in Article 311 of the Constitution should be retained; and the question of what to do about the dilatory disciplinary proceedings that often seem to make a mockery of any attempt to instill discipline and accountability within the government departments. While the Commission had taken a final view on the former issue, the latter was left open to be dealt with in detail in the present report. It would be instructive to briefly recapitulate the Commission’s deliberations on these two core issues.

14.1.2 On this issue, the Commission concluded as under:

“3.10.18 The Commission has given deep consideration to the case for and against Article 311 remaining in the Constitution of India. No other Constitution appears to contain the kind of guarantees that this Article does. The Government of India Act-1919 was the first enactment to apply the ‘doctrine of pleasure’ in India, through Section 96B thereof. Its application was “subject to rules”, and the courts while examining challenges to penalties under that Act applied the extant rules to determine whether these were rightly imposed. In other words, when this doctrine was first applied in India, it was deemed sufficient to provide protection against any unjust exercise of ‘pleasure’. With the provisions of judicial review now available in our Constitution, the protection available to Government employees is indeed formidable even outside Article 311. This is borne out by the fact that ample relief is available to employees invoking judicial intervention in cases involving compulsory retirements even though Article 311 does not extend to such cases.

3.10.19 When Sardar Patel argued for protection of civil servants, the intention was clearly to embolden senior civil servants to render impartial and frank advice to the political executive without fear of retribution. But the compulsions of equal treatment of all public servants and judicial pronouncements have made such a protection applicable to employees of PSUs, para-statal organizations and even body corporates

like cooperatives and this has created a climate of excessive security without fear of penalty for incompetence or wrongdoing. The challenge before the nation now is to confront this exaggerated notion of lifetime security irrespective of performance and to create a climate conducive to effective delivery of services and accountability with reasonable security of tenure.

3.10.20 The Commission believes that the rights of a civil servant under the Constitution should be subordinate to the overall requirement of public interest and the contractual right of the State. It cannot be an argument that a corrupt civil servant's rights are more important than the need to ensure an honest, efficient and corruption-free administration. Ultimately, the public servant, an agent of the State, cannot be superior to the State and it is his fundamental duty to serve the State with integrity, devotion, honesty, impartiality, objectivity, transparency and accountability.

3.10.21 It is true that the government as an employer is expected to act in a fair manner and it has to be a model employer worthy of emulation by others. It has also to be ensured that honest and efficient public servants are not subjected to the whims and fancies of their superiors. No government can be expected to dispense with the services of a government servant in an arbitrary manner or without a proper enquiry. Such arbitrary removal is not possible even in the private sector. Strictly, there should be no need for retaining Article 310, and legal safeguards may be provided through legislation under Article 309.

3.10.22 Articles 309, 310 and 311 form a continuum. If the whole gamut of "conditions of service" is codified as required by the substantive part of Article 309, this can include matters such as disciplinary proceedings and imposition of penalties. Moreover, as noted above, with rule of law accepted as an integral part of the basic structure of the constitution, reasonable protection now attributed to Article 311 will continue to be available to satisfy the requirements of 'rule of law'.

3.10.23 Taking into account these considerations and a fairly common perception that explicit articulation of "protection" in the Constitution itself gives an impression of inordinate 'protection', the Commission is of the view that on balance Article 311 need not continue to be a part of the Constitution. Instead appropriate and comprehensive legislation under Article 309 could be framed to cover all aspects of recruitment and service, even with regard to dismissal, removal or reduction in rank. Appropriate legislation by the respective legislatures may also be ensured through a revised Constitutional provision. The Commission will examine in detail issues related to such enactment in its Report on "Civil Services Reforms".

3.10.24 Recommendations:

- a. Article 311 of the Constitution should be repealed.
- b. Simultaneously, Article 310 of the Constitution should also be repealed.”

14.2 Disciplinary Proceedings

14.2.1 As regards disciplinary proceedings, the Commission, in its Report on “Ethics in Governance”, first analyzed the processes and the data relating to actual cases; and made the following observations:

“3.11.7 Detailed procedures governing the initiation of disciplinary proceedings, and the progress and culmination, thereof, are diagrammatically depicted in Figure.¹¹² While there are minor variations in this pattern in the states or even in the Union Government in respect of the non Gazetted establishment, broadly the ‘flows’ indicated therein embrace the entire community of central and state government employees including those of the public sector and nationalized banks. Without going into the details of such procedures, but to be able to appreciate the issues involved, it will be sufficient to note the following

- *Complaints received or lapses noticed are examined to ascertain whether they involve a ‘vigilance angle’ (essentially violation of conduct rules) - 1 month*
- *Decision about whom to refer complaints to ascertain whether these have any substance to the CBI or departmental agencies -3 months.*
- *Submission of findings of investigations - 3 months.*
- *Department/CBI report to be sent for ‘First Stage Advice’ to the CVC - 1 month from the date of reference.*
- *Formulation of CVC’s advice - 1 month.*
- *Issue of charge-sheet, statement of imputation of misconduct, and list of witnesses and documents etc, if it is decided to proceed in departmental inquiry - 1 month from the receipt of CVC advice.*
- *Consideration of Defence Statement of the accused employee- 15 days.*

¹¹²Reproduced in Figure 14.1 in this Report

- *Issue of final orders in minor penalty cases - 2 months from receipt of Defence Statement.*
- *Appointment of the Inquiry Authority (IA) and Presenting Officer (PO) where the 'first stage advice' recommends major penalty which requires detailed inquiry - Immediately after receipt of Statement of Defence.*
- *Completion of inquiry - 6 months from the date of appointment of the Inquiry Officer and the Presenting Officer.*
- *Sending a copy of the inquiry report, (where the accused is held guilty or the disciplinary authority records reasons for disagreement with an inquiry report holding that charges are not proved), to the charged officer for representation.*
- *Considering the representation of the accused employee and forwarding the inquiry report for Second Stage Advice to the CVC - 1 month from the date of receipt of the representation.*
- *Issue of orders on the inquiry report - 1 month from the receipt of CVC's 'second stage advice (or 2 months from the date of inquiry report where such advice is not required).*

(It may be noticed that the above schedule does not include the time taken between commission of a 'wrong' and its detection or receipt of a complaint about it. A very rough calculation would also indicate that even if the above time schedule is adhered to, the estimated time taken in bringing to culmination cases involving minor and major penalties can be respectively estimated at 10 month 15 days and 16 months. It needs to be added that this schedule excludes the time required for consultation with the UPSC wherever required)

3.11.8 In order to appreciate the problems involved in the conduct of actual proceedings, it will be necessary to also invite attention to the following factors impinging on departmental inquiries particularly in the Union Government.

- *With the formation of Central Administrative Tribunals (CATs) in the 1980s most of the judicial proceedings arising out of departmental inquiries are handled in these fora which, not infrequently, entertain pleas to stay disciplinary proceedings on technical grounds and even entertain pleas against interlocutory orders. Public servants are able to challenge the orders*

of the tribunal in High Courts. There is, in addition, recourse to the Supreme Court under Article 136 of the Constitution of filing 'appeal by special leave'.

3.11.8 A recent study¹¹³ brings out some revealing information. Some of the salient findings (cases studied) are;

- In 116 cases studied, the average time taken between reference to CVC for the 'first stage advice' and receipt of the advice in cases studied was 170 days (these cases apparently involved imposition of minor penalty).*
- In 234 cases involving proceedings for a major penalty the average time taken between appointment of the Inquiry Officer and completion of inquiry was 584 days.*
- In 56 cases the average time taken from receipt of the inquiry report to sending the case to the CVC for 'second stage advice' was 288 days.*
- In 33 cases the average time taken between the 'date of occurrence of misconduct' and sending the cases to the CVC for 'first stage advice' was 1284 days.*
- Analysis of certain completed cases revealed the following 'break-up' of time taken by various agencies;*

Administrative Department - 69%

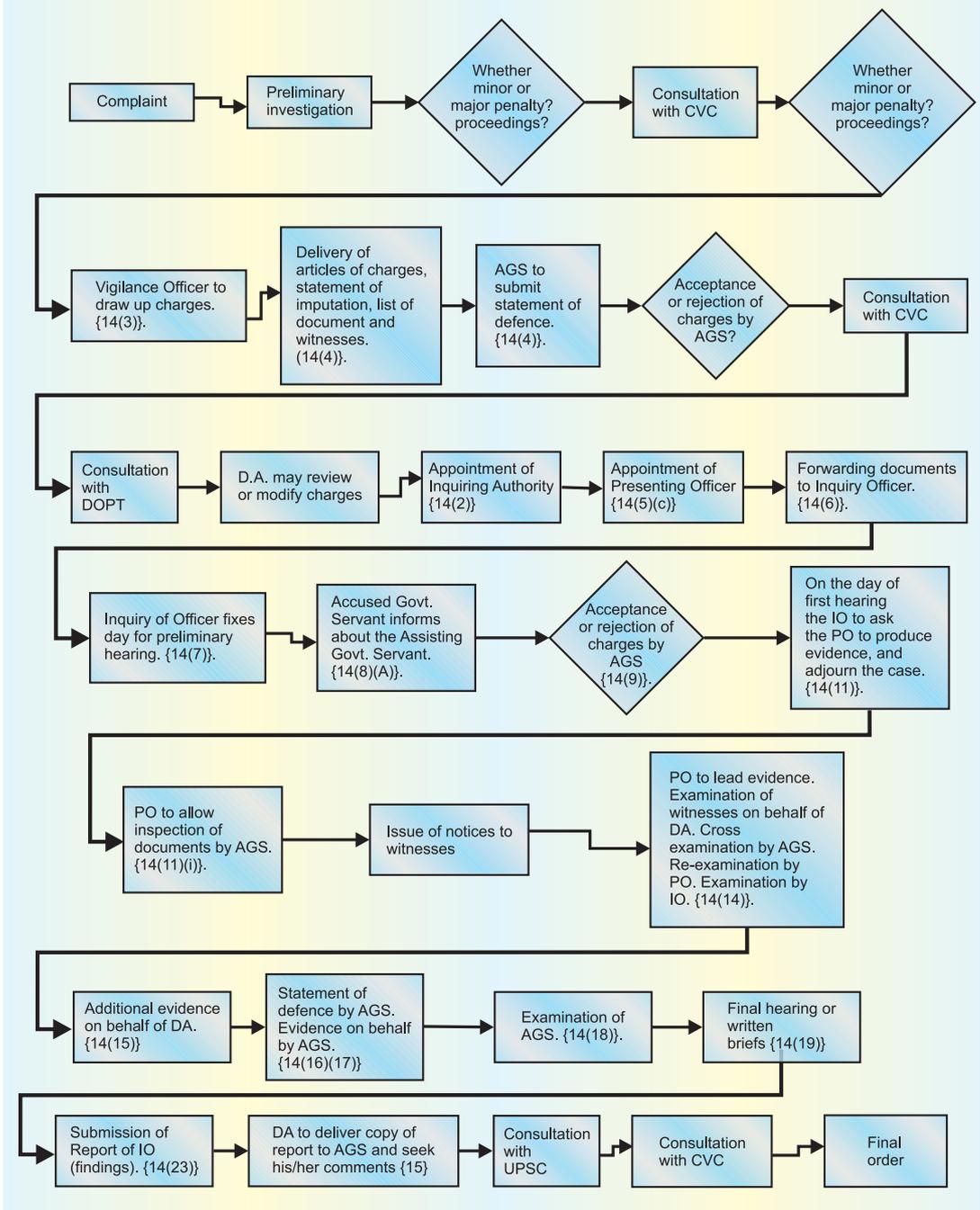
Inquiry Officer - 17%

CVC - 9%

UPSC - 5%

- There was considerable variation in the time taken often in the same stages depending on the source relied upon viz. Disciplinary Cases Monitoring and Management Information System (DCMMIS) of the Administrative Vigilance Division of the Department of Personnel and Training, CVC data of 'first stage advice' i.e. cases resulting in closure or minor penalties and 'second stage advice' of the same organization i.e. cases referred again after departmental inquiry.*

Figure 14.1: The Stages in Disciplinary Proceedings - PROCEEDINGS FOR MAJOR PENALTY



(The concept of ‘date of occurrence of misconduct’, though an innovative bench-mark, needs to be used with caution in a situation where the ‘discovery’ of misconduct is necessarily possible only at some future date).

3.11.11 From the above data two facts clearly emerge: first, there is no congruence between the time taken in completion of various stages and the schedule prescribed for their completion by the CVC; and second, while it would be unrealistic in such cases to expect ‘immediate report of the offence’, the discovery of the commission of a ‘misconduct’ is shockingly delayed. In fact, it is not very clear, on the whole, as to how such ‘misconducts’ come to light whether a significant number of cases could be detected within the organization or whether most such cases were disclosed through complaints of ‘affected-outsiders’. These are aspects on which greater clarity and empirical evidence are clearly required.”

14.2.2 The Commission then concluded as under:

“3.11.12 The Commission is of the view that the existing regulations governing disciplinary proceedings need to be recast and the following broad principles should be followed in laying down the new regulations.

- a. The procedure needs to be made simple so that the proceedings could be completed within a short time frame.*
- b. Emphasis should be on documentary evidence, and only in case documentary evidence is not sufficient, recourse should be made to oral evidence.*
- c. An appellate mechanism should be provided within the department itself.*
- d. Imposition of major penalties should be recommended by a committee in order to ensure objectivity.*

The Commission would be elaborating these aspects in its Report on “Civil Services Reforms.”

14.3 Simplifying Disciplinary Procedures

14.3.1 As noted by the Commission in its Fourth Report on - “Ethics in Governance”,

“It has been held that, for proper compliance with the requirement of ‘reasonable opportunity’ as envisaged in Article 311(2), a government servant against whom action is contemplated should, in the first instance, be given an opportunity to deny the charges. If, as a result of an inquiry, the charges are proved and it is proposed to impose any of the penalties of dismissal, removal, or reduction in rank, such penalty may be imposed on the basis of the findings of the inquiry. It is not necessary to give him any opportunity of making a representation on the penalty proposed after the amendment of clause (2) of Article 311 of the Constitution with effect from 3rd January, 1977. The Santhanam Committee had listed as many as 15 criteria laid down by the Supreme Court and the High Courts in order to enable conduct of an inquiry in accordance with the spirit of the Constitution. The interpretations and requirements laid down by the highest courts have made disciplinary proceedings for major penalties very convoluted, tedious and time consuming involving a large number of sequential steps before a person can be found guilty of the charges and punished. The process unfortunately does not end there. Provisions exist for appeal, revision and review only after completion of which, the delinquent officer would begin to suffer the penalty. The accused officer also has the right to challenge the legality of the action of disciplinary authority before the Administrative Tribunal, get an interim stay of the proceedings and relief thereafter, and to substantively appeal against the decision of the disciplinary authority or the government as the case may be in the Tribunal. This apart, he reserves his fundamental right to invoke the writ jurisdiction of the High Court and the Supreme Court protesting the violation of such rights in the conduct of the inquiry”

14.3.2 The Committee on Civil Service Reforms (Hota Committee) in its report had specifically addressed the issue of simplifying disciplinary procedures for government servants in India and made the following recommendations:

1. *To eliminate delay in disposal of a disciplinary inquiry, the Union Public Service Commission need not be consulted in case of a civil servant facing charges of corrupt practice and whose case has been referred to the Central Vigilance Commission for the first stage/second stage advice. If however the officer is penalized in the inquiry and prefers an appeal the case may be referred to the UPSC for advice on the appeal petition.*

2. *Where minor disciplinary proceedings are sufficient to meet the end of justice, major penalty proceedings which are lengthy and time-consuming should not be initiated.*
3. *An Inquiry Officer should be relieved from his normal duties for a sufficient period to enable him to complete the departmental inquiry expeditiously and submit the report.*
4. *A database on disciplinary cases should be maintained to keep track of their progress.*

14.3.3 In addition, the Committee recommended the following procedure for summary disciplinary action:

1. *We recommend that Article 311 of the Constitution be amended to provide that if there are allegations against a civil servant/person holding a civil post of accepting illegal gratification or of having assets disproportionate to his known sources of income and the President or the Governor is satisfied that the civil servant/person holding a civil post be removed from service forthwith in the public interest, the President or the Governor may pass an order removing the civil servant/person holding the civil post from service and give him an opportunity in a post-decisional hearing to defend himself.*
2. *The proposed amendment would be constitutionally valid in view of decisions of the Supreme Court in Maneka Gandhi's case (AIR 1978 Supreme Court 597) that the principle of audi alteram partem (right to be heard) which is a part of natural justice is satisfied if a decision has to be taken urgently in the public interest and a post-decisional hearing is given to the person affected and reasonable opportunity is provided to the person to defend himself. The decision in Maneka Gandhi's case was reiterated in Liberty Oil Mills case (AIR 1984 Supreme Court 1271) and Tulsiram Patel's case (AIR 1985 Supreme Court 1416).*

14.4 Disciplinary Procedures in the UK Civil Services

14.4.1 If we compare disciplinary procedures relating to the civil services in the United Kingdom (UK) and India, the contrast between the highly centralized, multi-layered, long winded and ultimately self defeating procedure, that is followed in India (which seems to mimic a criminal trial); and the decentralized, relatively simple, flexible and quicker procedures in the UK stand out.

14.4.2 In the UK, the disciplinary rules have the following main features:

The Employment Act, 2002 (Dispute Resolution) Regulations, 2004 brought into effect, from 1 October 2004, the provisions in the Employment Act, 2002 which sets out minimum statutory dismissal and disciplinary procedures. These apply where the employer, including the Government, first contemplates dismissing or taking such action against an employee on or after that date. The procedure as laid out in Schedule 2 of the Act, involves three stages, and are detailed below.

Stage 1

The employer must set out in writing the employee's alleged conduct or characteristics or other circumstances which led them to contemplate dismissing or taking action against the employee.

The employer must send a copy of the above statement to the employee and invite him or her to attend a meeting to discuss the matter.

Stage 2

The meeting must take place before the action is taken and must not take place unless:

- the employer has informed the employee about the reasons for the meeting; and
- the employee has had a reasonable opportunity to consider his/her response to that information.

On his/her part, the employee must take all reasonable steps to attend the meeting at which he/she may be accompanied.

After the meeting, the employer must inform the employee of his/her decision and notify him or her of the right to appeal against the decision if he or she is not satisfied with it.

Stage 3

If the employee wishes to appeal, he/she must inform the employer. The appeal meeting need not take place before the dismissal takes effect. If the employee informs

the employer of his/her wish to appeal, the employer must extend an invitation to attend a further meeting at which the employee may be accompanied.

The employee must take all reasonable steps to attend the meeting. When reasonably practicable, the appeal should be dealt with by a more senior officer than the one who dealt with the disciplinary hearing. After the appeal meeting, the employer must inform the employee of the final decision.

The following procedural shortcomings could justify the dismissal being found procedurally unfair, in accordance with Court/Tribunal judgements in the UK:

In cases of discipline/ misconduct:

- have the individuals been informed, in writing, of the specific charges being made against them?
- have they been advised of their representational rights at fact finding and disciplinary interviews (work colleague, trade union representative)?
- have they been provided with copies of notes/minutes taken at fact finding and disciplinary interviews and given an opportunity to comment?
- have they been told of their right of internal appeal, following a decision to dismiss?
- have they been advised that dismissal could be a consequence of disciplinary action?
- are the rules and regulations clear enough and is there a process in place to ensure the effective communication of relevant policies and procedures?

For civil services, in addition to the right to appeal within the department, staff who are dismissed can appeal to the Civil Services Appeal Board, if they are eligible.

14.4.3 The main distinguishing features of the procedure followed in the UK are as under:

- The disciplinary procedures outlined in the Employment Act, 2002 are applicable to both civil servants and private sector employees - there is no special protection for civil servants.

- Government departments and agencies are free to make their own disciplinary codes within the framework mentioned above and are even free to define the circumstances in which disciplinary proceedings ought to be initiated.
- Consequently, disciplinary proceedings right up to the first appeal are conducted in house within the department (excepting only the permanent Secretary and HODs for whom the head of the civil service in consultation with the concerned minister will decide) and only in case of dismissals, there may be a right of appeal to the Civil Services Appeal Board.
- Disciplinary action must be taken by someone at least one level higher than the person concerned and the decision on appeal by should be taken by someone independent of the original disciplinary action; but without putting the restriction as in India that dismissal cannot be done by an authority subordinate to that by which the civil servant was appointed (Article 311).
- Instead of the “inquiry” as is prescribed in India under Article 311 as mandatory for any disciplinary procedure involving dismissal or reduction in rank, and which often tends to become like a full fledged trial or court proceeding; the UK Act only talks of a “meeting” or interview with the employee / government servant to discuss the charges made out against him.

14.5 Rationalising Disciplinary Procedures in India

14.5.1 Disciplinary procedures for civil servants in other developed countries also appear to be similar. Without going in for wholesale import of such procedures which may be difficult to implement in India for historical, socio-political and legal reasons, it may still be worthwhile to look at some aspects of the present rules and examine whether these procedures can be simplified, compressed and decentralized so that disciplinary action in government departments becomes more conclusive and not a charade as is often perceived at present. The procedures for imposing major penalties such as dismissal or reduction in rank have been depicted by means of a flow diagram in Fig 14.1. These derive their basis from the Central Civil Service (Classification, Control and Appeal) Rules, 1965. These rules are an elaboration of the principles laid down in the Constitution (Article 311). In addition, the requirement for consultation with the UPSC stems from Article 320 (3) (b) of the Constitution and for the “two stage” consultation with the Central Vigilance Commission (CVC), from the Vigilance Manual containing resolutions of Government of India on disciplinary cases having a vigilance angle.

14.5.2 The Commission has already recommended that Article 311 of the Constitution should be repealed and appropriate and comprehensive legislation under Article 309 could be framed to cover all aspects of recruitment and service, even with regard to dismissal, removal or reduction in rank. A comprehensive Public Service Bill is currently being prepared by Government of India. It would be opportune therefore to include in this new legislation, appropriate provision for rationalization of the cumbersome disciplinary procedures that presently make it difficult to ensure accountability in government departments. With the repeal of Article 311, the CCS (CCA) Rules, 1965 would also have to be repealed and new rules framed. Without going into details of the provisions on disciplinary procedures required to be built into the new legislation, the Commission is of the view that the following changes are necessary while drawing up the same:

- The new Civil Services Law should set out only the minimum statutory disciplinary and dismissal procedures required to satisfy the criteria of natural justice leaving the details of the procedure to be followed to the respective departments. A natural corollary of this proposition is that the CCS (CCA) Rules, 1965 would be repealed.
- The penalty of dismissal or removal of a public servant should only be imposed by an authority three levels higher than the present post held by that public servant whereas all other penalties may be imposed by an authority who is two levels higher. The right to appeal to an officer at least one level higher than the disciplinary authority would be continued.
- However, no penalty would be imposed without holding an inquiry/interview wherein the accused Government servant is given an opportunity of being heard.
- The inquiry into the charges brought against a government servant should be a simple two stage process with the following parameters:
 - The charges against the government servant should be communicated to him in writing.
 - The inquiry process should be based to the maximum extent possible on documentary rather than oral evidence.
 - Fixed and brief time limits should be prescribed for admission and denial of documents from both sides followed by a meeting/ disciplinary interview to give the government servant a chance to respond to the charges.

- the degree to which an oral examination would be part of the inquiry process and the extent to which the procedures that are borrowed from court proceedings such as cross examination, reexamination etc, would be permissible; should be left to the enquiry officer to decide depending on the facts of the case but should not be the norm as is currently the case.
- Preponderance of probabilities rather than beyond reasonable doubt would be the standard of evidence required for the inquiry authority to reach his/her conclusions.
- The two-stage consultation with the CVC in cases involving a vigilance angle should be done away with and only second stage advice after the completion of the disciplinary process, should be obtained. In addition for cases involving a vigilance angle, no consultation with the UPSC should be required.
- Consultation with the UPSC should be mandatory only in cases leading to the proposed dismissal of a government servant and all other types of disciplinary cases should be exempted from the UPSC's purview.

14.6 Recommendations

- a. **In the proposed Civil Services law, the minimum statutory disciplinary and dismissal procedures required to satisfy the criteria of natural justice should be spelt out leaving the details of the procedure to be followed to the respective government departments. The present oral inquiry process should be converted into a disciplinary meeting or interview to be conducted by a superior officer in a summary manner without the trappings and procedures borrowed from court trials. This would require that the CCS (CCA) Rules, 1965 be repealed and substituted by appropriate regulations.**
- b. **No penalty of removal and dismissal should be imposed, except by an Authority, which is at least three levels above the post which the government servant is holding. Other penalties – apart from dismissal and removal – may be imposed by an Authority which is at least two levels above the current post of the government servant. No penalty may be imposed, unless an inquiry is conducted and the accused government servant has been given an opportunity of being heard.**

- c. The two-stage consultation with the CVC in cases involving a vigilance angle should be done away with and only the second stage advice after completion of the disciplinary process, should be obtained. In addition, for cases involving a vigilance angle, no consultation with the UPSC should be required.**
- d. Consultation with the UPSC should be mandatory only in cases leading to the proposed dismissal of government servants and all other types of disciplinary cases should be exempted from the UPSC's purview.**

15.1 Background

15.1.1 In a democracy, power vests with the people. This power is exercised through its elected representatives who have the mandate to govern them for a specific period. The civil services by virtue of its knowledge, experience and understanding of public affairs assist the elected representatives in formulating policy and are responsible for implementing these policies. Parliamentary democracies are usually characterized by a permanent civil service which assists the political executive. Under the Presidential form of government (like in the US), the higher echelons of the civil services are, in contrast, appointed by the government of the day (spoils system). India has adopted the British model.

15.1.2 Some advantages of having an independent, permanent and impartial civil service are as follows:

- i. The spoils system has the propensity to degenerate into a system of patronage, nepotism and corruption. Having a credible recruitment process through an impartial agency provides a defence against such abuse.
- ii. Public policy today has become a complex exercise requiring in-depth knowledge and expertise in public affairs. A permanent civil service provides continuity and develops expertise as well as institutional memory for effective policy making.
- iii. A permanent and impartial civil service is more likely to assess the long-term social payoffs of any policy whereas the political executive may have a tendency to look for short term political gain.

Box 15.1: The Democratic Accountability

There is a clear democratic line of accountability which runs from the electorate through MPs to the Government which commands the confidence of a majority of those MPs in Parliament. The duly constituted government – whatever its political complexion – is assisted by the Civil Service which is permanent and politically impartial. Hence, Ministers are accountable to Parliament; civil servants are accountable to Ministers. That is the system we have in this country.

Source: Public Service Committee, First Special Report of Session 1996-97, Government Response to the Second Report from the Committee (Session 1995-96) on Ministerial Accountability and Responsibility, HC 67, Annendix, para 4.

- iv. A permanent civil service helps to ensure uniformity in public administration and also acts as a unifying force particularly in vast and culturally diverse nations.
- v. A permanent civil service like any other reputable profession is likely to evolve over time an ethical basis for its functioning.

15.1.3 A healthy working relationship between Ministers and civil servants is critical for good governance. While the principles governing the roles and responsibilities of Ministers and civil servants are well defined in political theory, in the actual working of this relationship this division of responsibility becomes blurred with both sides often encroaching upon the other's sphere of responsibility. In any democracy, Ministers are responsible to the people through Parliament and therefore the civil servants have to be accountable to the Minister. However, an impartial civil service is responsible not only to the government of the day but to the Constitution of the land to which they have taken an oath of loyalty. At the same time, implementing the policies of the duly elected government is a core function of civil servants. That is why the division of responsibility between the civil servants and ministers needs to be more clearly defined. A framework in which responsibility and accountability is well defined would be useful.

15.2 Constitutional Provisions in India

15.2.1 The Indian Constitution provides for separation of powers between the legislature, executive and judiciary with well-defined roles and responsibilities for each one of them. Since India is a parliamentary democracy, there is an interface between the legislature and the executive at the level of the Council of Ministers, which is collectively responsible to the legislature. In terms of Articles 53 and 154, the executive power of the Union and the States vests in the President or Governor directly or through officers subordinate to him. These officers constitute the permanent civil service and are governed by Part XIV of the Constitution.

15.2.2 The other part of the executive is the 'political'. The President or Governor is required to act according to the aid and advice of his/her Council of Ministers, appointed under Articles 73 and 163 of the Constitution. The President and Governor frame rules for the conduct of business in the government. Work is allocated among Ministers as per the Government of India (Allocation of Business) Rules and the manner in which the officers are required to help the President or Governor to exercise his/her executive functions is governed by the Government of India (Transaction of Business) Rules. What this means is that though officers are subordinate to the President or Governor, they carry out the orders

of the Council of Ministers in accordance with the rules framed in this behalf. The Rules of Business of Government do provide for the Secretary to the Government to advise his/her Minister about the course of action proposed in a particular matter and to submit to him a note which tells him about the propriety or legality of his/her orders and suggest that either such orders not be given or that they be suitably modified. The relationship between the Secretary and the Minister is organic. The Minister has the mandate of the people to govern, but the Secretary has an equivalent constitutional mandate to advise the Minister. Once his/her advice has been suitably considered, unless the Minister passes an illegal order, the Secretary is bound to implement it. The Minister, on his/her part, is required to support the Secretary who is implementing his/her order. Once a law is framed or rules and regulations are approved, they apply to everyone, whether a member of the political executive or of the permanent civil service. A civil servant is required to implement the orders of government without bias, with honesty and without fear or favour. It is precisely in this area that a degree of a difference of opinion often occurs between the political executive and the civil servants.

15.3 The Civil Services in Post Independence India

15.3.1 In the initial years after Independence, relations between Ministers and civil servants were characterized by mutual respect and understanding of each other's respective roles, with neither encroaching upon the other's domain. However, in subsequent years, matters started changing for the worse. While some civil servants did not render objective and impartial advice to their Ministers, often some Ministers began to resent advice that did not fit in with short-term political interests. There was also a tendency for some Ministers at the Union and the State levels to focus more on routine administrative matters such as transfers in preference to policy making. At the same time, some civil servants learnt the art of 'maneuvering' for favours in return for pliability in their decision making. This trend was further accentuated by rising materialism and acquisitiveness in society as well as decline in values across the board. As a result, 'political neutrality' which was the hallmark of the civil service in the pre-Independence era as well as in the period right after Independence, was gradually eroded. These trends led to the phenomenon of 'politicisation of the civil service' in India.

15.4 Areas of Friction

The areas of potential conflict in the relationship between the political executive and the permanent civil service can be identified as follows:

- a. The concept of neutrality

- b. Advisory role of civil servants in policy making
- c. Statutory role of the civil servants
- d. Discharge of delegated functions
- e. Appointments/Recruitment to the civil services
- f. Transfers and postings of civil servants

15.4.1 The Concept of Neutrality

15.4.1.1 Sardar Patel had made the following observations in the Constituent Assembly to support the continuance of the pre-independence civil service structure:-

“It needs hardly to be emphasized that an efficient, discipline and contended civil service assured of its prospects as a result of diligent and honest work, is a sine-qua-non of sound administration under democratic regime even more than under an authoritarian rule. The service must be above party and we should ensure that political considerations, either in its recruitment or in its discipline and control, are reduced to the minimum if not eliminated altogether.”

15.4.1.2 Unfortunately, this vision of civil service neutrality no longer holds good. Changes in governments particularly at the state level often lead to wholesale transfer of civil servants. Political neutrality is no longer the accepted norm with many civil servants getting identified, rightly or wrongly, with a particular political dispensation. There is a perception that officers have to cultivate and seek patronage from politicians for obtaining suitable positions even in the Union Government. As a result, the civil services in public perception are often seen as increasingly politicized.

15.4.1.3 The Commission is of the view that the political neutrality and impartiality of the civil services needs to be preserved. The onus for this lies equally on the political executive and civil servants. The Commission in its Report on “Ethics in Governance” while examining the ethical framework for Ministers has recommended that a code of ethics for Ministers should inter-alia include the following:

“Ministers must uphold the political impartiality of the civil service and not ask the civil servants to act in any way which would conflict with the duties and responsibilities of the civil servants.”

15.4.1.4 As observed by Paul Appleby¹¹⁴ civil servants should not confuse ‘political neutrality’ with ‘programme neutrality’. At the stage of policy formulation, the role of civil servants is to render free and frank advice which should not be coloured by any political considerations. Once a policy or programme has been approved by the elected government, it is the duty of the civil servant to faithfully and enthusiastically see to its implementation. Not carrying out this task in the right spirit would amount to misconduct inviting appropriate sanctions.

Box 15.2: Sardar Patel on Role of Civil Servant

Today, my Secretary can write a note opposed to my views. I have given that freedom to all my Secretaries. I have told them, ‘If you do not give your honest opinion for fear that it will displease your Minister, please then you had better go. I will bring another Secretary!’ I will never be displeased over a frank expression of opinion...”

15.4.2 Advisory Role of Civil Servants in Policy Making

15.4.2.1 Rendering policy advice to the political executive is the most important “staff function” of the civil servant. Policy making is the ultimate responsibility of the Minister. After a policy is approved by the elected government, it is duty of the civil servant to implement such policy in the right earnest whether he/she agrees with it or not. At the same time, it is the duty of the civil servant to provide the factual basis, thorough analysis of all possible implications of any measure under consideration and free and frank advice, without fear or favour, at the stage of policy formulation. It is unfortunate that at times senior civil servants get bogged down in routine administrative decision making and are unable to contribute adequately to this crucial aspect of their functions. However, for civil servants to be able to provide appropriate policy inputs, they must acquire the necessary combination of a broad perspective of the sector as well as of the Government as a whole, combined with conceptual clarity and requisite knowledge.

15.4.2.2 If a policy that is being formulated is perceived by the civil servant to be against public interest, his/her responsibility is to convince the political executive about the adverse implications of such a policy. However, if the political executive does not agree with such an advice, there is little that the civil servant can do other than putting his/her views clearly on record. It is for the other institutional mechanisms such as Parliament, the CAG, Judiciary and ultimately the electorate to hold the political executive to account for bad policy.

15.4.2.3 In order to ensure that senior civil servants have adequate time to focus their attention on their ‘policy advice role’, the Commission is making detailed recommendations on separation of staff and line functions, in a separate report. The issue of getting the most suitable civil servants to staff leadership positions has been examined in the Chapter 9.

15.4.3 Statutory Role of the Civil Servants

15.4.3.1 Civil servants are required to discharge statutory functions under various legislative enactments which may sometimes be quasi-judicial in nature. The role of the executive magistrate under the Cr. PC, the role of an Assessing Officer under the Income Tax Act and of the SHO under the Cr.PC and the respective Police Acts are some examples of such functions. It has been observed that there is an increasing trend on the part of the senior functionaries both in the civil services as well as elected representatives including Ministers to interfere in such statutory functions. Acquiescence in the face of such interference is primarily the fault of the officer who has been entrusted with these statutory functions although those bringing such extraneous pressures should also be held to account.

15.4.3.2 The Commission in its Report on “Ethics in Governance” while examining the definition of corruption under the Prevention of Corruption Act, 1988 has recommended that “abuse of authority unduly favouring or harming someone” and “obstruction of justice” should be classified as an offence under the Act.

15.4.4 Discharge of Delegated Functions

15.4.4.1 In a democracy, the ultimate executive authority for all purposes lies with the political executive which is accountable to the people through Parliament. However, like in any large organization, Government also has to function through a hierarchy of functionaries to carry out defined tasks at different levels and in different locations. This necessitates on practical considerations the delegation of authority and responsibility to the civil servants at different levels in government. Such delegation is in line with the principles of subsidiarity which helps to take government closer to the people. The principles of sound management demand that authority and responsibility should go hand-in-hand.

15.4.4.2 It has been observed that there is an increasing tendency in government departments to centralize authority and also after having first delegated authority downwards, to interfere in decision making of the subordinate functionaries. This is an unfortunate trend and it is for those holding leadership positions in government both in the political executive and in the civil services to correct it since such centralization leads to inefficiencies and poor service delivery. It is also for the legislature to correct this trend by means of legislative enactments in certain critical areas as has been done for local bodies through Constitutional amendments (73rd and 74th) followed by State laws.

15.4.4.3 There is perhaps a perception that decentralization and delegation of authority to field functionaries may lead to more corruption and abuse of power. The Chapter on

Accountability and Disciplinary Procedures in this Report has provided for an elaborate mechanism for enforcing accountability among civil servants at all levels. Therefore, once these mechanisms are in place, there is no reason for decentralization to be held back. In both decentralization and delegation the underlying principle is that powers delegated should be exercised by the authority to whom the delegation has been done. Also, the exercise of such delegated authority should be allowed without any formal or informal interference.

15.4.5 Appointments/Recruitment to the Civil Services

15.4.5.1 The Constitution of India provides for an independent Union Public Service Commission (UPSC) and State Public Service Commissions (PSCs). It lays down that it shall be the duty of the Union and the State Public Service Commissions to conduct examinations for appointments to the services of the Union and the services of the States respectively. However, while the UPSC enjoys an untarnished reputation for having developed a fair and transparent recruitment system, the same cannot be said for all the State PSCs. In addition, a large number of recruitments to various positions is done by departments of government and different organizations under their control both at the Union and the State government levels. Examples of such large scale recruitments which have often been the subject of complaints and controversies are recruitments to the posts of Police constables, teachers, bus-drivers and conductors etc. The Commission feels that it is essential to lay down certain principles/norms for such recruitments to avoid complaints of favouritism, nepotism, corruption and abuse of power that have often characterized these recruitment exercises. These principles are :

- i. Well-defined merit-based procedure for recruitment to all government jobs
- ii. Wide publicity and open competition for recruitment to all posts
- iii. Minimisation, if not elimination, of discretion in the recruitment process
- iv. Selection primarily on the basis of written examination or on the basis of performance in existing public/board/university examination with minimum weightage to interview.

15.4.6 Postings and Transfers of Civil Servants

15.4.6.1 The National Commission to Review the Working of the Constitution made the following observations regarding transfers and postings of civil servants:

“Arbitrary and questionable methods of appointments, promotions and transfers of officers by political superiors also led to corrosion of the moral basis of its independence.

It has strengthened the temptation in services to collusive practices with politicians to avoid the inconvenience of transfers and to gain advantages by ingratiating themselves to political masters. They would do the politicians' biddings rather than adhere to rules. Lest the situation becomes more vicious, it is necessary that a better arrangement be conceived under the Constitution. The question of appointments, transfers and placements is not to be left to the discretion of the politicians or administrative bosses but be entrusted to independent and autonomous boards. The Commission, therefore, recommends that the questions of personnel policy including placements, promotions, transfers and fast-track advancements on the basis of forward-looking career management policies and techniques should be managed by autonomous Personnel Boards for assisting the high level political authorities in making key decisions. Such civil service boards should be constituted under statutory provisions. They should be expected to function like the UPSC. Reputed management experts from institutes of management, well known for their excellence, should be inducted into these boards to provide a broad based pool of expertise. The principle is not to take politics out of personnel policy but to make knowledge and information institutionally available to the political decision-makers on the basis of appropriate parliamentary legislation under Article 309. The sanctity of parliamentary legislation under Article 309 is needed to counteract the publicly known trends of the play of unhealthy and destabilizing influences in the management of public services in general and higher civil services in particular."

15.4.6.2 Arbitrary and motivated transfers of government servants which are not in public interest and good governance have become a matter of great concern particularly in some States although the position is somewhat better at the Union Government level.

15.4.6.3 The Union Government has initiated several measures in order to ensure security of tenure to civil servants. The Rules governing the All India Services have been amended and provision made for fixation of tenures of posts encadred with the AIS. For example, the Indian Administrative Service (Cadre) Rules, 1955, have been amended and a new clause inserted:¹¹⁵

“ 7(c)

- (i) *The Central Government, in consultation with the State Government or State Governments concerned, may determine the tenure of all or any of the cadre posts specified for the State concerned in item 1 of the Schedule to the Indian Administrative Service (Fixation of Cadre Strength) Regulation, 1955.*

- (ii) *A cadre officer, appointed to any post for which the tenure has been so determined, shall hold the minimum tenure as prescribed except in the event of promotion, retirement, deputation outside the State or training exceeding two months.*
- (iii) *An officer may be transferred before the minimum prescribed tenure only on the recommendation of a Committee on Minimum Tenure as specified in the Schedule annexed to these rules.”*

15.4.6.4 The tenure of several posts has been notified accordingly for many States. The Commission has tried to address this issue in the Chapters 8 & 9 by suggesting a mechanism for posting of officers and for fixation of tenures. The Commission would like to reiterate that the tenure of all posts above a certain level should be fixed in Government of India by making a provision in the new civil services law. State Governments should also take similar steps.

15.5 Civil Service Law

This has been examined in detail in Chapter 17.

15.6 Recommendations

- a. **There is a need to safeguard the political neutrality and impartiality of the civil services. The onus for this lies equally on the political executive and the civil services. This aspect should be included in the Code of Ethics for Ministers as well as the Code of Conduct for Public Servants.**
- b. **The Commission would like to reiterate its recommendation made in its Report on “Ethics in Governance” while examining the definition of corruption under the Prevention of Corruption Act, 1988, wherein it has been recommended that “abuse of authority unduly favouring or harming someone” and “obstruction of justice” should be classified as an offence under the Act.**
- c. **It is essential to lay down certain norms for recruitment in government to avoid complaints of favouritism, nepotism, corruption and abuse of power. These norms are:**
 - i. **Well-defined procedure for recruitment to all government jobs.**

- ii. Wide publicity and open competition for recruitment to all posts.**
- iii. Minimisation, if not elimination, of discretion in the recruitment process.**
- iv. Selection primarily on the basis of written examination or on the basis of performance in existing public/board/university examination with minimum weight to interview.**

These principles could be included in the ‘Civil Services Bill’ as recommended by the Commission in Chapter 17.

16.1 Ethics is a set of principles of right conduct.¹¹⁶ It has been defined as a set of values and principles which helps guide behaviour, choice and actions. It helps to decide whether ones' actions are right or wrong. Organizations as well as individuals have ethical standards. These standards help ensure that individuals belonging to an organization have a consistent approach in carrying out their responsibilities and making decisions. They also ensure that members of an organization maintain a consistent and appropriate behaviour towards one another and towards clients and persons outside the organization.

16.2 Civil servants have special obligations because they are responsible for managing resources entrusted to them by the community, because they provide and deliver services to the community and because they take important decisions that affect all aspects of a community's life. The community has a right to expect that the civil service functions fairly, impartially and efficiently. It is essential that the community must be able to trust and have confidence in the integrity of the civil service decision-making process. Within the civil service itself, it needs to be ensured that the decisions and actions of civil servants reflect the policies of the government of the day and the standards that the community expects from them as government servants. The expectation that the civil service will maintain the same standards of professionalism, responsiveness and impartiality in serving successive political governments is a key element of the way our democratic polity functions.

16.3 In a democracy, an efficient civil service must have a set of values that distinguishes it from other professions. Integrity, dedication to public service, impartiality, political neutrality, anonymity etc are said to be the hallmarks of an efficient civil service. In some countries, these values have been embodied in laws – e.g. in Australia - and in some countries these are enshrined in the respective Constitutions. Article 153 of the Polish Constitution states:¹¹⁷

- “(1) A corps of civil servants shall operate in the organs of government administration in order to ensure a professional, diligent, impartial and politically neutral discharge of the State's obligations.
- (2) The Prime Minister shall be the superior of such corps of civil servants.”

¹¹⁶<http://dictionary.reference.com/browse/ethics>

¹¹⁷http://www.poland.pl/info/information_about_poland/constitution/ch6.htm (extracted on 19.9.08)

Box 16.1: Civil Service Values in the United Kingdom

1. The Civil Service is an integral and key part of the Government of the United Kingdom. It supports the Government of the day in developing and implementing its policies, and in delivering public services. Civil servants are accountable to Ministers, who in turn are accountable to Parliament.
2. As a civil servant, you are appointed on merit on the basis of fair and open competition and are expected to carry out your role with dedication and a commitment to the Civil Service and its core values: integrity, honesty, objectivity and impartiality. In this Code:
 - ‘integrity’ is putting the obligations of public service above your own personal interests;
 - ‘honesty’ is being truthful and open;
 - ‘objectivity’ is basing your advice and decisions on rigorous analysis of the evidence; and
 - ‘impartiality’ is acting solely according to the merits of the case and serving equally well Governments of different political persuasions.
3. These core values support good government and ensure the achievement of the highest possible standards in all that the Civil Service does. This in turn helps the Civil Service to gain and retain the respect of Ministers, Parliament, the public and its customers.

Source: <http://www.civilservice.gov.uk/documents/doc/cscodel/cscodel.doc>

16.4 Most countries that have reformed their civil services such as New Zealand, Australia and the UK have established a set of principles to guide civil service behaviour in the form of values and a legally enforceable code of conduct, setting out standards of behaviour expected of those working in the civil services. In the UK, following the recommendations of the Nolan Committee on standards in public service, the Civil Service Code was incorporated into a law that came into force on 1st January 1996. The Code is a clear and concise statement of standards of behaviour that the civil servants must follow, and is a part of the civil servant’s terms and conditions of employment. In addition to describing the integrity and loyalty required of civil servants, the Code prohibits deceiving Parliament or the public, misuse of official positions, and unauthorized disclosure of confidential information.

The Code provides a right of appeal to independent Civil Service Commissioners on matters of propriety and conscience, if the problem cannot be resolved within the department in question.

16.5 In New Zealand, the reforms have led to the enactment of the State Services Act with focus on ethics and public service ethos. This was primarily because civil service reforms in New Zealand created a system in which loyalty of the civil servant was to his/her department or agency rather than to the public service as a whole. So, it was necessary to raise the awareness about ethics, and public service values and ethos. The State Services Commission took the lead in raising such awareness and issued the Code of Conduct for civil servants. A Standards and Ethics Board was also set up.

16.6 In Australia, reforms in this respect have been the most comprehensive. Section 10 of the Public Service Act, 1999 contains a declaration of fifteen values, which affirm that the Australian Public Service:

- is apolitical, performing its functions in an impartial and professional manner
- is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament, and the Australian public
- is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs
- delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public
- provides a reasonable opportunity to all eligible members of the community to apply for APS employment
- is a public service in which employment decisions are based on merit
- provides a workplace that is free from discrimination and recognizes and utilizes the diversity of the Australian community it serves
- establishes workplace relations that value communication, consultation, co-operation and input from employees on matters that affect their workplace
- provides a fair, flexible, safe and rewarding workplace
- focuses on achieving results and managing performance
- promotes equity in employment
- provides a fair system of review of decisions taken in respect of APS employees
- has the highest ethical standards
- has leadership of the highest quality
- is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government.

16.7 Section 13 of Australia's Public Service Act lays down the code of conduct for Australia's civil service. The code of conduct requires that an employee must:

- behave honestly and with integrity in the course of APS employment
- act with care and diligence in the course of APS employment
- when acting in the course of APS employment, treat everyone with respect and courtesy, and without harassment

- when acting in the course of APS employment, comply with all applicable Australian laws
- comply with any lawful and reasonable direction given by someone in the employee's agency who has authority to give the direction
- maintain appropriate confidentiality about dealings that the employee has with any Minister or Minister's member of staff
- disclose, and take reasonable steps to avoid any conflict of interest (real or apparent) in connection with APS employment
- use Commonwealth resources in a proper manner
- not provide false or misleading information in response to a request for information that is made for official purposes in connection with the employee's APS employment
- not make improper use of (a) inside information and (b) the employee's duties, status, power or authority in order to gain, or seek to gain, a benefit or advantage for the employee or any other person
- at all times, behave in a way that upholds the APS values and the integrity and good reputation of the APS
- while on duty overseas, at all times, behave in a way that upholds the good reputation of Australia
- except in the course of his/her or her duties as an APS employee or with the Agency Head's express authority, not give or disclose, directly or indirectly, any information about public business or anything of which the employee has official knowledge.

16.8 In India, the current set of ethical norms are the Conduct Rules, contained in the Central Services (Conduct) Rules, 1964 and analogous rules applicable to members of the All India Services or employees of various State Governments. The code of behaviour as enunciated in the Conduct Rules, while containing some general norms like 'maintaining integrity and absolute devotion to duty' and not indulging in 'conduct unbecoming of a government servant' is generally directed towards cataloguing specific activities deemed undesirable for government servants. These conduct rules do not constitute a code of ethics.

16.9 The Draft Public Services Bill, 2007 proposes the necessary first step towards evolving a code of ethics. It states in Chapter III,

6. Values of Public Service: *The Public Service and the Public Servants shall be guided by the following values in the discharge of their functions:*

- (1) *patriotism and upholding national pride*
- (2) *allegiance to the Constitution and the law of the nation*
- (3) *objectivity, impartiality, honesty, diligence, courtesy and transparency*
- (4) *maintain absolute integrity*

7. Without prejudice to the provisions of this Act, the Central Government may, on the recommendations of or in consultation with the Central Authority, notify from time to time other values in this Section.

8. Review of Public Service Values: *The Central Authority may from time to time review the adoption, adherence to and implementation of the Public Service Values in the departments or organizations under the Central Government and send reports to the Central Government.*

9. Public Services Code:

- (1) *The Government shall promote the Public Service Values and a standard of ethics in the Public Service operations, requiring and facilitating every Public Service employee:*
 - i. to discharge official duties with competence and accountability; care and diligence; responsibility, honesty, objectivity and impartiality; without discrimination and in accordance with law*
 - ii. to ensure effective management, professional growth and leadership development*
 - iii. to avoid misuse of official position or information and using the public moneys with utmost care and autonomy*
 - iv. function with the objective that Public Services and Public Servants are to serve as instruments of good governance and to provide services for the*

betterment of the public at large; foster socio-economic development, with due regard to the diversity of the nation but without discrimination on the ground of caste, community, religion, gender or class and duly protecting the interest of poor, underprivileged and weaker sections.

- (2) *The Government shall, in consultation with the Central Authority, prepare a Public Services Code of Ethics for guiding the Public Service employees within one year from the commencement of this Act.*

16.10. In India, civil service values have evolved over years of tradition. These values also find place in various rules, including the Code of Conduct. The current set of 'enforceable norms' are 'Conduct Rules', typified by the Central Civil Services (Conduct) Rules - 1964 and analogous rules applicable to members of the All India Services or employees of various State Governments. As mentioned earlier, the code of behaviour as enunciated in the Conduct Rules, while containing some general norms like 'maintaining integrity and absolute devotion to duty' and not indulging in 'conduct unbecoming of a government servant', are generally directed towards cataloguing specific activities deemed undesirable for government servants. There is no Code of Ethics prescribed for civil servants in India although such Codes exist in other countries. A comprehensive Civil Service Code can be conceptualized at three levels. At the apex level, there should be a clear and concise statement of the values and ethical standards that a civil servant should imbibe. These values should reflect public expectations from a civil servant with reference to political impartiality, maintenance of highest ethical standards and accountability for actions. At the second level, the broad principles which should govern the behaviour of a civil servant may be outlined. This would constitute the Code of Ethics. At the third level, there should be a specific Code of Conduct stipulating in a precise and unambiguous manner, a list of acceptable and unacceptable behaviour and actions. The Commission feels that the values and the Code of Ethics should be given a statutory backing by including them in the proposed Civil Services Bill.

16.11 The Commission is of the view that in addition to commitment to the Constitution these values should include:

- a. Adherence to the highest standards of probity, integrity and conduct
- b. Impartiality and non-partisanship
- c. Objectivity
- d. Commitment to the citizens' concerns and public good
- e. Empathy for the vulnerable and weaker sections of society.

16.12 The Commission is also of the view that these values, per se, may not be enforceable. But a mechanism may be put in place so that efforts are made, particularly, by those in leadership positions, for inculcating these values in all persons in their organisations. The Commission would like to draw lessons from the Australian Public Service Act which has defined a set of values. That law prescribes that an Agency Head must uphold and promote the Australian Public Service (APS) Values (Section 12). It is also prescribed that the Commissioner's functions include – (a) evaluating the extent to which Agencies incorporate and uphold the APS Values (b) evaluating the adequacy of systems and procedures in Agencies for ensuring compliance with the Code of Conduct (Section 41). The Commission feels that an independent agency should audit organizations/departments and evaluate the measures the organization has undertaken to uphold the civil service values. The Central Civil Services Authority may be entrusted with this task.

16.13 The Commission has studied the issue of ethics in public life in other countries and in its Report on “Ethics in Governance”, it has highlighted the seven principles of public life enunciated by the Nolan Committee in UK. Drawing from these, the Commission would suggest the inclusion of the following principles in the Code of Ethics for civil servants in India:

- *Integrity*: Civil servants, should be guided solely by public interest in their official decision making and not by any financial or other consideration either in respect of themselves, their families or their friends.
- *Impartiality*: Civil servants in carrying out their official work, including functions like procurement, recruitment, delivery of services etc, should take decisions based on merit alone.
- *Commitment to public service*: Civil servants should deliver services in a fair, effective, impartial and courteous manner.
- *Open accountability*: Civil servants are accountable for their decisions and actions and should be willing to subject themselves to appropriate scrutiny for this purpose.
- *Devotion to duty*: Civil servants maintain absolute and unstinting devotion towards their duties and responsibilities at all times.
- *Exemplary behaviour*: Civil servants shall treat all members of the public with respect and courtesy and, at all times, should behave in a manner that upholds the rich traditions of the civil services.

16.14 At the third level are a set of specific guidelines regulating the conduct of civil servants. As mentioned in Paragraph 16.10, the present Conduct Rules regulate the behaviour of civil servants. Although these constitute a very comprehensive and wide ranging set of guidelines, they suffer from many shortcomings and anomalies. To illustrate:

- (1) *No Class I officer shall, except with the previous sanction of the Government, permit his son, daughter or other dependant, to accept employment in any [company or firm] with which he has official dealings or in any other [company or firm] having official dealings with the Government.*¹¹⁸

Since there may be no company or firm in India that does not have any dealing with the Government, all firms and companies are automatically covered by such a sweeping rule which is likely therefore to be observed more in breach than in reality and which in any case, may not necessarily involve any type of conflict of interest. Moreover, even if permission is taken in advance, if the acceptance of employment really involves any element of nepotism or conflict of interest, such permission cannot absolve the civil servant from any disciplinary or criminal liability.

- (2) *Where a Government servant enters into a transaction in respect of movable property either in his own name or in the name of the member of his family, he shall, within one month from the date of such transaction, report the same to the prescribed authority, if the value of such property exceeds twenty thousand rupees in the case of a Government servant holding any Class I or Class II post or fifteen thousand rupees in the case of Government servant holding any Class III or Class IV post, provided that the previous sanction of the prescribed authority shall be obtained by the Government servant if any such transaction is with a person having official dealings with him.*

16.15 Considering the rate of inflation in the country, rising living standards and rising income levels, the financial ceilings prescribed above mean that even for buying day-to-day consumer appliances, intimation of the transaction to Government becomes necessary. This restriction again is therefore observed more in breach than in reality. Even if such intimation is given, it is unlikely that the Government can maintain or process the records of such transactions. It also amounts in any case to duplication of efforts since an annual statement of movable and immovable properties is to be submitted by Government servants.

- (3) *No Government servant shall, except with the previous knowledge of the prescribed authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or in the name of any member of his family.*

¹¹⁸Rule 4(2) of the Central Services (Conduct) Rules, 1964

This Rule is again so sweeping in its coverage that even inheritance of ancestral family property would require prior intimation. It also amounts to duplication since an annual property return is supposed to reflect all the transactions.

- (4) *A Government servant shall so manage his private affairs as to avoid habitual indebtedness or insolvency. A Government servant against whom any legal proceeding is instituted for the recovery of any debt due from him or for adjudging him as an insolvent, shall forthwith report the full facts of the legal proceedings to the Government.*

This appears to be a meaningless provision which is unlikely to be enforced nor does it have any direct linkage with the official work of the civil servant.

16.16 Therefore, in the light of the above, the Conduct Rules need to be completely redrawn based on the values and code of ethics as suggested in the preceding paragraphs. The proposed Central Civil Services Authority may be consulted while drawing up the Conduct Rules and for interpreting any ‘grey areas’ that may emerge in enforcing these Conduct Rules. The recommendations regarding the ‘Civil Services Values’ and the ‘Code of Ethics’ would have to be incorporated in the proposed Civil Services Bill.

16.17 Recommendations

- a. **‘Civil Services Values’ and the ‘Code of Ethics’ should be incorporated in the proposed Civil Services Bill.**
- b. **Conduct Rules for civil servants need to be redrawn based on the values and code of ethics as outlined in this Chapter (Chapter 16).**

THE CIVIL SERVICES LAW

17.1 Legislative Intent in Other Countries

17.1.1 Experience of Other Countries

17.1.1.1 Legislative commitment has been an important factor in ensuring the success of civil service reform initiatives in several countries during the last two decades. Legislative support provides not only a legal framework for civil service reform but ensures the continuity of these reforms. Such legislation plays a pivotal role in describing and establishing the core principles which civil servants should imbibe. It also provides a clear, unified framework within which the civil servants can perform their roles and discharge their responsibilities. A new law is often needed to create and empower institutions which would ensure that the civil servants discharge their duties while upholding the principles enshrined in the Constitution.

17.1.1.2 In New Zealand, for example, it is argued that civil service reforms could have been implemented under the existing legal provisions with required amendments instead of fresh elaborate legislations. However, three important reasons have been cited for adopting a new legislative route. First, they provided the necessary explanation for the proposed reforms. When these Bills were introduced in the legislature, there was extensive debate as a result of which, issues were clarified and doubts were set at rest. Second, when the reforms were given legislative cover, there was bipartisan political support and both the major political parties were committed to the changes. Third, civil servants normally give due importance to laws, and in this case, these legislations sent an important message that the reforms were there to stay.¹¹⁹

17.1.1.3 Public service laws which sought to bring major reforms have also been enacted in Australia and a Public Service Bill has been under consideration for more than a decade in the United Kingdom. However the conditions under which these laws were proposed as also the ingredients differ widely from country to country.

17.1.2 Australia

17.1.2.1 The main objectives of the Australian Public Service Act 2, 1999 are (Section 3):¹²⁰

- (a) *to establish an apolitical public service that is efficient and effective in serving the Government, the Parliament and the Australian public; and*
- (b) *to provide a legal framework for the effective and fair employment, management and leadership of APS employees; and*
- (c) *to define the powers, functions and responsibilities of Agency Heads, the Public Service Commissioner and the Merit Protection Commissioner; and*
- (d) *to establish rights and obligations of APS employees.*

17.1.2.2 The Act lays down a set of values for the APS (Australian Public Service Employees). Besides, it also prescribes a code of conduct for the employees. The law authorizes the Governor General to create ‘Executive Agencies’ and empowers the ‘Agency Minister’ to appoint the Head of the Agency. The Act gives an ‘Agency Head’ all the rights, duties and powers of an employer in respect of APS employees in the Agency. It has been stipulated in the Act that an Agency Head is not subject to direction by any Minister in relation to the exercise of powers in relation to its employees.

17.1.2.3 The Act creates the institution of the ‘Public Service Commissioner’ which acts like a watchdog and evaluates the extent to which Agencies incorporate and uphold the APS Values and the APS Code of Conduct. Besides, a Merit Protection Commissioner ensures that employees are not victimized for whistle-blowing.

17.1.3 New Zealand

17.1.3.1 Public Service reforms in New Zealand were ushered through various legislative measures, the most important of them being the State Sector Act, 1988. Prior to the introduction of the State Sector Act, the Public Service was a single entity - all employees, regardless of which department they were working for, were part of ‘one Public Service’ and were employed by the State Services Commission. The Commission appointed the departmental ‘permanent heads’, and controlled the pay, conditions and promotions of all staff, as well as accommodation, organisational structures, and office systems - including computing services. The Public Service was a ‘career service’, with incentives to encourage and reward long service.¹²¹ The State Sector Act, 1988 was designed to introduce into

¹²⁰Source: [http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/B51203958FB11859CA25741Aoa498C6/\\$file/PublicService1999WD02.pdf](http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/B51203958FB11859CA25741Aoa498C6/$file/PublicService1999WD02.pdf)(extracted on 18.9.08)

¹²¹(<http://www.ssc.govt.nz/display/document.asp?docid=2384&pageno=3>)

the Public Service many of the positive features and incentives of the private sector. The key principle was that managers, if they were permitted to make all input decisions - pay, appointments, organisational structures, production systems, etc - would respond by accepting personal accountability for producing substantially higher quality outputs - the goods and services provided for the Government and other users. Specification would be critical - both suppliers and purchasers would need to be certain about the quality, quantity, timing and price of the goods and services to be traded.¹²² The main purpose of this legislation are to: ensure that employees are imbued with the spirit of service to the community; promote efficiency in the State Services and other agencies; ensure responsible management; maintain appropriate standards of integrity and conduct; ensure that every employer¹²³ in the State Services is a good employer. The Act creates the statutory position of the States Services Commissioner whose functions include (Section 6):

- a. *To review the machinery of government across all areas of government.*
- b. *To review the performance of each Department, including the discharge by the chief executive of his or her functions.*
- c. *To appoint chief executives of departments and to negotiate their conditions of employment.*
- d. *To promote and develop senior leadership and management capability for the Public Service.*
- e. *To negotiate conditions of employment of employees in the Public Service.*
- f. *To promote and develop personnel policies and standards of personnel administration for the Public Service.*
- g. *To promote, develop, and monitor equal employment opportunities policies and programmes for the Public Service.*
- h. *To provide advice on the training and career development of staff in the Public Service.*
- i. *To provide advice and guidance to employees within the State services (except Crown Research Institutes) on matters, or at times, that affect the integrity and conduct of employees within the State services.*
- j. *To provide advice on management systems, structures, and organisations in the Public Service and Crown entities.*

¹²²<http://www.ssc.govt.nz/display/document.asp?docid=2384&pageno=3>).

¹²³<http://www.ssc.govt.nz/display/document.asp?docid=4332&pageno=8>

- k. *To exercise such other functions with respect to the administration and management of the Public Service as the Prime Minister from time to time directs (not being functions conferred by this Act or any other Act on a chief executive other than the Commissioner).*

17.1.3.2 The Act stipulates that each Department is to be headed by a Chief Executive, who would be appointed by the Commissioner and he/she would be responsible to the Minister concerned. However, in matters relating to decisions on individual employees (whether matters relating to the appointment, promotion, demotion, transfer, disciplining, or the cessation of the employment of any employee, or other matters), the Chief Executive of a Department shall not be responsible to the appropriate Minister but shall act independently (Section 33). The Act also provides that unless expressly provided to the contrary in the Act, the Chief Executive shall have all the rights, duties, and powers of an employer in respect of the persons employed in the Department for which the chief executive is responsible. In fact, it casts a duty on the Chief Executive - “In matters relating to decisions on individual employees (whether matters relating to the appointment, promotion, demotion, transfer, disciplining, or the cessation of the employment of any employee, or other matters), the employer shall act independently” (Section 77F).

17.1.4 United Kingdom

17.1.4.1 A Civil Service Bill has been under consideration in the UK for the last decade. Several suggestions have been made to improve upon the original version of the draft Bill which proposes to give statutory status to the Civil Service Commission. The duty of the Civil Service Commission would be ensure that all appointments to the Civil Service are made in accordance with prescribed rules. The Civil Service Commission would also publish and maintain the Recruitment Code for the Civil Service and also audit the recruitment systems of government departments and agencies for compliance with the Recruitment Code. The Bill seeks to provide certain norms for the ‘Special Advisers’ who are appointed by the concerned Secretary of State to assist him in discharge of his/her duties. It also provides for preparation of a Code of Conduct for civil servants and the ‘Special Advisers’.

17.1.5 In general, the legislations in these countries have provided for the following:

- A legal basis for the legislature to express the important values and culture it wants in the civil service
- A mechanism by which government decisions can be implemented

- A framework for setting out the role and powers of the heads of the agencies and departments, and their relationship to the ministers in a clear and public way
- An unambiguous statement to those within the civil service and to the people, of what is expected of civil servants
- Public service standards and ethical values and how they should be applied
- A framework of public accountability
- Employment principles covering such areas as merit selection, and equity in employment
- The basis upon which employment powers are vested in the heads of departments and agencies.

17.2 The Existing Legal Framework for Civil Services in India

17.2.1 Part XIV of the Constitution of India - Article 308 onwards - makes provisions for dealing with the civil services. In terms of Article 309, the appropriate Legislature (Parliament or the State Legislature) is empowered to legislate to regulate the recruitment and conditions of service of persons appointed to the public services and post them in connection with the affairs of the Union or of any State. The proviso to Article 309 states that it shall be competent for the President or the Governor, as the case may be, to make rules relating to the recruitment and conditions of service of persons appointed to the services and posts in connection with the affairs of the Union and the State respectively until provisions in that behalf are made by or under an Act of the appropriate Legislature. The proviso reads:

“Provided that it shall be competent for the President or such person as he may direct in the case of services and posts in connection with the affairs of the Union, and for the Governor of a State or such person as may direct in the case of services and posts in connection with the affairs of the State, to make rules regulating the recruitment, and the conditions of service of persons appointed, to such services and posts until provision in that behalf is made by or under an Act of the appropriate Legislature under this article, and any rules so made shall have effect subject to the provisions of any such Act.”

17.2.2 In terms of the above proviso, a number of Rules have been made from time to time by the Union and State Governments and these essentially govern and regulate the public services in India.

17.2.3 Article 310 of the Constitution provides that all members of the civil services of the Union and the All India Service hold any civil post at the pleasure of the President and all members of the civil services of a State do so at the pleasure of the Governor of the State. Article 311 provides certain safeguards regarding dismissal, removal or reduction in rank of persons employed in civil capacities. Article 312 provides for constitution of the All India Services. Articles 318 to 323 deal with the Union Public Service Commission and State Public Service Commissions. Article 320 stipulates that it shall be the duty of the Union and the State Public Service Commissions to conduct the examinations for appointment to the services of the Union and the services of the States respectively. It further stipulates that the UPSC or the State PSCs shall be consulted on all matters relating to methods of recruitment to the civil services and on the principles to be followed in making appointments to the civil services and posts and in making promotions and transfers from one service to another. Article 323 lays down that it shall be the duty of the Union Public Service Commission to present annually to the President a report of the work done by the Commission and on receipt of such report the President shall cause a copy thereof together with the Memorandum explaining, as respects the cases, if any, where the advice of the Commission was not accepted, the reasons for such non-acceptance to be laid before each house of Parliament. Similar provision also exists for the State Public Service Commissions. Article 323(a) authorizes the Parliament to set up administrative tribunals regarding disputes with respect to recruitment and conditions of service of persons appointed to public services.

17.2.4 Parliament in exercise of its powers under Article 309 of the Constitution has enacted the All India Services Act, 1951. This law authorizes the Union Government, in consultation with the State Governments, to make rules for the regulation of conditions of service of persons appointed to an All India service. Exercising the powers conferred by the All India Services Act, 1951, the Union Government after consultation with the Governments of the States have notified several rules like All India Services (Provident Fund) Rules, 1955, All India Services (Conduct) Rules, 1958, All India Services (Discipline and Appeal) Rules, 1969 etc. Similarly, Rules have been notified governing different aspects of all the Central Services.

17.2.5 From the above it is clear that the relationship between a civil servant and Government is defined by Statutes/Rules. Different aspects governing the conditions of service of civil servants are provided by different rules promulgated under Article 309 of the Constitution.

17.3 Need for a Civil Services Law

17.3.1 Arguments For and Against

17.3.1.1 From the reforms carried out in countries like Australia, New Zealand, United Kingdom, etc. it is evident that each country has adopted a different approach. Reforms in New Zealand were carried out through the instrumentality of a series of enactments – State Sector Act, 1988; Public Finance Act, 1989; Employment Contracts Act, 1991. The Australian Public Service Act brought in major reforms in civil services management in Australia. However, even though the UK carried out a series of reforms in public services, the Civil Service Law is still being debated.

17.3.1.2 There are arguments for and against having a new Public Service Law. However, much would depend on what the said law proposes to achieve and what its main ingredients are. In the context of the UK Civil Service Act, Sir Richard Wilson - former Cabinet Secretary- summarised arguments,¹²⁴ both for and against the law. He said the arguments against the Bill are:

- a. *the Civil Service is an institution of great pragmatism that evolves over time and works best without being hamstrung by legislation.*
- b. *it is unwise to stir things up if you are unsure what demons you may accidentally unleash in the process.*
- c. *'if it ain't broke, don't fix it'. For all the media comment, so the argument runs, things are still working well. What is it that suddenly requires a Bill?*
- d. *an Act would achieve nothing. Many of the things which would be in a Bill already have the force of law through Orders in Council. If there are issues, they are issues about behaviour. Legislation would add nothing except perhaps greater legalism in the relationship between Ministers and civil servants which would be a pity.*
- e. *a Civil Service Act would make no sense unless it was part of a larger piece of legislation which covered the constitutional position of Ministers themselves and of government: in short, a written constitution.*

Arguing in favour of the Bill he stated:

- a. *These arguments have weight but over the last decade the balance has gradually been tipping the other way.*

¹²⁴<http://www.civilservant.org.uk/csact.shtml>

- b. *I myself do not think for a moment that an Act would solve everything. In particular, it would be no guarantee of good behaviour. It would be modest and useful rather than earthshaking. But I would welcome it.*
- c. *An Act could provide a forward-looking framework for the continued development of the Civil Service.*
- d. *A Civil Service Act could play a positive role in providing a framework for clarifying the boundaries, easing the rubbing points and providing a confident basis for accepting the kind of modernisation I have described without the fear that something important was being lost.*
- e. *Finally, an Act would bring the Civil Service more directly under the oversight of Parliament.*

17.3.1.3 The Commission is of the view that, in the Indian context, it is important to examine what is sought to be achieved by the contemplated legislation and what would be the salient features of the proposed Public Service Law. The Commission has recommended a slew of measures for reforming the civil services. Some of these measures would require a legislative backing which could be embodied into a new Civil Services Law. The recommendations made by the *Commission could be grouped into the following:*

- a. A set of values for civil servants
- b. Redefining the relationship between the government and the civil servants
- c. Reforms in the recruitment procedures to the civil services
- d. Reforms in the procedure of placement as well as security of tenure – a new institutional mechanism
- e. New terms and conditions of appointment
- f. Improving accountability mechanisms simplifying disciplinary proceedings
- g. Creating new organisational structures in government.

The need for legislative backing for each one of these is examined in the following paragraphs.

17.3.2 A Set of Values for Civil Servants

This has been examined in detail in Chapter 16.

17.3.3 Redefining the Relationship Between Government and Civil Servants

17.3.3.1. The basic status of a civil servant is defined under Articles 309, 310 and 311 of the Constitution and the laws and rules made there-under.

Article 310 provides:

“Except as expressly provided by this Constitution, every person who is a member of a defence service or of a civil service of the Union or of an all-India service or holds any post connected with defence or any civil post under the Union holds office during the pleasure of the President, and every person who is a member of a civil service of a State or holds any civil post under a State holds office during the pleasure of the Governor of the State.”

17.3.3.2 Article 310 provides for what is known as “doctrine of pleasure” as per which a member of the All India Service holds office during the pleasure of the President and a Government servant of a State holds office during the pleasure of the Governor.

However, this “doctrine of pleasure” is subject to the provisions of Article 311, which lays down the procedure for imposition of dismissal and removal.

17.3.3.3 The Commission, while examining issues related to the legal framework for fighting corruption in its earlier Report on “Ethics in Governance”, had deliberated on the safeguards available to civil servants under Article 311 of the Constitution. In paragraph 3.10.24 of that Report, it had recommended the repeal of Articles 310 and 311 of the Constitution which contain provisions governing ‘tenure of office of persons serving the Union or a State’ and ‘dismissal, removal or reduction in rank of persons employed in civil capacities under the Union or a State’ respectively. The Commission was of the view that as Articles 309, 310 and 311 formed a continuum, there was no need for persisting with Articles 310 and 311 if the whole gamut of ‘conditions of service’ is codified separately as required by the substantive part of Article 309. Accordingly, the Commission also recommended appropriate legislation under Article 309 to facilitate this.

17.3.3.4 In the light of the above, the Commission is of the view that the status of a civil servant vis-à-vis the government could be spelt out in a new law to be enacted under Article 309. Safeguards based on the principles of natural justice should be provided under the new law. Article 311 seeks to provide security to public servants as well as certain procedural safeguards against arbitrary penal action – dismissal, removal or reduction in rank - against them. The safeguards are:

- a. No dismissal, removal or reduction in rank, by an authority subordinate to that by which the government servant was appointed.
- b. No dismissal, removal or reduction in rank except after an inquiry in which the government servant has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges.
- c. Where it is proposed after such inquiry to impose upon a government servant, any such penalty, such penalty may be imposed on the basis of the evidence adduced during such inquiry and it shall not be necessary to give such person any opportunity of making representation on the penalty proposed.

17.3.3.5 Article 311(2) also provides that the safeguards regarding the disciplinary enquiry shall not apply, where any action is taken against the government servant on the ground of conduct which has led to his/her conviction on a criminal charge; or where an authority empowered to dismiss or remove a person or to reduce him in rank is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to hold such inquiry; or where the President or Governor, as the case may be, is satisfied that in the interest of the security of the State it is not expedient to hold such inquiry.

17.3.3.6 The underlying principle for stipulating that only the appointment authority or a superior authority shall impose certain major penalties is that the accused government servant should be entitled to the judgement of a senior authority which is expected to take a fair and objective view of the case. In the Commission's view, this principle is well founded but mandating that only the appointing authority (or a higher authority) can impose certain major penalties, ties the hands of public servants holding supervisory or controlling positions. This becomes even more pronounced as public servants may be asked to work in different departments and organizations and such organization/departments cannot impose certain penalties even if grave misconduct is established. Moreover, as a government servant progresses in his/her career he/she assumes higher posts and responsibilities. In such cases, stating that only the appointing authority can impose certain major penalties appears anomalous. The Commission feels that it would be more logical to stipulate that major penalties of removal and dismissal should be imposed by an authority, in the organization where he/she is working, which is at least three levels above the post which the government servant is holding, and all other penalties may be imposed by an authority which is at least two levels above the current post of the government servant.

17.3.3.7 The Commission is of the view that the second safeguard – a mandatory enquiry - should be continued as this has been held to be a part of natural justice. Similarly,

the circumstances under which the enquiry could be dispensed with should also be included in the new law.

17.3.4 Reforms in the Recruitment Procedures to the Civil Services

17.3.4.1 The appointment of civil servants through the UPSC is both fair and objective. The same holds true for appointments of Group 'B' and 'C' employees through the Staff Selection Commission. The Commission has examined the issues relating to the recruitment procedure for both Group A employees as well as for Group 'B', and 'C' employees in Chapters 5 and 7 respectively. The Commission has recommended comprehensive changes in the recruitment procedures. However, these reforms would not require any legislative changes as these could be carried out by executive orders.

17.3.4.2 Government also appoints a sizeable number of persons at different levels without routing the selection process through the UPSC or the Staff Selection Commission. The Commission is of the view that it may not be possible to route all appointments through the UPSC or the Staff Selection Commission. But in the interest of efficiency in public administration and also to avoid any allegations of nepotism or patronage, it would be advisable if all appointments – even if they are for a short term - are made after following a procedure that is fair, just and transparent. This could be included in the new law. In order to make this provision effective, it may be provided that an independent agency should audit the recruitments carried outside the UPSC and SSC system and advise government suitably. This audit should be done under the supervision of the UPSC. The same principle should be made applicable to appointments for various Agencies, Committees, Commissions, Statutory and Regulatory Bodies.

17.3.5 Reforms in the Procedure of Placement as well as Security of Tenure – a New Institutional Mechanism

17.3.5.1 The Commission has examined the system of placement at the senior management level and made detailed recommendations in Chapter 9 of the Report. The Commission has recommended a new selection process that would foster competition and ensure that the most suitable person is selected for a senior government job. The Commission has recommended that all positions in Government (including in the attached and subordinate offices) at the level of Joint Secretary and above would constitute the 'Senior management Pool'. All appointments to positions in this pool shall be made on the recommendations of the Central Civil Services Authority, which would go into the past performance and also evaluate the future potential of an officer. Countries like New Zealand have gone to the

extent of giving the powers of appointment of 'Agency Heads' to an independent Authority with government having no say. The Commission is of the view that in a democracy, it is ultimately the government which is answerable to the Parliament and therefore divesting the government of the powers of appointment of its civil servants may be against established democratic norms. The Commission has attempted to strike a balance by suggesting that the Public Services Authority would recommend a panel of officers suitable for a position in Government and Government should choose an officer/person from this panel.

17.3.5.2 The Commission has also recommended stipulation of tenure for various posts under the government. This task of fixing tenures for various posts may also be assigned to this independent agency - the Central Civil Services Authority. The Commission has also suggested that candidates outside the government system should be allowed to compete for certain posts at senior levels (Additional Secretary and above). The task of identifying these posts should be entrusted to this agency. The Commission is of the view that it would be necessary to include these stipulations in the proposed Civil Services Bill.

17.3.6 New Terms and Conditions of Appointment

17.3.6.1 Normally, a civil servant is appointed to work under the government for his/her entire career. Rules governing different Services provide that a government servant can perform his/her duties till he/she attains the age of superannuation (short-term appointments and contractual appointments are an exception). Several countries have switched over to a system of contractual appointments for public servants. The Commission has discussed this issue at length in Chapter 9 and come to the conclusion that the civil services wherein the government servants have a permanent tenure has generally worked well in the country and given the vast size and diversity and inherent advantages of a permanent career, government should not switch to contractual appointments of civil servants. However, the Commission is also aware that a life-long job security provided to a government servant has led to a distorted incentive system. Because of this, an element of complacency and inertia has got internalised in the civil services. The Commission has therefore recommended that there should be a system in which the suitability of all government servants is reviewed after 20 years of service and their further continuance in service should depend on the outcome of this performance evaluation. In order to ensure that this stipulation applies to all new entrants to government service, this provision should be incorporated in the proposed new law.

17.3.7 Improving Accountability Mechanisms - Simplifying Disciplinary Proceedings

17.3.7.1 The Commission has examined the existing disciplinary proceedings in Chapter 3 of its Report on “Ethics in Governance” and also in Chapter 14 of this Report. The Commission has suggested that the process of enquiry should be simplified and the large number of stages in the process need to be reduced. It is felt that while the detailed procedure of enquiry could be spelt out in terms of Rules, but it would be better if certain basic principles which need to be adhered to are outlined in the new law. This would ensure reasonable protection to all government servants while ensuring that the disciplinary process is expedited.

17.3.8 Creating New Organisational Structures in Government

17.3.8.1 The constitution of the Central Civil Services Authority has already been examined by the Commission in Chapter 9 and it has been recommended that this Authority should be set up under the proposed Civil Services Bill.

17.3.8.2 Creation of executive agencies in government departments has been one of the major reforms in countries like Australia, the United Kingdom and New Zealand. As described in Chapter 3, this reform basically involves entrusting the task of implementation of government policies to an autonomous agency. While the details of this subject would be dealt with in a subsequent Report of the Commission on Restructuring of the Government of India, it would be desirable if the mechanism of creation of executive agencies, principles governing their relationship with the government etc are laid down in a law.

17.3.9 Based on the above analysis it is evident that all the above measures would require to be supported by a law. Therefore, the Commission is of the view that a Public Services Law (more appropriately called the Civil Services Law), incorporating the above measures should be enacted.

17.4 The Public Services Bill (as proposed by the Government)

17.4.1 Analysis of the Provisions

17.4.1.1 Government of India is at present seeking to enact comprehensive new civil service legislation. The Draft Public Services Bill, 2007 provides for:

- appointment to public services to be based on the principle of merit, and fair and open competition (Chapter II)

- public service values and the Public Service Code of Ethics (Chapter III)
- a performance management system to be laid down by the government for public service employees. The Bill also enjoins government to prepare a Public Service Management Code providing for the public services to be established as a professional, merit-based institution for promoting government policies and good governance; mechanisms and incentives to achieve and maintain high levels of productivity, efficiency and excellence; policies and structures to promote the viability of the public services keeping in view the finances of the government; the interface between the political executive and the public services based on the principles of neutrality, professional excellence and integrity; and the accountability of the public servants for their decisions. The Bill also provides for the Annual Performance Report of each department or institution to be made available to the public (Chapter IV).
- periodical review of pay structure, incentives etc.; making guidelines for promotional aspects and career advancement; imparting in-service training; periodical review of cadre structures; and fixing a minimum tenure for cadre posts by the Central Government (Chapter V).
- constitution of an Authority known as the Central Public Services Authority. Regarding the functions of the Authority, they include review of the Public Services and recommend changes; recommend to the Central Government the formulation of the codes; and aid and advise the Central Government on all aspects concerning the public services (Chapter VI).
- the Central Authority to submit an annual report to the Central Government indicating the compliance with the provisions of the Bill by every ministry/department, the reasons for non-compliance, if any, and the steps to be taken to ensure compliance and the time-schedule. The Bill also provides for the annual report to contain recommendations of the Authority for improving the conditions of the public services in general, new career development issues, pay structure and related issues (Chapter VII).

17.4.1.2 An analysis of the Draft Public Services Bill, 2007, as proposed by the government is presented in Table 17.1.

Table 17.1: Analysis of the Public Services Bill – as Proposed by Government

Provisions in the Draft Public Services Bill (2007)			Comments of the Commission
S. No	Section	Details	
1	Preamble	To provide a statutory basis for the regulation of the Public Services in India, as enshrined in Article 309 of the Constitution of India, to regulate the appointment and conditions of the Public Servants, to lay down and review the fundamental values of Public Services, the Public Services Code of Ethics, Public Service Management Code, to establish Public Services Authority for facilitating review and proper development of Public Services and in order to develop Public Services as a professional, neutral, merit-based and accountable instrument for promoting good governance and better delivery of services to the citizens.	The terms ‘ Public Service’ and ‘Public Servant’ have been defined elsewhere, particularly in the Indian Penal Code. The term ‘public servant’ has a wider connotation. The intention of this bill is to regulate the civil services. The Commission is, therefore, of the view that this bill should be titled “The Civil Services Bill”.
2	Definition {Clause 2(a)}	“Public Services” means the All India Services, the Central Services and any other Service and posts in connection with the affairs of the Union notified by the Central Government.	“Civil Services” shall comprise of all personnel holding civil posts under the Union.
3	Appointment to Public Services {Clause (3)}	Subject to the provisions of the Constitution of India and any Act providing for reservation, the appointment to public services shall be on the principles of merit, fair and open competition.	It would be better to prescribe that all appointments whether permanent or short-term or contractual should be made after following a procedure that is fair, just and transparent. This principle should also be made applicable to all appointments to Boards / Corporations / Companies / Commissions / Statutory Bodies/Committees.

Table 17.1: Analysis of the Public Services Bill – as Proposed by Government (Contd.)

Provisions in the Draft Public Services Bill (2007)			Comments of the Commission
S. No	Section	Details	
4	Public Service Values {Clause (6)}	The Public Service and the Public Servants shall be guided by the following values in the discharge of their functions: <ol style="list-style-type: none"> (a) patriotism and upholding national pride; (b) allegiance to the Constitution and the law of the nation; (c) objectivity, impartiality, honesty, diligence, courtesy and transparency; (d) maintain absolute integrity. 	These values could be included in the proposed new Bill.
5	Public Service Code (Clause 9)	(1) The Government shall promote the Public Service Values and a standard of ethics in the Public Service operations, requiring and facilitating every Public Service employee - <ol style="list-style-type: none"> (i) to discharge official duties with competence and accountability; care and diligence; responsibility, honesty, objectivity and impartiality; without discrimination and in accordance with the law; (ii) to ensure effective management, professional growth and leadership development; (iii) to avoid misuse of official position or information and using the public moneys with utmost care and economy; and (iv) function with the objective that Public Services and Public Servants are to serve as instruments of good governance and to provide services for the betterment 	The Commission has recommended a set of values, a Code of Ethics and a Code of Conduct. All these put together would constitute the Civil Service Code.

Table 17.1: Analysis of the Public Services Bill – as Proposed by Government (Contd.)

S. No	Provisions in the Draft Public Services Bill (2007)		Comments of the Commission
	Section	Details	
		<p>of the public at large; foster socio-economic development, with due regard to the diversity of the nation but without discrimination on the ground of caste, community, religion, gender or class and duly protecting the interest of poor, underprivileged and weaker sections.</p> <p>(2) The Government shall, in consultation with the Central Authority, prepare a Public Services Code of Ethics for guiding the Public Service employees within one year from the commencement of this Act.</p> <p>(3) The Public Services Code shall be laid for not less than fourteen days before each House of the Parliament as soon as possible.</p> <p>(4) The specialized organizations may frame additional service codes in alignment with Public Service Code, in consultation with the Central Authority.</p>	
6	Performance Management System (Clause 9)	The Government shall, within a period of twelve months from the coming into force of this Act, establish a Performance Management System for Public Service employees.	The Commission has examined this issue and given detailed recommendations in the Chapter on 'Performance Management'. The provision in the proposed Bill may be confined to making a performance management system mandatory for every organization in the government.

Table 17.1: Analysis of the Public Services Bill – as Proposed by Government (Contd.)

Provisions in the Draft Public Services Bill (2007)			Comments of the Commission
S. No	Section	Details	
7	Public Service Management Code (Clause 13)	The Government shall, in consultation with all stakeholders, prepare Public Services Management Code.	These values could be included in the proposed new Bill.
8	Conditions of Services (Clause 16)	The Central Government shall: <ul style="list-style-type: none"> (a) periodically review the pay structure, incentives and other benefits provided to the Public Servants; (b) make guidelines for the promotional prospects and career advancement of public servants; (c) impart in-service training to the Public Servants to develop competence for the due discharge of their duties and responsibilities; (d) periodically review the cadre structure of each public service; (e) fix a minimum tenure for cadre posts, which may be filled on the basis merit, suitability and experience. 	Aspects like in-service training, cadre reviews and pay revisions need not form part of the law.
9	Central Public Services Authority {Clause 18(1)}	Constitution of the Central Authority: (1) The Central Government shall, by notification in the Official Gazette, constitute a body to be known as the Central Authority to exercise the powers conferred on, and to perform the functions assigned to it, under this Act.	Having such an Authority is necessary. This has been dealt with in detail by the Commission.
10	Functions of the Public Services Authority {Clause 21(1)}	Functions include review of the Public Services and recommending changes; recommending formulation of the codes; advising the Central Government on all aspects concerning the public services (Chapter VI).	All functions are recommendatory in nature. Some more specific functions need to be assigned to the Authority. The functions to be entrusted to the Authority have been examined in detail by the Commission.

17.5 Recommendations

A new Civil Services Bill may be drafted. The following salient features may be included in the proposed Bill:

- I. ***Title of the Bill:*** The Bill may be called ‘The Civil Services Bill’.
- II. ***Definitions:*** “Civil Services” shall comprise of all personnel holding civil posts under the Union.
- III. ***Civil Service Values:*** The Civil Services and the Civil Servants shall be guided by the following values in addition to a commitment to uphold the Constitution, the discharge of their functions:
 - i. Absolute integrity at all times
 - ii. Impartiality and non-partisanship
 - iii. Objectivity
 - iv. Dedication to public service
 - v. Empathy towards weaker sections

The Heads of Departments shall be responsible for promoting these values in their organizations. The Central Civil Services Authority may from time to time review the adoption, adherence to and implementation of the Civil Service Values in the departments or organizations under the Union.

- IV. ***Code of Ethics:*** The following should be included in the Code of Ethics for civil servants:
 - i. ***Integrity:*** Civil servants should be guided solely by public interest in their official decision making and not by any financial or other consideration either in respect of themselves, their families or their friends.
 - ii. ***Impartiality:*** Civil servants in carrying out their official work, including functions like procurement, recruitment, delivery of services etc, should take decisions based on merit and free from any partisan consideration.

- iii. ***Commitment to public service:*** civil servants should deliver services in a fair, effective, impartial and courteous manner.
 - iv. ***Open accountability:*** civil servants are accountable for their decisions and actions and should be willing to subject themselves to appropriate scrutiny for this purpose.
 - v. ***Devotion to duty:*** civil servants should maintain absolute and unstinting devotion towards their duties and responsibilities at all times.
 - vi. ***Exemplary behaviour:*** civil servants should treat all members of the public with respect and courtesy and at all times should behave in a manner that upholds the rich traditions of the civil services.
- V. ***Recruitment and Conditions of Service:*** Recruitment and conditions of service of persons appointed to the ‘Public Services’ shall be governed by Rules made under this Act. The following principles of recruitment should be included for all appointments not routed through the UPSC or SSC:
- i. Well-defined merit based procedure for recruitment.
 - ii. Wide publicity and open competition for recruitment to all posts.
 - iii. Minimisation, if not elimination, of discretion in the recruitment process.
 - iv. Selection primarily on the basis of written examination or on the basis of performance in existing public/board/university examination with minimum weight-age to interview.

An independent agency should audit the recruitments made outside the UPSC and SSC systems and advise the government suitably. This audit should be conducted under the supervision of the UPSC.

- VI. ***New Conditions of Appointment:*** (1) A civil servant, not being a civil servant recruited or inducted for a short-term appointment, shall hold office for twenty years from the date of initial appointment. (2) The relationship between the Civil Servant and the Government of India during the time he/

she holds office shall also be governed by the rules made in this regard. All public servants shall be subjected to two intensive reviews on completion of 14 years and 20 years of service respectively. Their further continuance beyond 20 years will depend on the outcome of these reviews. It should be expressly provided that all new recruitments shall be for a period of 20 years and their continuance beyond 20 years would depend on the outcome of the intensive reviews.

- VII. *Appointment to Senior Positions in Government:* All positions in Government (including in the attached and subordinate offices) at the level of Joint Secretary and above would constitute the ‘Senior Management Pool’. This would apply to all posts including those that are presently encadred with the organised Group A Services. All appointments to positions in this pool shall be made on the recommendations of the Central Civil Services Authority, which would go into the past performance and also evaluate the future potential of an officer. The Central Civil Services Authority should recommend a panel of officers suitable for a position in the Government and Government should choose an officer/person from this panel.
- VIII. *Fixation of Tenures:* All senior posts should have a specified tenure. The task of fixing tenures for various posts may also be assigned to this independent agency - Central Civil Services Authority.
- IX. *Widening the Pool of Candidates for Selection to Senior Positions:* Candidates outside the government system should be allowed to compete for certain posts at senior levels (Additional Secretary and above). The task of identifying these posts should be entrusted to the Central Civil Services Authority.
- X. *Dismissal, Removal etc. of Civil Servants:* After the repeal of Articles 310 and 311 (as recommended in the Report on ‘Ethics in Governance’), safeguards against arbitrary action against government servants should be provided in the new law. These safeguards should include:
- i. No penalty of removal and dismissal should be imposed, except by an authority, which is at least three levels above the post which the government servant is holding.

- ii. **Other penalties – apart from dismissal and removal - may be imposed by an authority which is at least two levels above the current post of the government servant.**
 - iii. **No penalty may be imposed, unless an enquiry is conducted and the accused government servant has been given an opportunity of being heard.**
 - iv. **The Head of an organization should have powers to lay down the details of the enquiry procedure, subject to the general guidelines which may be issued by the Government from time to time.**
- XI. A performance management system should be mandatory for every organization in the government.**
- XII. *Constitution of the Central Civil Services Authority:***
- i. **The Central Government shall, by notification in the Official Gazette, constitute a body to be known as the Central Civil Services Authority to exercise the powers conferred on, and to perform the functions assigned to it, under this Act.**
 - ii. **The Central Civil Services Authority shall be a five-member body consisting of the Chairperson and four members (including the member-secretary). The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India. The Chairperson and members of the Authority should be persons of eminence in public life and professionals with acknowledged contributions to society. The Chairperson and members of the Authority shall be appointed by the President on the recommendations of a Committee consisting of the Prime Minister and the Leader of the Opposition in the Lok Sabha. (Explanation:- Where the Leader of the Opposition in the Lok Sabha has not been recognized as such, the Leader of the single largest group in the opposition in the Lok Sabha shall be deemed to be the Leader of the Opposition).**

XIII. *Functions of the Central Civil Services Authority:* The Central Authority shall discharge the following functions:

- i. Review the adoption, adherence to and implementation of the Civil Service Values in the departments or organizations under the Central Government and send reports to the Central Government.**
- ii. Assign domains to all officers of the All India Services and the Central Civil Services on completion of 13 years of service.**
- iii. Formulate norms and guidelines for appointments at ‘Senior Management Level’ in Government of India.**
- iv. Evaluate and recommend names of officers for posting at the ‘Senior Management Level’ in Government of India.**
- v. Identify the posts at ‘Senior Management Level’ in Government of India which could be thrown open for recruitment from all sources.**
- vi. Fix the tenure for posts at the ‘Senior Management Level’ in Government of India.**
- vii. Submit an annual report to Parliament.**

XIV. *Creation of Executive Agencies in Government:* Government should be authorized to create or reorganize some or all of existing Departments into ‘Executive Agencies’. The role of the Ministries should primarily be on policy formulation while implementation should be left to the Executive Agencies.

CONCLUSION

The challenges of refurbishing personnel administration are substantial and urgent. Increasing productivity and high economic growth will allow Indians to enjoy improved standards of living, higher employment and better access to public services. A key to this transformation is to build a modern world class civil services to improve India's governance and as we have highlighted in our Approach Paper "good governance is perhaps the single most important factor in eradicating poverty and promoting development".

The Commission recognizes that the civil services in India have made vital contributions to national development through the advice and services it has rendered. The high ethical standards, professionalism, independence and the quality of policy advice it provides are both acknowledged and valued but the fact remains that the civil services are still not adequately equipped to function efficiently and competitively in a dynamic economy. These shortcomings are apparent in the complex array of outdated, rigid and cumbersome regulations, systemic inflexibilities and a culture which does not adequately promote or recognize performance. Improved performance of our civil services is an imperative if India is to take its rightful place as a global power. The Commission is of the view that wide ranging reforms are necessary to transform our civil service into one which epitomizes best practices, is committed to continuous improvements and exemplifies contemporary management techniques. In its Report, the Commission has, therefore, recommended a wide array of reforms that aim at building a civil service that is relevant for the 21st century. These include reforms in the system of recruitment focusing on substantially lowering the age of candidates for civil services so that candidates can be groomed at an early age to take up the responsibility of an administrator. In training, the Commission has emphasized mandatory induction training at all levels. For senior positions, the Commission has stressed the principle of competition and transparency in placements and postings. To enhance accountability, the Commission has recommended rationalization of disciplinary procedures and a fitness bar on completion of 20 years of service. All these reforms are proposed to be given a statutory basis through the new Civil Services Law. These reforms when implemented, will help build a forward looking but cohesive civil service welded together by shared values and public service rather than bound by conformity to regulation and systemic rigidities.

SUMMARY OF RECOMMENDATIONS

1. (Para 5.3.6) Stage of Entry into the Civil Services

- a. **Government of India should establish National Institutes of Public Administration to run Bachelor's Degree courses in public administration/governance/management. In the long run it is expected that these specialized centres of excellence (National Institutes of Public Administration) would evolve as major sources of civil services aspirants.**
- b. **Selected Central and other Universities should also be assisted to offer such graduate level programmes in public administration/governance/public management which will produce graduates to further expand the pool of eligible applicants to the civil services.**
- c. **The courses offered in these universities should include core subjects such as the Constitution of India, Indian legal system, administrative law, Indian economy, Indian polity, Indian history and culture apart from optional subjects.**
- d. **Graduates of the above mentioned special courses from the National Institutes of Public Administration and selected universities would be eligible for appearing in the Civil Services Examinations. Further, graduates in other disciplines would also be eligible to appear in the Civil Services Examination provided they complete a 'Bridge Course' in the core subjects mentioned above. The Bridge course should be run by the same selected national institutes/universities, which conduct the graduate level courses stated in (c) above.**
- e. **Liberal need-based scholarships should be provided to students admitted to the Institutes/Universities.**
- f. **An 'Expert Committee' should be appointed immediately by the Government in consultation with UPSC to develop the curricula and**

determine the admission policy to these selected institutes/universities. This Committee should inter alia have the following terms of reference:

- i. Lay down norms for identification universities and institutes where the said courses would be conducted.**
- ii. Design the content of the curricula for the said courses in public administration.**
- iii. Prescribe the modalities for admission to these courses.**
- iv. Prescribe the modalities and design of the bridge courses.**

The Commission strongly recommends that the Expert Committee be appointed straightway so that the new courses could be started in some of these institutions/universities from the coming academic year. The Commission also feels that the bridge courses and their effectiveness should be reviewed based on the experience of five years.

- g. Since this is a major reform relating to an important area of governance and will need coordinated guidance, especially in the initial years, a high-level oversight/coordination committee with the Prime Minister as Chairman may be constituted to meet once in three months and give guidance to the implementing agencies and concerned institutions.**
- h. The reforms to the scheme of the examination system as recommended in paragraph 5.5 may be taken up immediately. Examination and Recruitment reforms following the introduction of public administration/governance management as a full-fledged degree course in National Institutes of Public Administration and selected universities would take some time to be operationalised. Till then, the existing system, where students from all disciplines can appear for the competitive examinations, may continue.**
- i. Students who have acquired a graduation degree in the above-mentioned course would have option to join any other career of their choice either in the public or private sector.**

2. (Para 5.4.17) Age of Entry and Number of Attempts

- a. The permissible age for appearing in the Civil Services Examination should be 21 to 25 years for general candidates, 21 to 28 years for candidates from OBC and 21 to 29 years for candidates from SC/ST as also for those who are physically challenged.
- b. The number of permissible attempts in the Civil Services Examination should be 3, 5, 6 and 6 respectively for general candidates, candidates from OBC, candidates from SC/ST and physically challenged candidates respectively.
- c. The present cut-off date for determining the eligibility in terms of age (i.e. 1st of August in the year of the examination) may continue.

3. (Para 5.5.5.3) Structure of the Civil Services Examination

- a. *Structure of Examination:* Either of the following two models may be adopted for compressing the examination cycle.
 - i. The Preliminary and Main Examinations for the Civil Services Examination would be conducted together on two to three consecutive days. Evaluation of papers for the Main Examination should be done in case of only those candidates who have secured a threshold level of marks in the Preliminary Examination. The personality test would follow thereafter.

OR

- ii. Based on the results of the Preliminary Examination, candidates eligible for taking the main examination and the personality test would be short listed in accordance with their rankings. Only these short-listed candidates would be eligible for appearing in the Main Examination, which would be conducted within two months of the Preliminary Examination. The short list would be limited to about two to three times of the number of vacancies available. Thus it would be possible to start the Personality Test and the Main Examination almost simultaneously.

- b. Content:**
 - i. The Preliminary Examination should consist of an objective type test having one or two papers on general studies including the Constitution of India, the Indian legal system, Indian economy, polity, history and culture. There should be no optional subjects.**
 - ii. The Main Examination should consist of two papers only in the compulsory subjects. These compulsory subjects may include Constitution of India, Indian legal system, Indian economy, polity, history and culture etc. The question papers should be of the conventional descriptive type. Besides, there should be a separate essay paper as a part of the Main Examination.**
- c. Steps may be taken by DOPT in consultation with the UPSC to finalise the syllabi of compulsory subjects for the both the preliminary and main examination, for the recruitment cycle 2010. This could later on be dovetailed with the recommendation of the “Expert Committee” suggested in Paragraph 5.3.6.**

4. (Para 5.7.5) Other Modes of Induction into the Civil Services

- a. The induction of officers of the State Civil Services into the IAS should be done by the UPSC on the basis of a common examination.**
- b. UPSC should conduct such an examination annually for officers from the State Civil Services who have completed 8 to 10 years of service in Grade ‘A’ posts. The eligibility criteria should also include norms such as an upper age limit of 40 years etc. On the basis of this examination, the UPSC should provide the State Governments with an eligibility list. The State Governments should fill up their quota for promotion to the IAS on the basis of this eligibility list. A maximum of two attempts should be allowed to an eligible candidate for taking this examination. To ensure that the existing officers in the State Civil Services are not denied adequate opportunities, the examination in the next two years may be conducted for all such eligible officers and the upper age limit of 40 years may be introduced, thereafter.**

- c. **The mechanism mentioned above should also be applied in case of induction into other All India Services at the State level.**
- d. **Induction by way of promotion into Group 'A' Central Services should, in addition to consideration of ACRs, also be done through conduct of examination on the basis of the criteria as mentioned above. The nature of the examination, ratio of posts to be filled by promotion etc. should be decided by the concerned departments in consultation with the UPSC.**

5. (Para 5.8.6) Allotment of Cadres to the All India Services

- a. **The following amendments should be made in the new Cadre Allocation Policy (2008) for allocation of Cadre to candidates selected for the IAS:**
 - i. **At least one vacancy each year in each of the cadres of AGMUT (only for the State of Arunachal Pradesh) Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura may be allotted to a successful candidate domiciled therein provided he/she has opted for his/her home State. This may be done even if there is no 'insider' vacancy in these cadres.**
 - ii. **In case there is more than one eligible candidate, then the allotment may be done in the order – ST, SC, OBC and General candidates, as applicable to each state.**
 - iii. **Once the home State quota of the above-mentioned North Eastern States is filled up, further allocation may be done as per the Cadre Allocation Policy (2008), after making adjustments necessitated by the changes recommended above.**

6. (Para 5.9.6) The Union Public Service Commission

- a. **Promotion of officers through Departmental Promotion Committees (DPC), upto the level of Selection Grade may be delegated to the concerned Departments. The UPSC should supervise the functioning of these DPCs through periodic reviews, audit etc.**
- b. **In the case of disciplinary proceedings, consultation with the UPSC should be mandatory only in cases involving likely dismissal or removal of a government servant.**

7. (Para 6.8) Capacity Building

- a. Every government servant should undergo a mandatory training at the induction stage and also periodically during his/her career. Successful completion of these trainings should be a minimum necessary condition for confirmation in service and subsequent promotions. Mandatory induction trainings should be prescribed for Group D staff also before they are assigned postings.
- b. A monitoring mechanism should be set up for overseeing the implementation of the National Training Policy (1996).
- c. The practice of having a ‘Common Foundation Course’ for all Group ‘A’ Services – generalist, specialized and technical, should continue. For Group ‘B’ and ‘C’ Services, the Institute of Secretarial Training and Management (ISTM) may be developed as the nodal agency for design and delivery of common Foundation Courses.
- d. All civil servants should undergo mandatory training before each promotion and each officer/official should be evaluated after each training programme. Successful completion of the training programmes should be made mandatory for promotions.
- e. The objective of mid-career training should be to develop domain knowledge and competence required for the changing job profile of the officer. To this end, mid career learning opportunities relevant to specific domains or specializations should be made available for officers.
- f. Public servants should be encouraged to obtain higher academic qualifications and to write papers for reputed and authoritative journals.
- g. A strong network of training institutions at the Union and State levels needs to be built up to cater to the training requirements of civil servants. However, instead of spreading resources over a large number of institutions, a few institutions should be identified for capacity building and upgradation.
- h. The composition of governing bodies of the national training institutions such as the LBSNAA, SVPNPA, IGNEA and also the State Administrative Training Institutes should be broadened by inducting eminent experts.

The governing bodies should be adequately empowered to enable them to discharge their functions efficiently.

- i. A national institute of good governance may be set up by upgrading one of the existing national/state institutes. This institute would identify, document, and disseminate best practices and also conduct training programmes.

8. (Para 7.3.3) Recruitment at Group 'B' Level

- a. Each Department, dealing with both the general as well as specialized Services (Group B), may set up committees to examine what changes are required in the system of recruitment and promotions to these posts. Prima-facie the Commission is of the view that in order to infuse fresh thinking, a certain percentage of vacancies (say 25% every year) at the level of Section Officer as well as for other specialized Group 'B' posts, should be filled through 'Direct Recruitment'.

9. (Para 7.5.7) Recruitment at Graduate Level (Group 'B' non-gazetted and Group 'C')

- a. The age limit for all positions (Group 'B' non-gazetted and Group 'C') – requiring a graduate degree - should be 20-25 years for general candidates with a relaxation of three years for OBC and five years for SC/ST and physically challenged candidates.
- b. The examination system should be based on a well designed objective type question paper.
- c. There is no need to conduct separate examinations for posts (Group 'B' non-gazetted and Group 'C') which require a graduate degree. There should be a common examination and thereafter, the candidates should be allowed to apply for various posts with this examination score.

10. (Para 7.6.6) Recruitment for LDCs

- a. The Commission endorses the stand taken by the Government that recruitment of LDCs should be phased out.
- b. In case it is felt necessary to recruit LDCs in certain organizations/departments, especially in field offices, their recruitment should be done through the Staff

Selection Commission. The existing recruitment process needs to be modified on the following lines:

- i. The minimum qualification should be class 12th pass or equivalent.
- ii. The test should comprise of objective type questions.
- iii. Short listed candidates should be administered a skills test. This should be conducted on computers so that the capability of the candidates to use word processing softwares is also assessed.

11. (Para 7.7.10) Training for Group ‘B’ and ‘C’ Employees

- a. Unless a government employee undergoes mandatory induction training he/she should not be assigned any regular post.
- b. Successful completion of prescribed training courses should be a pre-condition for all promotions.
- c. All training programmes should be concluded with an evaluation of the trainees’ performance, and this should be an input while assessing their annual performance.

12. (Para 7.8.6) Group ‘B’ and ‘C’ Employees: Promotions

- a. The posts of Assistants under the Central Secretariat Service should be filled in the ratio of 40 per cent by promotion from UDCs of Central Secretariat Clerical Service Cadre, 40 per cent by Direct Recruitment and 20 per cent through Limited Departmental Competitive Examination.

13. (Para 7.9.6) Group ‘B’ and ‘C’ Employees: Performance Appraisal

- a. The Appraisal Form should provide the Reporting Officer with multiple options on the level of performance against which he/she would indicate numerically the level at which the officer reported upon has performed.
- b. The proforma of the Confidential Reports of Group B and C posts may include a column wherein the area/field of interest of the official reported upon (i.e. Health, Information Technology, Finance, Transport, Defence etc) is indicated, which may be considered for future postings.

- c. **A mechanism of acknowledging the receipt of the ACR proforma at various stages may be adopted so that delays are avoided and an element of accountability is introduced.**

13. (Para 8.7) Placement at Middle Management Level

- a. **In posting officers in Government of India, the primary consideration should be to select the most suitable person for the post that is on offer.**
- b. **Domains should be assigned by the Central Civil Services Authority (the Commission has recommended the constitution of this Authority in paragraph No 9.8 of this Report) to all officers of the All India Services and the Central Civil Services on completion of 13 years of service.**
- c. **The Central Civil Services Authority should invite applications from all officers who have completed the minimum qualifying years of service, for assignment of domains. The applications should specify the academic background of officers, their research accomplishments (if any) and significant achievements during their career, relevant to the domain applied for. A consultative process should be put in place where the officers should be interviewed and their claims to specific domains evaluated. The Authority should thereafter assign domains to the officers on the basis of this exercise. In case some domains do not attract applicants, the Authority should assign these domains to officers with the relevant knowledge and experience.**
- d. **All vacancies arising at the level of Deputy Secretary/Director during a financial year should be identified well before the beginning of that financial year, by the Department of Personnel and Training (DOPT). The Ministries concerned should also give a brief job description for these positions. All these posts and their job description should be notified to the cadre controlling authorities of the concerned All India Services and Central Services. On receipt of nominations from the cadre controlling authorities, the DOPT should try to match the requirements of various positions with the competencies of the officers in the 'offer list'. The DOPT should then seek approval for the entire list from the Competant Authority.**

- e. **The Central Civil Services Authority should be charged with the responsibility of fixing tenure for all civil service positions and this decision of the Authority should be binding on Government.**
- f. **Officers from the organized services should not be given ‘non-field’ assignments in the first 8-10 years of their career.**
- g. **State Governments should take steps to constitute State Civil Services Authorities on the lines of the Central Civil Services Authority.**

14. (Para 9.8) Placement at Top Management Level

- a. **The present empanelment system for short listing officers for posting at a. The present empanelment system for short-listing officers for posting at the SAG level and above should be replaced by a more transparent and objective placement procedure.**
- b. **At higher levels in government, it is necessary to ensure that the tasks assigned to a public servant match his/her domain competence as well as aptitude and potential.**
- c. **Ministries should classify all of their SAG level posts according to their relevant functional domains.**
- d. **There is need to introduce competition for senior positions in government (SAG and above) by opening these positions in Government (including attached and subordinate offices) to all Services. This principle would apply to all posts including those that are presently encadred with the organised Group ‘A’ Services. In order to operationalise this, government should make the continued participation of any of the organised civil services in the Central Staffing Scheme, contingent upon the implementation of this principle in those Departments/Cadres.**
 - i. **For the positions at the Joint Secretary/SAG level and above, the Central Civil Services Authority would invite applications from amongst all the eligible officers from the All India Services and Group ‘A’ Central Services which are participating in the scheme.**
 - ii. **For positions at the HAG level and above, the Central Public Service Authority would, in consultation with Government, earmark**

positions for which outside talent would be desirable. Applications to fill up these posts would be invited from interested and eligible persons from the open market and also, from serving eligible officers.

- iii. While carrying out this exercise, the Central Civil Services Authority would stipulate the eligibility criteria, the required domain expertise as well as the requirements of qualifications, seniority and work experience. The Authority would conduct interviews to short-list suitable officers for these posts. Government would make the final selection on the basis of this shortlist.

- e. A Central Civil Services Authority should be constituted under the proposed Civil Services Bill. The Central Civil Services Authority shall be a five-member body consisting of the Chairperson and four members (including the member-secretary). The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India. The Chairperson and members of the Authority should be persons of eminence in public life and professionals with acknowledged contributions to society. The Chairperson and members of the Authority shall be appointed by the President on the recommendations of a Committee consisting of the Prime Minister and the Leader of the Opposition in the Lok Sabha. (Explanation:- Where the Leader of the Opposition in the Lok Sabha has not been recognized as such, the Leader of the single largest group in the Opposition in the Lok Sabha shall be deemed to be the Leader of the Opposition).

- f. The Central Civil Services Authority should deal with matters of assignment of domains to officers, preparing panels for posting of officers at the level of Joint Secretary and above, fixing tenures for senior posts, deciding on posts which could be advertised for lateral entry and such other matters that may be referred to it by the Government.

- g. A similar procedure should be adopted for filling up vacancies at SAG level and higher in the central police agencies. For example, in the Central Para-Military Forces the senior positions should be opened to competition from officers of the CPMFs, IPS and the Armed Forces (including those completing their Short Service Commissions). Similarly for the intelligence agencies officers from the armed forces as well as the CPOs with experience

in the field of intelligence should be considered for postings at higher levels in the intelligence agencies.

15. (Para 10.12) Deputation of Civil Servants to Organizations Outside Government

- a. **In drawing up the list of external organizations to which government servants can be permitted to go on deputation, the primary consideration should be the objectives and activities of such organizations and not merely its organizational structure. For the present Government should permit deputation of civil servants only to such organizations that are engaged in non-profit making activities.**
- b. **This policy may be reviewed after three years.**

16. (Para 11.15) Performance Management System

- a. **A good employee performance appraisal system is a pre-requisite for an effective performance management system. The existing performance appraisal system should be strengthened on the following lines:**
 - **Making appraisal more consultative and transparent - performance appraisal systems for all Services should be modified on the lines of the recently introduced PAR for the All India Services.**
 - **Performance appraisal formats to be made job specific - the appraisal format prescribed for civil servants should have three sections i.e. (i) a generic section that meets the requirements of a particular service to which the officer belongs, (ii) another section based on the goals and requirements of the department in which he/she is working, and (iii) a final section which captures the specific requirements and targets relating to the post that the officer is holding.**
 - ***Performance appraisal should be year round:* provisions for detailed work-plan and a mid-year review should be introduced for all Services.**
 - ***Guidelines need to be formulated for assigning numerical rating:* DOPT should formulate detailed guidelines to guide the reporting and reviewing officers for assigning numerical ratings for their subordinates.**

Training modules for implementing performance management systems should be designed and introduced for training programmes for civil servants.

- b. Government should expand the scope of the present performance appraisal system of its employees to a comprehensive performance management system (PMS).**
- c. In implementing PMS in government, it must be emphasized that the PMS should be designed within the overall strategic framework appropriate to the particular ministry/department/organization. It is also necessary to link individual contributions to strategic objectives of the organization. It will therefore be necessary for each ministry/department/organization to customize its PMS relevant to them, while incorporating the general features described in Chapter 11.**
- d. Annual performance agreements should be signed between the departmental minister and the Secretary of the ministry/heads of departments, providing physical and verifiable details of the work to be done during a financial year. The actual performance should be assessed by a third party – say, the Central Public Services Authority – with reference to the annual performance agreement. The details of the annual performance agreements and the result of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/Outcome Budget.**

17. (Para 12.5) Motivating Civil Servants

- a. There is need to recognise the outstanding work of serving civil servants including through National awards. Awards for recognizing good performance should also be instituted at the State and district levels. It must be ensured that selection for such awards is made through a prompt, objective and transparent mechanism because the value of such awards should not get compromised by either subjectivity or lack of transparency. Further, all organizations should evolve their own in-house mechanism for rewarding good performance from simple, verbal and written appreciation to more tangible rewards.**
- b. Selections for foreign assignments referred to in Paragraph 12.4.3.2 should be made, based on the recommendations of the Central Civil Services Authority. The Authority should follow the due process of inviting**

applications from eligible candidates and preparing a panel of officers who are most suitable for such assignments.

- c. It should be the responsibility of the head of the office to examine the job content of each person working in the organization to ensure that the job content is meaningful and challenging so that the employee derives a sense of satisfaction in performing the tasks assigned to him/her. The head of the office could seek the assistance of a professional agency for this purpose.
- d. Each head of office should ensure that a congenial work environment is created in the office. His/her success in this should be an element in evaluating his/her performance.

18. (Para 13.4) Accountability

- a. A system of two intensive reviews – one on completion of 14 years of service, and another on completion of 20 years of service - should be established for all government servants.
- b. The first review at 14 years would primarily serve the purpose of intimating to the public servant about his/her strengths and shortcomings for his/her future advancement. The second review at 20 years would mainly serve to assess the fitness of the officer for his/her further continuation in government service. The detailed modalities of this assessment system would need to be worked out by government.
- c. The services of public servants, who are found to be unfit after the second review at 20 years, should be discontinued. A provision regarding this should be made in the proposed Civil Services Law. Besides, for new appointments it should be expressly provided that the period of employment shall be for 20 years. Further continuance in government service would depend upon the outcome of the intensive performance reviews.

19. (Para 14.6) Disciplinary Proceedings

- a. In the proposed Civil Services law, the minimum statutory disciplinary and dismissal procedures required to satisfy the criteria of natural justice should be spelt out leaving the details of the procedure to be followed to the respective government departments. The present oral inquiry process should be converted into a disciplinary meeting or interview

to be conducted by a superior officer in a summary manner without the trappings and procedures borrowed from court trials. This would require that the CCS (CCA) Rules, 1965 be repealed and substituted by appropriate regulations.

- b. No penalty of removal and dismissal should be imposed, except by an Authority, which is at least three levels above the post which the government servant is holding. Other penalties – apart from dismissal and removal – may be imposed by an Authority which is at least two levels above the current post of the government servant. No penalty may be imposed, unless an inquiry is conducted and the accused government servant has been given an opportunity of being heard.
- c. The two-stage consultation with the CVC in cases involving a vigilance angle should be done away with and only the second stage advice after completion of the disciplinary process, should be obtained. In addition, for cases involving a vigilance angle, no consultation with the UPSC should be required.
- d. Consultation with the UPSC should be mandatory only in cases leading to the proposed dismissal of government servants and all other types of disciplinary cases should be exempted from the UPSC's purview.

20. (Para 15.6) Relations between the Political Executive and Civil Servants

- a. There is a need to safeguard the political neutrality and impartiality of the civil services. The onus for this lies equally on the political executive and the civil services. This aspect should be included in the Code of Ethics for Ministers as well as the Code of Conduct for Public Servants.
- b. The Commission would like to reiterate its recommendation made in its Report on “Ethics in Governance” while examining the definition of corruption under the Prevention of Corruption Act, 1988, wherein it has been recommended that “abuse of authority unduly favouring or harming someone” and “obstruction of justice” should be classified as an offence under the Act.
- c. It is essential to lay down certain norms for recruitment in government to avoid complaints of favouritism, nepotism, corruption and abuse of power. These norms are:

- i. **Well-defined procedure for recruitment to all government jobs.**
- ii. **Wide publicity and open competition for recruitment to all posts.**
- iii. **Minimisation, if not elimination, of discretion in the recruitment process.**
- iv. **Selection primarily on the basis of written examination or on the basis of performance in existing public/board/university examination with minimum weight to interview.**

These principles could be included in the ‘Civil Services Bill’ as recommended by the Commission in Chapter 17.

21. (Para 16.17) Civil Services Code

- a. **‘Civil Services Values’ and the ‘Code of Ethics’ should be incorporated in the proposed Civil Services Bill.**
- b. **Conduct Rules for civil servants need to be redrawn based on the values and code of ethics as outlined in this Chapter (Chapter 16).**

22. (Para 17.5) The Civil Services Law

A new Civil Services Bill may be drafted. The following salient features may be included in the proposed Bill:

- I. ***Title of the Bill:* The Bill may be called ‘The Civil Services Bill’.**
- II. ***Definitions:* “Civil Services” shall comprise of all personnel holding civil posts under the Union.**
- III. ***Civil Service Values:* The Civil Services and the Civil Servants shall be guided by the following values in addition to a commitment to uphold the Constitution, the discharge of their functions:**
 - i. **Absolute integrity at all times**
 - ii. **Impartiality and non-partisanship**

- iii. **Objectivity**
- iv. **Dedication to public service**
- v. **Empathy towards weaker sections**

The Heads of Departments shall be responsible for promoting these values in their organizations. The Central Civil Services Authority may from time to time review the adoption, adherence to and implementation of the Civil Service Values in the departments or organizations under the Union.

IV. *Code of Ethics*: The following should be included in the Code of Ethics for civil servants:

- i. **Integrity**: Civil servants should be guided solely by public interest in their official decision making and not by any financial or other consideration either in respect of themselves, their families or their friends.
- ii. **Impartiality**: Civil servants in carrying out their official work, including functions like procurement, recruitment, delivery of services etc, should take decisions based on merit and free from any partisan consideration.
- iii. *Commitment to public service*: civil servants should deliver services in a fair, effective, impartial and courteous manner.
- iv. *Open accountability*: civil servants are accountable for their decisions and actions and should be willing to subject themselves to appropriate scrutiny for this purpose.
- v. *Devotion to duty*: civil servants should maintain absolute and unstinting devotion towards their duties and responsibilities at all times.
- vi. *Exemplary behaviour*: civil servants should treat all members of the public with respect and courtesy and at all times should behave in a manner that upholds the rich traditions of the civil services.

- V. ***Recruitment and Conditions of Service:*** Recruitment and conditions of service of persons appointed to the ‘Public Services’ shall be governed by Rules made under this Act. The following principles of recruitment should be included for all appointments not routed through the UPSC or SSC:
- i. Well-defined merit based procedure for recruitment.
 - ii. Wide publicity and open competition for recruitment to all posts.
 - iii. Minimisation, if not elimination, of discretion in the recruitment process.
 - iv. Selection primarily on the basis of written examination or on the basis of performance in existing public/board/university examination with minimum weight-age to interview.

An independent agency should audit the recruitments made outside the UPSC and SSC systems and advise the government suitably. This audit should be conducted under the supervision of the UPSC.

- VI. ***New Conditions of Appointment:*** (1) A civil servant, not being a civil servant recruited or inducted for a short-term appointment, shall hold office for twenty years from the date of initial appointment. (2) The relationship between the Civil Servant and the Government of India during the time he/she holds office shall also be governed by the rules made in this regard. All public servants shall be subjected to two intensive reviews on completion of 14 years and 20 years of service respectively. Their further continuance beyond 20 years will depend on the outcome of these reviews. It should be expressly provided that all new recruitments shall be for a period of 20 years and their continuance beyond 20 years would depend on the outcome of the intensive reviews.
- VII. ***Appointment to Senior Positions in Government:*** All positions in Government (including in the attached and subordinate offices) at the level of Joint Secretary and above would constitute the ‘Senior Management Pool’. This would apply to all posts including those that are presently encadred with the organised Group A Services. All appointments to positions in this pool shall be made on the recommendations of the Central Civil Services Authority, which would go into the past performance and

also evaluate the future potential of an officer. The Central Civil Services Authority should recommend a panel of officers suitable for a position in the Government and Government should choose an officer/person from this panel.

- VIII. *Fixation of Tenures:* All senior posts should have a specified tenure. The task of fixing tenures for various posts may also be assigned to this independent agency - Central Civil Services Authority.
- IX. *Widening the Pool of Candidates for Selection to Senior Positions:* Candidates outside the government system should be allowed to compete for certain posts at senior levels (Additional Secretary and above). The task of identifying these posts should be entrusted to the Central Civil Services Authority.
- X. *Dismissal, Removal etc. of Civil Servants:* After the repeal of Articles 310 and 311 (as recommended in the Report on 'Ethics in Governance'), safeguards against arbitrary action against government servants should be provided in the new law. These safeguards should include:
- i. No penalty of removal and dismissal should be imposed, except by an authority, which is at least three levels above the post which the government servant is holding.
 - ii. Other penalties – apart from dismissal and removal - may be imposed by an authority which is at least two levels above the current post of the government servant.
 - iii. No penalty may be imposed, unless an enquiry is conducted and the accused government servant has been given an opportunity of being heard.
 - iv. The Head of an organization should have powers to lay down the details of the enquiry procedure, subject to the general guidelines which may be issued by the Government from time to time.
- XI. A performance management system should be mandatory for every organization in the government.
- XII. *Constitution of the Central Civil Services Authority:*

- i. The Central Government shall, by notification in the Official Gazette, constitute a body to be known as the Central Civil Services Authority to exercise the powers conferred on, and to perform the functions assigned to it, under this Act.**
- ii. The Central Civil Services Authority shall be a five-member body consisting of the Chairperson and four members (including the member-secretary). The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India. The Chairperson and members of the Authority should be persons of eminence in public life and professionals with acknowledged contributions to society. The Chairperson and members of the Authority shall be appointed by the President on the recommendations of a Committee consisting of the Prime Minister and the Leader of the Opposition in the Lok Sabha. (Explanation:- Where the Leader of the Opposition in the Lok Sabha has not been recognized as such, the Leader of the single largest group in the opposition in the Lok Sabha shall be deemed to be the Leader of the Opposition).**

XIII. *Functions of the Central Civil Services Authority:* The Central Authority shall discharge the following functions:

- i. Review the adoption, adherence to and implementation of the Civil Service Values in the departments or organizations under the Central Government and send reports to the Central Government.**
- ii. Assign domains to all officers of the All India Services and the Central Civil Services on completion of 13 years of service.**
- iii. Formulate norms and guidelines for appointments at ‘Senior Management Level’ in Government of India.**
- iv. Evaluate and recommend names of officers for posting at the ‘Senior Management Level’ in Government of India.**
- v. Identify the posts at ‘Senior Management Level’ in Government of India which could be thrown open for recruitment from all sources.**

- vi. **Fix the tenure for posts at the ‘Senior Management Level’ in Government of India.**
 - vii. **Submit an annual report to Parliament.**
- XIV. *Creation of Executive Agencies in Government:* Government should be authorized to create or reorganize some or all of existing Departments into ‘Executive Agencies’. The role of the Ministries should primarily be on policy formulation while implementation should be left to the Executive Agencies.**

Questionnaire for AIS

ISSUES FOR CIVIL SERVICES REFORMS

What needs to be Achieved

1. Putting the right person in the right place – issues of competence, commitment and outcomes: The quality of public servants is the prime determinant of the output and outcomes of administration. Appropriate recruitment procedures are critical for ensuring competence and delivery of services.
 - a) What mechanism is required to ensure that the most suitable persons are appointed to key public offices in Government?
 - b) Would the system of initial recruitment require a change and is the existing age limit appropriate?
 - c) Should the allotment of services be made at the time of recruitment as now or should it be made after the completion of the common training and based on aptitude and performance?
 - d) Is a career-based bureaucracy, with public servants ascending up the ladder with time, the best solution for achieving outcomes? Or is a position-based bureaucracy with each key office open to choice and competition with a guaranteed tenure a better option? How can such competition and choice be fostered/institutionalized?
 - e) How do we ensure stability of tenure?
 - f) Is there disharmony between civil servants and political leadership? If so, do we need to codify a sharper definition of their roles?

2. Resources and time-adequacy, predictability and accountability: The present system of postings does not clearly spell out expectations of outcomes. It has, therefore, been suggested that it may be better if an officer is given key targets in a job and this gets institutionalized through “key result agreement”. The officer would be given a clear mandate with adequate authority and resources.

- a. Would it be desirable to have 'key result agreements' in senior positions in Government? Are there alternatives?
 - b. Would it be possible to link performance targets with certain parameters – tenure, delegated authority and resources?
 - c. What happens to 'key result agreements' in case of change of governments or change in government policies?
3. Matching authority with accountability: It is a basic principle of management that responsibility should not be divested from authority. However, in our public administration it is generally found that there is a mismatch between authority and accountability coupled with over-centralization.
- a. How do we effectively decentralize administration – both horizontally and vertically? How can we ensure congruence between authority and responsibility at all levels?
 - b. A vast majority of civil servants functions at the cutting-edge level. How can the performance of these government servants be improved? Can the same principles of civil service reforms (applicable to senior positions) apply at this level also? What are the incentives we can provide in the system to promote better performance?
 - c. Is there need to move towards a decision-maker oriented system instead of a hierarchical system? For instance, could we have decision makers with well defined responsibilities leading a team of staff to support him/her instead of files moving vertically?
 - d. How do we minimise hierarchical tiers in government departments?
 - e. Is there a case for creating executive agencies for implementing government policies and programmes separate and distinct from policy making?

PRINCIPLES OF CIVIL SERVICES REFORMS

1. Setting right the asymmetry of power: It has been emphasized that there is an imbalance in the exercise of power in governance. Often systemic rigidities, needless complexities and over centralization make public servants ineffective and helpless in achieving positive outcomes. On the other hand, negative power of abuse of authority through flagrant violation of law, petty tyranny and nuisance value is virtually unchecked. This situation is further aggravated by the asymmetry of power in our society. The 'privileged' government position gives even the lowliest of government functionaries enormous power over most of the citizens, given the abject poverty, illiteracy and feudal culture. It has been urged that this needs to be set right in any effort towards public services reforms.
 - a. How can we make civil servants more service-oriented and citizen-centric?
 - b. What mechanisms are required to make public servants accountable to the public?
 - c. What is the institutional mechanism to promote informed public discourse and peaceful citizens' assertion for better delivery of services?
2. Insulating civil servants from undue political interferences: In a democracy, the civil service has to be answerable to the elected government. There is criticism that increasingly partisan intervention and cronyism are undermining Rule of Law and promoting personalized despotism, distorting incentives and condoning corruption. This is adversely affecting the morale of public servants.
 - a. How do we demarcate more clearly the boundary between legitimate intervention and undue interference?
 - b. Can a mechanism be evolved to insulate civil servants from undue political interference?
 - c. Would the mechanism need statutory backing? How?
3. Professionalisation with stability of tenure and competition: It is repeatedly urged that there is need to recognize the complex challenges of modern administration in critical sectors like policing, justice delivery, education, healthcare, transportation, land management etc. All these are intricate issues which need domain expertise, long

experience in the sector and deep insights. There is need to foster excellence in the public system. Existing procedures and practices do not adequately help in developing domain expertise, nor do they help in utilizing the available domain expertise.

- a. How to develop domain expertise in the civil services?
 - b. At what stage of their career should civil servants be assigned specific areas of expertise? Please specify 5 or 6 such domains under which all government functions could be classified.
 - c. How can we utilise domain expertise available outside the civil service?
 - d. What mechanism should be evolved to ensure that a government job goes to a person having the best domain expertise?
 - e. What mechanism is required to ensure stability of tenure?
 - f. Should all future positions and vertical mobility be strictly limited to chosen/assigned domains?
 - g. How do we restructure training programmes to help build domain expertise?
4. Accountability: There is a general feeling that existing mechanisms of accountability are inadequate. On the one hand there are alibis for non-performance and on the other, competence and integrity are not adequately recognized or rewarded.
- a. Is there need to strengthen the existing accountability mechanisms? If so, please outline the changes required.
 - b. Can we envisage a system of independent regulators and agencies to monitor the performance of public functionaries?
 - c. Can we involve the stakeholders in enforcing accountability in service delivery?
5. Outcome orientation: Most of the monitoring in government is through measurement of expenditure against outlays and at best through defined outputs. Clearly, we need to move towards measurement of outcomes. A change in this direction has already started with the 'initial outcome budgeting' exercises. In order to engineer this shift to outcomes, major changes in attitudes, monitoring and evaluation systems, incentives and accountability measures are necessary.

- a. How do we link performance of senior functionaries with outcomes?
- b. What are the best means of measuring outcomes?
- c. How can we bring about an attitudinal change in the civil services from outputs to outcomes?
- d. Would evaluation by stakeholders, peers and junior colleagues promote outcome orientation?

INCENTIVISATION FOR BETTER PERFORMANCE

1. Monopoly of existing civil services over higher positions to go: At present, all the civil services in India are cadre-based. i.e. a person joins the service and moves up the ladder. The natural corollary of this is that there are very few lateral entries and the civil services enjoy a virtual monopoly over all the positions in the government. With rapid expansion of knowledge, increasing complexities in certain fields, rapid expansion of private sector, a large amount of expertise has developed outside government. The question that is raised is whether the senior positions in government can continue to be the exclusive monopoly of the civil services?
 - a. Are only career-based civil servants always best suited to occupy top government positions?
 - b. Would lateral entry bring in more professionalism and knowledge in the civil services? Please state the possible negative fallouts of such a move?
 - c. At what levels should the lateral entries be allowed? What should be the mechanism for such lateral recruitment?
2. Incentives for better performance: A motivated and willing civil service is the best instrument to achieve the desired outcomes. Motivation comes through incentives. The incentive structure in government is too weak and insufficient to motivate better performance. Even the tool of promotion is not largely used for motivation, as the principle of seniority is generally followed rather than competence and performance. It has also been noted that often civil servants adopt a 'minimalist' approach in their

functioning, wherein their involvement in governance is minimal and they confine their work to disposing files which are put up to them and attending meetings.

- a. How to institutionalize a performance-oriented civil service? How can we make civil service more pro-active?
 - b. What changes would be required in the existing performance evaluation systems?
 - c. What incentives could be given to encourage better performance?
 - d. Will the existing compensation package suffice if we seek to promote competition, excellence and lateral entry in key positions?
3. Mechanism for retirement: The natural fallout of a performance-based civil service would be a mechanism to weed out the non-performers. In the existing dispensation, everyone has a life-time job security irrespective of performance. The Armed Forces have been able to have a time tested weeding out system for their officers.
- a. How can we strengthen and make the exit mechanism more effective, objective and transparent?
 - b. Could a system similar to the one existing in the Armed Forces be adopted for promotion and exit at different levels in the civil services?
4. Revolving door mechanism for easy entry and exit: If lateral entry into the government is allowed, it is logical to expect officials of government to seek exposure to industry and academia outside government. Such exposure will promote expertise and professionalism. Currently, civil servants are allowed to work in voluntary organizations, and a few have availed this facility.
- a. Should civil servants be allowed to work in private sector and academia for specified periods? If so, how should we fix/regulate the pay package?
 - b. Would there be a conflict of interest if civil servants go to private sector and how could it be resolved.
 - c. What checks and balances are required?

CIVIL SERVICES LAW

Article 309 of the Constitution provides for enactment of law on civil services, but the earlier system of Service Rules and notifications is being followed under the proviso to this Article, even after more than 50 years. It has been urged that a comprehensive civil service law enunciating values and establishing appropriate bodies and systems to deal with all aspects of management of civil services is necessary.

- a. Is a civil service law necessary? If so, what should be the main ingredients of such a law?
- b. Can the Public Service Commission be given an expanded role or is it necessary to create another body? If latter, please specify its nature and role.
- c. How can we reconcile the key requirements for effective functioning of civil services-a sense of security, effectiveness, competition and accountability? Is there a need to revisit Article 311? If so, what should be the changes in the legal framework for effective functioning of civil services?

ALL INDIA SERVICES

1. Retaining true character of AIS-regionalisation of cadres: The logic of All India Services is two fold: the officers will have a national perspective, promoting unity and integrity; the officers will have the courage of conviction to face the onslaughts of arbitrary politicians, and will be able to protect public interest without fear of victimization. Although the IAS, IPS, and IFS are All India Services, but to a large extent they have been treated as State Services, as an officer spends most of his/her career in the State that is allotted to him/her. Over the years some cadres have become preferred cadres, and this leads to a sense of dissatisfaction among some officers. Even more important, there are instances of key public officials failing to safeguard the Constitutional values and imperatives of national unity as they were afraid of victimization in the hands of a recalcitrant State Government. In such cases, we need to evolve mechanisms to protect and strengthen the dissenting public officials from the wrath of their political masters. The challenge is how to retain the All India character of these services?

- a. Do All India Services have relevance today?
 - b. What needs to be done to reinforce the All India character of these services?
 - c. Would regional cadres be a solution? What other options could be considered? Please give outlines of such proposals.
2. Developing professionalism and domain expertise: The functions performed by the All India Services are increasing in complexity day by day. The concept of the generalist administrator is under serious attack. It is necessary that officers develop some specialization and have opportunities to develop expertise in that area.
- a. Does the existing system permit specialization? What are the hurdles?
 - b. What needs to be done to bring about domain expertise among All India Services?
 - c. The skill set required for handling State subjects is somewhat different from that necessary for governance at the Union? How should we accommodate the needs of both while encouraging specialization.
3. Specialized training: There is an elaborate mechanism for in-service training of the All India Services officers. But there is no serious effort made to provide specialized training to the officers. If an officer has to develop domain expertise, it is necessary that he/she, alongwith experience in that domain would have to be imparted skills and knowledge relevant to that domain.
- a. Do the existing training programmes help in building domain expertise?
 - b. What needs to be done to provide specialized training to the officers?
4. District Administration:
- a. In the context of Constitutional provisions regarding local Governments and their progressive empowerment, what should be the role of District Collectors in the coming years? Would the office work in its present form?

Annexure-I(1) Contd.

- b. What structure and functional division do you envisage in district administration in the coming decades?
- c. With the increasing specialization of police functioning and rapid urbanization posing special challenges to public order and crime control, what should be the role of DM in dealing with public order in future?
- d. Is the present disaster management mechanism at the district level satisfactory? What should be the arrangement for disaster and crisis management in future?

Questionnaire for Central Services ISSUES IN CIVIL SERVICE REFORMS

What needs to be Achieved

- 1.1 Preliminary: Before undertaking consideration of larger systematic issues, it will be useful to understand your perspective on your own Service. In this context;
- a) Please indicate the major issues concerning your Service which need to be addressed, and project the future requirements of your Service as you perceive them.
 - b) How should such emerging requirements be met – through training, re-look at the existing method of initial appointment or in any other way? (To be specified).
 - c) If Training is to be used as a major instrument of adapting your Service to the emerging challenges, whether linking it to ‘career plans’ and giving weightage to performance in trainings programmes needs be provided for, and how best could such measures be implemented?
- 1.2 Putting the right person in the right place – issue of competence, commitment and outcomes: The quality of public servants is the prime determinant of the output and outcomes of administration. Appropriate recruitment procedures are critical for ensuring competence and delivery of services.
- a) What mechanism is required to ensure that the most suitable persons are appointed to key public offices in Government?
 - b) Would the system of initial recruitment require a change and is the existing age limit appropriate?
 - c) Should the allotment of services be made at the time of recruitment as at present or should it be made after the completion of the common training and based on aptitude and performance?

- d) Is a career-based bureaucracy, with public servants ascending up the ladder with time, the best solution for achieving outcomes? Or is a position-based bureaucracy with each key office open to choice and competition with a guaranteed tenure a better option? How can such competition and choice be fostered or institutionalized?
- e) How do we ensure stability of tenure?
- f) Is the disharmony between civil servants and political leadership? If so, do we need to codify a sharper definition of their roles?

1.3 Resources and time-adequacy, predictability and accountability:

The present system of postings does not clearly spell out expectations of outcomes. It has, therefore, been suggested that it may be better if an officer is given key targets in a job and this gets institutionalized through “key result agreement”. The officer would be given a clear mandate with adequate authority and resources.

- a) Would it be desirable to have ‘key result agreements? Are there alternatives?
- b) Would it be possible to link performance targets with certain parameters – tenure, delegated authority and resources?

1.4 Matching Authority with Accountability: It is a basic principle of management that responsibility should not be divested from authority. However, in our public administration it is generally found that there is a mismatch between authority and accountability coupled with over-centralization.

- a) How do we effectively decentralize administration – horizontally and vertically? How can we ensure congruence between authority and responsibility at all levels?
- b) A vast majority of civil servants functions at the cutting edge level. How can the performance of such government servants be improved?
- c) Is there need to move towards a decision-maker oriented system instead of a hierarchical system? For instance, could we have decision makers with well defined responsibilities leading a team of staff to support him/her instead of files moving vertically?

- d) How do we minimize hierarchical tiers in government departments?
- e) Is there a case for creating executive agencies for implementing government policies and programmes separate and distinct from policy making?

2. PRINCIPLES OF CIVIL SERVICES REFORMS

2.1 Setting right the asymmetry of power: It has been emphasized that there is an imbalance in the exercise of power in governance. Often systematic rigidities, needless complexities and over centralization make public servants ineffective and helpless in achieving positive outcomes. On the other hand, negative power of abuse of authority through flagrant violation of law, petty tyranny and nuisance value is virtually unchecked. This situation is further aggravated by the asymmetry of power in our society. The 'privileged' government position gives even the lowliest of government functionaries, enormous power over most of the citizens, given the abject poverty, illiteracy and feudal culture. It has been urged that this needs to be set right in any effort towards public services reforms.

- a) How can civil servants be made more service-oriented and citizen centric?
- b) What mechanisms are required to make public servants accountable to the public?
- c) What is the institutional mechanism to promote informed public discourse and peaceful citizens' assertion for better delivery of services?
- d) Can civil society organizations be involved in functioning of the government? If so, to what extent and how?

2.2 Insulting civil servants from undue political interferences: In a democracy, the civil service has to be answerable to the elected government. There is criticism that increasingly partisan intervention and cronyism are undermining Rule of Law and promoting personalized despotism, distorting incentives and condoning corruption. This is adversely affecting the morale of public servants.

- a) How do we demarcate more clearly the boundary between legitimate intervention and undue interference?

- b) Can a mechanism be evolved to insulate civil servants from undue political interference?
- c) Would the mechanism need statutory backing, and if so, how?
- 2.3 Professionalisation with stability of tenure and competition: It is a repeatedly urged that there is need to recognize the complex challenges of modern administration various spheres of activities. Meeting such challenges require attributes like domain expertise, long experience in the sectors concerned. There is need to foster excellence in the public system. Existing procedures and practices do not adequately help in developing domain expertise, nor do they help in utilizing the available domain expertise.
- a) With reference to your Service, please identify skills and knowledge which are not being imparted through training, pre service and in-service.
- b) Whether there are 'gaps' which cannot be filled through training, and if whether these gaps can be filled through:
- Deputing officials to regular courses of studies in Universities and other institutions; or
 - Bringing in professionally qualified outsiders from the 'open market' on fixed tenure basis?
- c) Whether permitting Officers to take short term employment outside the Government may fill critical 'skill gaps', and if so how contingencies like conflict of interest and not returning on completion of the specified period can be avoided?
- 2.4 Accountability: There is a general feeling that existing mechanisms of accountability are inadequate. On the one hand there are alibis for non performance and on the other competence and integrity are not adequately recognized or rewarded.
- a) Is there need to strengthen the existing accountability mechanisms? If so, please outline the changes required.
- b) Can we envisage a system of independent regulators and agencies to monitor the performance of public functionaries?

- c) Can we involve the stakeholders in enforcing accountability in service delivery?

2.5 Outcome orientation: Most of the monitoring in government is through measurement of expenditure against outlays and at best through defined outputs. Clearly, we need to move towards measurement of outcomes. A change in this direction has already started with the 'initial outcome budgeting' exercises. In order to engineer this shift to outcomes, major changes in attitudes, monitoring and evaluation systems, incentives and accountability measures are necessary.

- a) How do we link performance of senior functionaries with outcomes?
- b) What are the best means of measuring outcomes?
- c) How can we bring about an attitudinal changes in the civil services from outputs to outcomes?
- d) Can you suggest innovative measures to quantify outputs and measure outcomes?
- e) Would evaluation by stakeholders, peers and junior colleagues promote outcome orientation?

3. INCENTIVISATION FOR BETTER PERFORMANCE

3.1 "Performance-Pay Linkage": Lack of adequate motivation to 'better performers' and "high achievers" in the Government is often cited as a reason for sub-optimal work standards and levels of competence and a plea is made to link remuneration with performance.

- a) How can a system of such linkages be adapted to the requirements of Government agencies?
- b) In many public bodies 'performance' is a system of 'team-work'. How best could individual performers be identified in team efforts?
- c) How can a system of rewards, monetary or otherwise, be introduced without demoralizing 'good performers' involved in performance of public duties which

may not afford the same ‘visibility’ of good performance as the more ‘visible duties?’ (e.g. Tax Collection versus appellate duties in Revenue Services)

- 3.2 Monopoly of existing civil services over higher positions to go: At present all the civil services are cadre-based i.e. a person joins a service and moves up the ladder. The natural corollary of this is that there are very few lateral entries and the civil services enjoy a virtual monopoly over the all the positions in the government. With rapid expansion of knowledge, increasing complexities in certain fields, rapid expansion of private sector, a large amount of expertise has developed outside government. The question that is raised is whether the senior positions in government can continue to be the exclusive monopoly of the civil services?
- a) Are only career-based civil servants always best suited to occupy top government positions?
 - b) Many specialized and scientific Services still have enabling avenues for inducting ‘lateral entrants’. Whether a time has come when bringing in people from the ‘open market’ with fresh ideas, varied skills and knowledge within the Civil Services be given practical shape?
 - c) At what levels should the lateral entries be allowed? What should be the mechanism for such lateral recruitment?
- 3.3 Incentives for better performance: A motivated and willing civil service is the best instrument to achieve the desired outcomes. Motivation comes through incentives. The incentive structure in government is too weak and insufficient to motivate better performance. Even the tool of promotion is not largely used for motivation, as the principle of seniority is generally followed rather than competence and performance. It has also been noted that often civil servants adopt a ‘minimalist approach in their functioning, wherein their involvement in governance is minimal and they confine their work to disposing files which are put up to them and attending meetings.
- a) How to institutionalize a performance-oriented civil service? How can Civil Service be made more pro-active?

- b) What changes are required in the existing performance evaluation systems? Whether a system of 'numerical assessment' has advantages over the existing practices?
- c) What incentives, other than 'pay-performance linkage' could be given to promote efficiency?
- d) Will the existing compensation package suffice if we seek to promote competition, excellence and lateral entry in key positions?
- e) Is it possible to take in account successes in meeting tax mobilization efforts, in performance appraisal where these are 'team efforts'; and how can performance of individual team members be appraised?

3.4 Mechanism for retirement: The natural fallout of a performance-based civil service would be a mechanism to weed out the non-performers. In the existing dispensation everyone has a life time job security irrespective of performance. The Armed Forces have been able to have a time tested weeding out system for their officers.

- a) How can we strengthen and make the exit mechanisms more effective, objective and transparent?
- b) Could a system similar to the one existing in the Armed Forces be adopted for promotion and exit at different levels in the civil services?

4. CIVIL SERVICES LAW

4.1 Article 309 of the Constitution provides for enactment of law on civil services, but the earlier system of Service Rules and notifications is being followed under the proviso to this Article, even after more than 50 years. It has been urged that a comprehensive civil service law enunciating values and establishing appropriate bodies and systems to deal with all aspects of management of civil services is necessary.

- a) Is a civil service law necessary? If so, what should be its main elements?
- b) Can the Public Service Commission be given an expanded role or is it necessary to create another body to perform additional over-sight functions vis a vis the Civil Services? If you agree with the latter, please specify its nature and role.

- c) How can we reconcile the key requirements for effective functioning of civil services with a sense of security, effectiveness, competition and accountability?

5. ISSUES SPECIFIC TO GROUP “A” CENTRAL SERVICES

5.1 Group “A” Central Services provide personnel to organizations and Departments established to perform responsibilities of the Central Government in fulfilling its obligations under List-I of the Seventh Schedule. In so far as some of these organizations are entrusted with the responsibilities of collecting taxes and duties which constitute the primary resource for financing National development and plans and in performance of finance and accounts functions, these services are crucial to the future of the country. A number of issues concerning these services require serious deliberations.

- a) Do you agree that Civil Services examination should culminate in selecting candidates to undergo a compulsory Foundational Course and that Services should be allotted on the basis of performance at the end of this course, and if so, what should be the duration and curriculum of the Course?
- b) It is often contended that members of the Central Services do not generally get the benefit of acquainting themselves with the ‘ground realities’ of the country; whether a spell of ‘attachment’ to a District during probation will better enable Officers of such Services to have a ‘feel’ of the problems that the common people face to enable them to more effectively handle assignments outside their cadres e.g. under the Central Staffing Scheme etc?
- c) How do opportunities to serve in the Secretariat in areas not directly connected with the field of operation of a Central Service will contribute to professional development of its members? Is appointment of positions within the Central Staffing Scheme among various Services a viable position?
- d) Central Government functions are performed through a variety of bodies like statutory Boards, executive agencies, and Government Departments etc. In the context of your Service whether the existing organizational set up meets the functional requirements or certain changes are necessary? Please specify such changes and the reasons for your suggestions.

Annexure-I(2) Contd.

- e) Important activities of the Central Government are subject to appeals in statutory tribunals, whose orders are, again, subject to judicial review by the High Courts under Article 227 of the Constitution. Is the existing system is satisfactory, and if not, what changes are required?

- f) Do you feel that recruitment to Accounts and Financial Services be restricted to persons holding certain prescribed professional or technical qualifications?

Workshop on Civil Services
1-2 December, 2006
Management Development Institute, Gurgaon

List of Panelists/Participants

Sl.No.	Name	Designation
1.	Shri P.K. Mohanty	Joint Secretary, Ministry of Urban Development
2.	Smt Manjari Jharuhar	IPS, IG (Hqrs), CISF
3.	Smt Sonali Kumar	IAS, Principal Secretary, Government of Jammu & Kashmir
4.	Smt Nivedita P. Haran	IAS, Principal Secretary, Government of Kerala
5.	Dr Rajiv Sharma	IAS, Director General, Centre for Good Governance
6.	Shri Kuldeep Sharma	IAS, ADG
7.	Shri A.K. Arora	IAS, Addl.CS
8.	Shri R.K. Mathur	IAS, Special Commissioner (Tripura)
9.	Shri Kulbir Krishna	IPS, IGP (Assam)
10.	Shri Amrik S. Nimbran	IG (P), Railways
11.	Shri T.S. Sridhar	IAS, Principal Secretary, Government of Tamil Nadu
12.	Shri Madhusudan Raizada	IAS, Special Secretary, Government of Uttar Pradesh
13.	Dr B.P. Nilratana	IAS, Addl. RC, Government of Uttar Pradesh
14.	Shri Anthony De Sa	Principal Secretary, Government of Madhya Pradesh
15.	Shri A.K. Goyal	IFS, DIG (Forest), Ministry of Environment & Forests

16.	Shri Mudit Kumar Singh	IFS, CCF, Raipur
17.	Shri Arvind Kumar	IFS, CCF, Ranchi
18.	Shri Kundan Singh Jangpangi	IPS, ADG Police
19.	Shri Hem Pande	IAS, Resident Commissioner, Government of West Bengal
20.	Shri Amitabh Kant	IAS, Joint Secretary, Ministry of Tourism
21.	Shri Ajai Singh	IRS, DG (Inv), Income Tax
22.	Shri Naved Masood	Consultant, ARC
23.	Dr Vijay Kumar	IPS, IGP, Government of Madhya Pradesh
24.	Shri P.L. Gupta	IPS, IGP, Government of Jammu & Kashmir
25.	Shri J.K. Tripathy	IPS, IGP, Government of Tamil Nadu
26.	Shri R.N. Gupta	IPS, Joint Director, IB, Ministry of Home Affairs
27.	Shri S. Sagar	IPS, Addl DG Police
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32.	Shri Upendra Tripathy	IAS, Government of Karnataka
33.	Shri Dipak Sarma	IFS, Addl.CF
34.	Smt Gauri Kumar	DG, NIFT
35.	Shri Vivek Rae	IAS, Principal Secretary, Government of Delhi
36.	Smt Suchindra Misra	Director, Department of Disinvestment

List of Participants from MDI, Gurgaon

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1.	Dr Sujit K. Basu	Director, MDI
2.	Prof Anil Chaturvedi	Dean, School of Public Policy and Governance
3.	Prof Abha Chaturvedi	Programme Chairperson, Public Policy and Management Programme
4.	Prof A.K. Sharma	Faculty, MDI
5.	Prof Avanish Kumar	Faculty, MDI
6.	Prof Vishal Narain	Faculty, MDI
7.	Prof Sajal Ghosh	Faculty, MDI
8.	Prof S.K. Tapasvi	Faculty, MDI
9.	Shri Sarfaraz Ahsan	Dy. Admn. Officer, MDI

List of Participants from Administrative Reforms Commission

Sl. No.	Name	Designation
1.	Shri M. Veerappa Moily	Chairman
2.	Shri V. Ramachandran	Member
3.	Dr A.H. Kalro	Member
4.	Dr A.P. Mukherjee	Member
5.	Dr Jayaprakash Narayan	Member
6.	Smt Vineeta Rai	Member-Secretary
7.	Shri Abhijit Sengupta	Principal Advisor
8.	Shri A.B. Prasad	Joint Secretary
9.	Shri Pradeep Singh Kharola	Joint Secretary
10.	Shri R.K. Singh	PS to Chairman
11.	Shri Shahi Sanjay Kumar	Deputy Secretary
12.	Shri Sanjeev Kumar	Deputy Secretary

Workshop on Civil Services Reform (All India Services)
at
Management Development Institute, Gurgaon
December 1-2, 2006

Brief Summary of Recommendations made during Group Discussion:

Group I: Creating an Enabling Environment for Effective Accountability and Performance

- Standards for ethics, recruitment and management should be provided by statute.
- Minimum tenure should be fixed at 2-3 years, with exceptions to be approved by a Committee. There should be transfer policy guidelines in the States and the Centre. The recommendations of the Fifth Central Pay Commission should be followed.
- The essential of a good performance appraisal system are clear job description, role clarity and goal clarity. Appraisal may incorporate views of immediate subordinates, grading on numerical scale of 1-10 etc.
- At the cutting-edge level, promotion of computerization and on-line delivery of services is needed. This should be augmented by a transparent system of incentives and independent performance-measurement system at district level.
- There should be delegation of powers and functional autonomy to the implementing agencies.
- There should be protection for honest officers and risk takers.

Group II: Attracting and Retaining Talent

- There should be fixed tenures for all posts. Deviations if any, should be explained. Accountability to be fixed at all levels including the political executive
- All senior positions to be filled in a transparent manner, after specifying criteria for selection, zone of selection etc. There should be independent body for such selections.
- Officers should be screened before promotions through written examination and interview by an independent panel.
- Outsiders may be taken into government as experts in advisory roles.

Group III: Enhancing and Developing Competencies

- There is need for Convergence of Departmental efforts at grass roots level to respond to citizens needs.
- Officers should be allowed to specialize in specific domains.
- Innovative and creative work should be rewarded.
- Lateral movement of officers to private/NGO/academic bodies should be permitted

Group IV: Assessing individual Capabilities and Performance

- Objectives and targets should be decided jointly by the Reporting and the Reported Officer.
- Reporting officer should obtain feedback from juniors and colleagues
- Trainings should be made result oriented.
- Promotion to JS level should be on the basis of Performance Report and clearing mid-term courses approved by DOPT.

Group V: Ethical Governance

- Authority and accountability should be clearly defined.
- There should be business process engineering in the government.
- Political executive should also have conduct rules.
- Colonial laws need to be changed.

Workshop on Civil Services (Central Services)
26 March, 2007
Indian Institute of Public Administration, New Delhi

List of Panelists/Participants

Sl.No.	Name	Designation
1.	Shri A.Madhukumar Reddy	Director (Lands), Ministry of Urban Development
2.	Shri J.Srinivas	Executive Director (Finance), Ministry of Railways
3.	Shri Manoj Pandey	DDG (Media & Communications), Press Information Bureau, Ministry of Information & Broadcasting
4.	Shri Sanjit K. Samal	Joint Director General of Foreign Trade, Department of Commerce
5.	Ms Ruchika Chaudhary Govil	Director, Ministry of Earth Sciences
6.	Shri Rajan Kumar	Director (IES), Ministry of Finance
7.	Shri Sunil Mathur	Executive Director (Traffic Transportation), Ministry of Railways
8.	Ms Ragini Yechury	Executive Director (Training & Manpower Planning), Ministry of Railways
9.	Shri K.M. Gupta	Director, Ministry of Finance
10.	Shri Roopam Kapoor	Additional Director, Directorate General of Central Excise Intelligence
11.	Shri Pradeep Michael Lal	Director (Vigilance), Department of Posts
12.	Mrs Mala Dutt	Director, Ministry of Finance
13.	Shri S.S. Mohanty	Controller General of Defence Accounts

14.	Shri G.P. Gupta	Director, National Institute of Financial Management, Faridabad
15.	Shri R.K. Arora	Additional Controller of Defence Accounts, Chandigarh
16.	Shri Krishna Saini	Commissioner of Income Tax (Appeals), Vadodara
17.	Shri M.S. Arora	Commissioner of Customs, Lucknow
18.	Shri N. Sundara Raman	Deputy Director General (CMTS)
19.	Shri Ram Narain	Deputy Director General (PIP), Department of Telecom
20.	Shri Shreesh Chandra Misra	Senior Deputy Director General (Estt), BSNL
21.	Ms Pratima Dikshit	Joint Director General of Foreign Trade, Department of Commerce
22.	Shri Jojneswar Sharma	DDG, Directorate General of Defence Estate, Ministry of Defence
23.	Shri Amitabh Kumar	Additional Director of Income Tax
24.	Shri Deepak Anurag	Principal Director of Audit (Air Force & Navy)
25.	Shri Dinesh Chandra Singh Negi	Controller of Defence Accounts
26.	Shri M.R. Anand	Additional Economic Advisor, Ministry of Finance
27.	Shri Rakesh Jain	Principal Director (Report States), Office of the Comptroller and Auditor General of India
28.	Shri Sanjeev Kumar	Joint CSDA
29.	Shri K.M. Bali	Additional Director, Income Tax (BPR)
30.	Ms Meera R. Tshering	Director, Postal Service (P), Delhi
31.	Shri Ajay Kumar Sharma	Deputy Director General, Directorate General of Defence Estates

Annexure-I(5) Contd.

32.	Shri Ravi Kant Chopra	Joint Secretary & Financial Advisor, Rajya Sabha Secretariat
33.	Ms Sonali Singh	Director, Ministry of Information & Broadcasting
34.	Ms Anjana Dube	Joint Director, NAD, Ministry of Statistics & Programme Implementation
35.	Shri Rajeev Sharma	Director, Ministry of Home Affairs
36.	Shri M.V.S. Ranganadham	Director, Ministry of Statistics & Programme Implementation
37.	Mrs Subha Kumar	Principal Director of Audit (ESM)
38.	Ms Meera Swarup	Principal Director of Commercial Audit
39.	Ms K.D. Maiti	Director, Ministry of Health and Family Welfare
40.	Ms Madhu Mohan	Director, Ministry of HRD
41.	Shri K.S.Dhatwalia	Addl. Director General (News), All India Radio
42.	Ms Madhulika P. Sukul	Joint Secretary, Sixth Central Pay Commission
43.	Ms Sujata Prasad	Director (INGAF), Ministry of Finance
44.	Shri B.B. Verma	Executive Director (Pay Commission) Ministry of Railways
45.	Shri S.K. Gupta	CCA, Lucknow

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Sl. No.	Name	Designation
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2.	Smt Vineeta Rai	Member-Secretary
3.	Shri S.K. Das	Consultant
4.	Shri Abhijit Sengupta	Principal Advisor

Annexure-I(5) Contd.

5.	Shri A.B. Prasad	Joint Secretary
6.	Shri Pradeep Singh Kharola	Joint Secretary
7.	Shri R.K. Singh	PS to Chairman
8.	Shri Shahi Sanjay Kumar	Deputy Secretary
9.	Shri Sanjeev Kumar	Deputy Secretary

Workshop on Civil Services Reform
26 March, 2007
Indian Institute of Public Administration, New Delhi

Speech by Chairman, ARC

The subject 'Civil Services Reform' is not new to anyone of you. The ARC has had consultations with various officers both inside the government and outside the government on this subject. These have been fruitful. One particular mindset which we have observed unlike many other interactions earlier, that people want change, that officers want change and everyone wants reforms to be in the big bang or the mission mode. We are very confident that something revolutionary will come out in the process of interaction. Ultimately our product will depend on your inputs. We depend upon you and it is only from these consultations that we will be in a position to produce some report which is worthwhile.

Management in government is harder than in the private sector. There are many reasons for this – less clarity of direction, less control over resources. We have been talking about PPP, the 3 Ps – public-private partnership. I think the day has come when we will have to add another 'P', namely 'people' – because we will have to take people with us – providing them democratic space, the economic space, and social space. If we don't do it, they will grab it, in one way or other through extra constitutional methods. For any conflict in this country, the root cause is governance failure. This is what we should seriously address. We got into the problem because the politicians think they have the power, the officers think they have the power but they forget that after 1947, the power has been shifted to the people. We have only responsibilities to perform. Unless that kind of a paradigm shift of the mindset is attempted, I do not think we can change administration. There cannot be any power with any one of us. The power is with the people and we have responsibilities to perform. This change of mindset, is required not prospectively but it should come retrospectively, right from 15th August, 1947. I said retrospectively because we have to re-examine all our regulations – the entire edifice of red tapism, the entire edifice of the bureaucracy.

I always say to my colleagues that our reforms are just like ten Avatars. A new Avatar implies creative destruction. Without destruction, of course creative in nature, we cannot go in for the next Avatar, otherwise we would have been happy with one Avatar. We have gone in for ten Avatars but we stopped at Tenth Avatar. Thereafter we did not have any Avatar, that is the problem, the malady of India. The Second Administrative Reforms

Commission will go along with the principle of Avatars. I think there cannot be any dispute that people have faith in the change of Avatars. You should all interact with us with that in mind. Something will have to be destroyed to create something anew so that you can reinvigorate, in our search for success.

We have a mindset percolating not only in Administration but everywhere, also in sports. We have talent, the best of talent but we don't make success a habit. Let us do that. So let us go in search of that success. We are re-invigorating our economy. Reforms have taken place and when you compare our country with other countries, we are catching up.

Well this is not a reflection on anyone; but when I went to Hyderabad only last week, I was told that John Major when he was the Prime Minister of U.K. visited Hyderabad. When one officer said, I am the District Collector, John Major was shocked. He said, we thought this was dismantled long, long back, how can it continue. Now, that doesn't mean that we have taken a decision to do away the Collectorship. I am just telling you how the things have changed. They have dismantled many, many things, particularly during Margaret Thatcher's Prime Ministership. But we have not dismantled. We would like to keep everything. We are what we say relic lovers, or status quo lovers. Whereas other countries have changed we continue with the old system. We have to discard unproductive things, which are no longer useful. If we really want economic reforms to be sustained, it should not be by an accident, reform cannot be by accident, it should be a sustained effort. But if you want to sustain this, it requires painful changes. Nothing will come softly. It requires painful changes to inject new ethos and public values in governance.

When you look around, you'll agree with me, we always put the cart before the horse. We increase the number of cars but you don't develop the roads. We should have first developed the roads. That is how we land into congestion without increasing the capacity. I am only giving examples. This is where we are going wrong. Unless there is a capacity building in our administrative structure, I think, doing other things first and doing this later will upset the apple-cart. It is not going to take us anywhere. This is what I would like you to think about.

IIPA has circulated the background papers. So when I cite from these papers, don't think it is my view, or the ARC's views. But I must quote, as there are some interesting things. They say that this framework, I quote from it, it is not my quote, comprising 4200 serving officials has become (this is at page 18 of the book which you circulated to us) cybernetically intelligent. "As in the Terminator series of movies featuring Arnold Schwarzenegger, the metal can take any shape intelligently and protect itself. So the metal can take any shape

intelligently. Mark the word intelligently and mark the word protectively. It quickly occupies important slots, just as liquid metal flows into any crevice, even those meant for the judiciary and the scientists. It fights all intellectuals, specialists and domain experts as foreign bodies and meticulously subjugates all cadres, by dynamically arranging the pecking order. It must come on top, each time and every time”. I am just telling you that there is something lacking in our convergence – convergence of intelligence, convergence of knowledge, and we fail to look beyond a point, for knowledge, look for experience. This is why we get stuck. Let us get into the reform mode. So don't come up with presentations or discussions on the status quo.

We have to look to the future. When we were in Singapore, on the issue of performance appraisal, we were told that they examine the future potential of the officer, they look to the future not to the past. We always talk about economic reforms with a human face. That does not necessarily result in creating welfare. What is important is human vision. We have to move forward. Merely suggesting some structural changes is not enough. We need a change in mindset. We need a drastic change. We have to operationalise. What should be done to operationalise the restructuring of the fiscal, technical and professional bodies? You will have to fall in line with the global wavelength for a change. Don't look around yourself only – look beyond and this is what is required and that kind of interaction we want from you. Don't forget in an economic environment, what suits us, what is conducive, where we can really integrate ourselves in the global economy. The economy is what is required by the people, the space we can provide to all sections of the people. So setting out new economic roles. That's not the duty of only tax authorities or only the economists. It is the governance. This is where many a time we are not thinking on those lines.

Now let us realize that the government monopoly has gone. It cannot be any more available. So that is why we must build a 21st century Indian governance. We have to shake the orthodoxy. First governance problem is adaptation. We fail to adapt. You know there are a number of animals like the dinosaurs. Dinosaurs disappeared thousands and thousands of years back. But the cockroach which was there even now survives because it has a sense of adaptation. Let us live like cockroaches so far as the principle of adaptation is concerned. You should adapt to the changes taking place around you – fitting traditional vertical system to the new challenges of globalization and devolution and integrating new horizontal systems to the traditional vertical ones.

Second governance problem is capacity, enhancing government's ability in a transformed environment. Increasingly you should integrate with the world governance. The public value management system will have to be modified. Public managers create public value

that becomes very important. New public service ethos, efficiency, accountability and equity is what is required. Let us build governance into reform fabric. Strong cadre of technocrats, economists, professionals, will have to get into the administrative process. Value inputs alone can get you the real output. Otherwise you cannot expect that to happen.

A problem has arisen in Germany where 80% of the jobless Germans lack the skills needed in a labour market. There are jobs but these cannot be accessed. Same thing will happen here. You go on in a growth trajectory and ultimately there will be jobs available, but there will not be skilled people to take advantage of that. In terms of Indian labour, organized or unorganized, only 5% of the labour population is skilled. We talk about demographic dividend but if we don't keep up the pace that dividend will become a demographic disaster in the absence of skills. We will be in the same position where jobs will be available but skills will not be there.

This is what we should try to do. Don't think only the private sector will do it and that we are not expected to do it. You are the leaders. You are the catalytic agents. You have a greater role to play. That kind of a leadership will have to be appropriately adopted by you.

I was told the U.S. loses up to 70 billion dollars a year to the tax havens and many of the smaller countries have become, because they are the tax havens, the richest countries. Countries with a small domestic market set up financial center – Bermuda with a GDP per person of 70,000 dollars and that is the richest country. The US has 43,500 dollars per person, ninth down from the top and we are nowhere. I am just telling you how the economies change. Should we not build our public finance on those lines, similar lines or look at it only as spectators? This is something we will have to think about. When India is building itself as a great power, we should also shoulder great responsibility. Are we doing it? Is it not possible? Nothing is impossible according to me. Everything is possible.

I was once a Minister for Small Scale Industries in Karnataka. We envisioned the creation of the Electronic City. We created that dream land. I wanted to get a person who was a specialist. I brought in Mr.R.K. Baliga from BEL who was a deputy GM. Our friends in the services were dead opposed to it, who said you cannot get a man from outside as CMD. But I said I have taken that bold step and I will do it.

There were a lot of objections, Baliga did not get his pay till his death. But, I created that institution and today it has become the Silicon Valley of India. It is because of that

Annexure-I(6) Contd.

beginning, today we export to the tune of 50,000 crores of software. We started that project somewhere in 1975-76. Then there is the example of Mr. Narayana Murthy in the 1980s. He had only ten thousand rupees. He wanted a plot in the electronic city. When he asked me, I said give him on a deferred payment, let the entrepreneur come up. When they said he had no job, I said you give him the government job till he comes up. Today he is a great builder. If we had insisted that he first pay for the plot, he would have gone out of the State. These are all living examples. You should be builders, not cog in the machine. Every officer wherever you are should be a builder, not a cog in the machine and you should lead.

I have taken more time. I don't want to prolong. Of course I wish that I could be here throughout the day but I am not in a position to do it because of some other engagements. Mr. Das will make a presentation. When I was CM, Mr. S.K. Das was my Principal Secretary. Now he is a Consultant in the ARC. All our very, very progressive team of the ARC are before you. I have told all these things because you can be free in discussions. Interact, something good will come, let us all build up this country otherwise you will not have any future for your children in this country. You may have in some other country, but build the future for your children and your grand children in this country. It is possible but you cannot do it unless you change the governance process in the country.

I thank the ARC, our Member Secretary and also the organizers of this workshop, IIPA, for having given this opportunity to share some of my ideas. With this I thank you very much and wish you all the best during this day to interact in a big way. Thank you very much.

**Workshop on Civil Services Reform held at
Indian Institute of Public Administration, New Delhi
(Central Services)
March 26, 2007**

Brief Summary of Recommendations made during Group Discussion:

Group I: Organisational Reforms and Personnel Policies

- There should be separation of Sovereign, public-good services and commercial functions of the Government. Non-core functions should be outsourced.
- Functional, financial and administrative autonomy of organizations should be ensured.
- Each Service should manage its own cadre. Head of the Service should be the Head of Department.
- Adequate compensation is necessary to attract and retain talent.
- There should be rationalization of the Central Staffing Scheme by providing for proportional allotment to different Services. There should be parity in case of empanelment at JS and above level.

Group II: Capacity Building & Professional Advancement

- Service specific training programmes to be reviewed by the Cadre Controlling Authorities every three years.
- Mandatory domain specific 'In-service Training' should be imparted at least thrice during entire service span.
- Mandatory good governance related training should be imparted at least twice during service span.
- The domain specific and Governance related trainings should be given at professionally acclaimed institutions.
- Performance in training should be linked with professional advancement.
- Acquiring higher qualifications in relevant fields should be encouraged.
- The policy regulating academic programmes should be liberal, transparent & uniform across the services.
- Lateral movement should be allowed after 10 years of service.

- Posts should be identified in various organizations where such lateral movements would be more beneficial.
- Non-Government personnel can be appointed as consultants or advisors only at the policy making level. They should not be assigned to regular executive posts.

Group III: Entry and Exist Mechanism

- Present examination system for recruitment has worked well.
- Upper age limit for Civil Services Examination should be reduced to 26.
- Service allotment should be done after Foundation Course (FC) whose duration should be increased to 1 year.
- UPSC should oversee the process of evaluation in FC.
- Performance in FC should have 10 to 20% weightage in allotment of service
- Alternatively an Indian Institute of Governance (IIG) be set up for which exam can be held after Class XII. The individuals recruited through IIG will go through 3 or 5 years of training for general or specialized services. The parallel entry route through UPSC to continue.
- A golden handshake should be offered after 15 years of service. Provisions of 56J should be applied after every 5 years after 15 years of service. While applying 56J, an evaluation should be conducted by an independent body.
- Movement to non-governmental employment should be allowed after 12 years of service with maximum of 3 years lien.
- The present central staffing scheme already provides frame work for a pool of officers drawn from different services. The implementation of the scheme would be made non-discriminatory and all officers with 17 years should be considered for empanelment as JS.

Group IV: Motivation, Performance Appraisal and Career Progression

- Each organization should be left to design its own performance indicators on the basis of a general parameters prescribed by DOPT. As far as practicable, performance appraisal should be fair, transparent and objective.
- The most important motivating factor for Central Government Organisations would be parity between all Group 'A' civil services (All India and Central Services)

in matters relating to housing, foreign training, entitlements for telephone, staff car etc. and other perks.

- There should also be parity in empanelment and selection for Central Staffing Scheme.
- In view of domain expertise acquired by Central Service Officers in their cadres, there would be no role for a combined SES for posts within the cadre. Accordingly, the department should invariably be headed by an officer from that organized central service.
- However, there should be a common management pool/SES for posts in Central staffing scheme (for Deputy Secretary & above) to benefit from expertise developed by officers from various services and a proportionate representation should be given to officers of all services.
- There is need to revisit Article 309 for defining new instruments/methods to provide environment to the civil servants which permits them to perform in the expected manner and protect them from any adverse consequences while performing – political neutrality etc.
- A statutory body under the Act should lay down guidelines for personnel administration. Alternatively, the role and structure of UPSC may be revised and strengthened to cater to the new requirements. Role of DoPT should be reviewed post-Civil Services Act and its role could be redefined/abolished.

Different Countries' Experiences of Performance Management Systems

USA

In 1993, President Clinton introduced the 'National Performance Review'. He stated "our goal is to make the entire Federal Government both less expensive and more efficient and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We need to redesign, to reinvent, to reinvigorate the entire national government". One of the components of this initiative was to focus on outcomes rather than procedural compliance. The Government Performance and Results Act, 1993 was passed. The purposes of this Act were:¹²⁵

- (1) *improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;*
- (2) *initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;*
- (3) *improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;*
- (4) *help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;*
- (5) *improve congressional decision making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and*
- (6) *improve internal management of the Federal Government.*

That Act mandates that Executive branches shall prepare a five-year strategic plan, an annual plan and an annual performance report and submit them to the Congress. The annual plan shall - (1) establish performance goals to define the level of performance to be achieved by a program activity; "(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under sub-section (b); "(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals; "(4) establish

performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity; “(5) provide a basis for comparing actual program results with the established performance goals; and “(6) describe the means to be used to verify and validate measured values.

Thus the Government Performance and Results Act of 1993 seeks to shift the focus of government decision making and accountability away from a preoccupation with the activities that are undertaken - such as grants dispensed or inspections made - to a focus on the results of those activities, such as real gains in employability, safety, responsiveness, or program quality.¹²⁶

Malaysia

The PMS in Malaysia for the civil service concentrates on government performance as one of the administrative strategies that enables the Malaysian Civil Service to meet the challenge of globalization, to innovate and improve service delivery, as well as to improve the overall performance of departments to carry out the government’s strategic goals and objectives. The PMS attempts to align five components of performance management including strategic direction, organizational capacity, people potential, workforce performance, and work culture. Performance measures are cascaded from the strategic federal level to departmental, divisional, and individual levels. The PMS provides the overall framework for managing performance in the Malaysian Civil Service and the new system is designed as a tool for managing the civil service to ensure productivity and quality of service. The Malaysian Civil Service has also introduced a scheme for measuring outcomes of work performance based on four strategic areas: customers; employer-employee relations; performance management and recognition; and rewards. The challenges for the Malaysian Civil Service relate to the achievement of efficient and effective performance, accountability, customer focus, co-operation, flexibility, achieving a performance oriented workforce, and securing recruitment to the civil service. As in most ASEAN civil services, the way forward to improve strategic management of human resources and performance management is to devise performance indicators, develop a collaborative approach among departments, establish review processes, provide leadership training, and eradicate corruption. **(Surapong Malee, 2005).**

There are a number of other countries such as Australia, New Zealand, the UK, Sweden and Canada which have introduced measures to achieve a results-orientation and have focused on a range of common issues. First, they have worked on the development of a statement of goals that became the focus of government departments and ex ante accountability examining the performance of departments with reference to these goals. Second, they

made important changes in the policy implementation structures by creating autonomous entities and devolving managerial autonomy to them. Third, they also introduced accountability mechanisms for results such as the output-outcome framework. Fourth, they introduced mechanisms such as benchmarking, competition in delivery of public services, deregulation, devolution, and establishment of efficiency diagnostic units and centers to promote good governance practices. To sum up, these countries have undertaken initiatives to provide greater clarity of purpose and tasks for organizations, more managerial autonomy and predictability in the flow of resources, and greater accountability for results. In this context, these initiatives have tackled the perceived problems of bureaucratic systems- central control of input decisions, lack of clear performance objectives and lack of competitive incentives for organizations to perform. In fact, the reforms in these countries are characterized by the rejection of the more traditional views of public administration by abandoning the idea of a single unitary model of organization and a shift to management of performance by results.

Australia

- a. The Australian government which has been a pioneer in this respect has increasingly emphasized developing and implementing performance management systems. The public sector reforms of the 1990s in Australia focused on effectiveness and achieving organizational objectives. The legislative framework that followed provides agency heads with opportunities to pursue results and to tailor their approaches to managing performance to best suit the needs of their own organizations. It also requires each agency to link improvements in pay and employment conditions to productivity and to report annually to government on achievement of outputs and expenditure against Program Budgeting Statements under an outcomes and outputs framework. The values prescribed for the Australian Public Service require agencies to focus on achieving results and managing performance, aiming to place capability and effective performance at the center of the management of the Australian Public Service.¹²⁷
- b. Interestingly, the legislative framework in Australia does not set out how performance management is to be implemented in individual agencies but each agency is now expected to¹²⁸
 - have the organizational capacity, flexibility and responsiveness necessary to achieve the outcomes expected

¹²⁷J R Nethercote, *The Australian Experience of Public Sector Reforms*. P.66

¹²⁸*Ibid.*, p.66

- have a culture of achievement, planning time and priorities to deliver on intended results
 - report on the effectiveness of the agency's outputs
 - demonstrate that resource priorities match agreed outcomes
 - Have a fair and open performance management system that covers all employees of the Australian Public Service, guides salary movement, is linked to organizational and business goals and the maintenance of Values, and provides to each employee with a clear statement of performance expectations and an opportunity to comment on those expectations.
- c. A key report by the Management Advisory Committee in Australia in 2001- Performance management in the APS: A strategic framework-viewed performance management as a tool to assist agencies improve organizational capability, meet broad organizational objectives and deliver high quality policy advice and programme administration. Recognizing the diversity of government agencies, and the need to tailor approaches to the specific business requirements of each agency, the report identifies the elements of good practice in performance management systems in the Australian Public Service as operating to achieve:
- alignment- within a values-based framework that recognizes the organisation's culture and history, and the maturity of its systems
 - credibility- it applies across the organization and is seen as fair, transparent and rigorous
 - integration- it integrates organizational objectives with the performance of teams and individuals.

Current challenges are seen to be improving the credibility of the process, greater staff involvement, giving better feedback, improving reward and recognition strategies, and managing underperformance.¹²⁹

- d. Many agencies in Australia are now focusing on improving their performance management to integrate it with their business and workforce planning by:
- clarifying performance objectives and linking individual and business plans with organizational plans

- periodic performance appraisal and team performance against achievements and behaviours linked to the Values
- recognizing and rewarding performance
- counselling and effectively managing underperformance
- learning and development to build individual and organizational capability
- evaluating the contribution of individual and organizational performance.¹³⁰

Singapore

PAS for Singapore civil servants is based on the system prevailing in the Shell Oil Cos. System. It has two parts. The first part called as “**Work Review**” requires a qualitative description and comment on the individual’s work. This also focuses on the training needs and is open for dialogue with the assessed. The focus of this part is on the contributions of the appraisee. The second part deals with a development assessment of the employee. This is an assessment on ten qualities. The supervisor is required to rate the employee on these ten qualities on a four point scale (High, Exceeding, Meets, Below) and also to rank the qualities. The appraiser also rates the individual in terms of the currently estimated potential. (Sarah Vallance, 1999)¹³¹

Thailand

The Ministries are given the freedom to have their own appraisal systems but these should focus on output of work and ability to perform and manage the work. The Civil Services Commission suggests a number of factors to be taken into consideration in terms of appraisals. These include: (A) Quality of work output, quantity of work output and application of work output ; (B) The ability to plan and implement, ability to direct and make decisions including meeting deadlines, coordinating with other departments, taking control, solving problems and resolving conflicts and helping to accomplish the goals of the organization; ability to improve work and services including demonstrating new ideas and solutions, identifying and addressing problems, performing work efficiently and effectively. In addition, the appraiser is expected to comment on the employee’s ability to utilize the staff, and develop manpower resources, to match people to skills, to ensure maximization of skills, encourage staff to be adaptable and encourage them to acquire knowledge and contribute to achievement of organizational goals. The guidelines recommend the appraisers to develop agreements in terms of the mission, results, objectives, standards

¹³⁰Ibid. p.67

¹³¹Performance Appraisal in Singapore, Thailand and Philippines: A Cultural perspective, Australian Journal of Public Administration, 58(3), 78-95

and desired outputs. The organization should choose one of the four methods: self-rating, supervisor rating, committee rating or a combination of the three. The performance is to be appraised twice in year and to be maintained by the department. (Civil Service Day, 2008, Theme Papers)

Philippines

In the Philippines, the subordinate rating accounts for 22% and superior's rating 78%. The subordinates rating are not available to the officer while the superior's ratings are discussed with him. The superior's rating form consists of three sections: Evaluation of accomplishments, Evaluation of managerial competence and evaluation of training and development needs. The first part assesses the extent to which the performance objectives in the contract were met, performance in comparison to his/her peers, and a qualitative assessment of the extent to which the office accomplishments were met. Managerial competencies include: management of work, management of people, management of resources, management of linkages, management of constraints and innovativeness. The assessors choose among five rating levels. The subordinate rating form is similar to that of the boss. (Civil Service Day, 2008, Theme Papers)

Indonesia

The Indonesian Civil Service performance management is designed to respond to globalised world and is an attempt to create a clean and stable civil service, as well as to develop career paths and as a means of promotion and increasing salaries. The Indonesian system stresses that the practice of work performance management must be based on merit principles. It is an evidence-based evaluation, as information on staff performance needs to be gathered to make decisions on promotion and salary increases. Although the criteria used for assessing performance are mainly personal characteristics or non-performance-based criteria, there is also a job achievement criterion, which measures individual contributions against job standards. In Indonesia, the major use of performance appraisal is for increasing salaries rather than improving performance or quality of service. This is largely because civil service salaries are low, which gives scope for corruption. To cope with these challenges, the Indonesian Civil Service has been working towards a new performance management framework and set of regulations based on measurable criteria and accountability. (Surapong Malee, 2005).¹³²

List of Reports Submitted by the Second Administrative Reforms Commission upto November 2008

1. First Report: *Right to Information: Master Key to Good Governance*
2. Second Report: *Unlocking Human Capital: Entitlements and Governance
– A Case Study*
3. Third Report: *Crisis Management: From Despair to Hope*
4. Fourth Report: *Ethics in Governance*
5. Fifth Report: *Public Order – Justice for All . . . Peace for All*
6. Sixth Report: *Local Governance – An Inspiring Journey into the Future*
7. Seventh Report: *Capacity Building for Conflict Resolution – Friction to Fusion*
8. Eighth Report: *Combatting Terrorism – Protecting by Righteousness*
9. Ninth Report: *Social Capital – A Shared Destiny*



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