

APPROACH PAPER ON FURTHER HR REFORMS IN GIPSA COMPANIES & GIC

Objective:

To augment organizational efficiency for improving productivity, sustaining growth and further improving the customer satisfaction in the competitive scenario in an era of fast changing technology and to address to organizational need of smooth and effective succession planning while offering a better career prospects to the deserving manpower.

Need for Further HR Reforms:

In the post liberalization scenario after 2000, GIPSA companies embarked upon various reforms including the Business Process Re-engineering to take up the challenges in the emerging competitive environment. On HR issues, new policies and guidelines were introduced replacing the earlier ones to meet the contemporary requirements and to face the market challenges. The thrust areas have been rationalization of man power aiming at optimum utilization of the human resource and judicious deployment thereof. The amendments in the Promotion Policies for all classes of employees were aimed at bringing qualitative improvements in the work force to shoulder higher responsibilities.

In recent times, the composition and complexion of the market has undergone radical changes requiring further impetus to HR reforms. It is also noted that almost 75% of Officers in Scale V, VI and VII would be reaching the age of superannuation in the next 07 years and hence there is an imperative need for the companies to employ various tools with a view to identify the right persons to fill in the vacuum likely to arise at various levels in due course and start grooming them right now for shouldering the higher responsibilities in effective and efficient manner. In the larger context, these additional HR Reforms are envisaged to help companies in retention of talent, capacity building of the employees, their career progression as also to fulfill the organizational requirement of succession planning and further improved customer service.

Further HR Reforms proposed (I to V):

I. Lateral entry in specialized disciplines:

(a) Short Period Contractual Appointments

Cadres	Scale V/VI/ VII, on a limited basis, against identified vacancies depending upon the needs of individual companies.
Functional Areas	Specialized / Super Specialized Areas (e.g., Investment, IT, Actuary, Market Research, Product Development, Re-insurance, Legal, Medical, Training),
Maximum age	65 years, to allow utilization of talent amongst retired personnel also.
Period of Contract	Minimum of 3 years (or less for shorter projects) and maximum of 5 years.
Remuneration	Can go upto the starting salary in the relevant Scale along with attending non-core benefits (valuation thereof), i.e. on CTC basis, loaded with additional 25% to 30%. Total remuneration so determined to be divided into 2 parts – Fixed (60%) and Variable (40%), the Variable part of the remuneration linked to performance, with an escalation on yearly basis, @ 5% approx. to take care of the inflationary factor.

(b) Long Period Regular Entry

Cadres	Scale II, III and IV
Functional Areas	IT, Actuary, Investment & Medical
Age	The age brackets i.e. the minimum and maximum age shall have broad relativity with position prevailing in PSU Banks and the future organizational needs of the Company and with due regard to interpersonal relationship in the Organization,

	and the required experience. For example, the age bracket for Scale II could be prescribed as 24 to 32 years, for Scale III as 27 to 35 years and for Scale IV 32 to 40 years.
Qualification Benchmarks & Experience	To be set as per the requirements of the functional areas. For example, the length of experience could be 3 years for Scale II, 5 years for Scale III and 8 years for Scale IV.
Period of Employment	On Regular pay rolls of the Company
Remuneration	Regular pay scales applicable in these cadres
Provision for Existing Employees	The existing employees satisfying the eligibility criteria for such lateral entry will also be allowed to participate in the selection process along with others from the open market.

II. Fast Track Promotions:

Cadres	For promotion to the cadres of Scale II, III and IV
Vacancies earmarked	20% of the promotional vacancies in each scale
Eligibility	An Officer who has completed 3 years service in the feeder cadre with a qualification of Associate for promotions to Scale II and III and Fellowship for promotion to Scale IV shall be eligible to apply.
Other Provisions	<p>Minimum benchmark in the Qualifying Examination shall be set higher (not less than 60%) than the one prescribed for promotions in normal course.</p> <p>Only 2 attempts may be allowed under the Fast Track channel, which shall be counted within the overall 03 attempts for the purpose of determining "supercession" within the meaning of the paragraph 17 of the Promotion Policy.</p> <p>If the number of candidates who qualify the pre-promotional written examination are less than 02 times of the number of vacancies declared under this channel, the number of vacancies so declared may be suitably reduced so as to ensure that the Officers available after qualifying in the examination are not less than 02 times the number of such reduced vacancies, the balance vacancies being transferred to the normal Channel.</p>
Reckoning Parameters for drawing Merit List for Fast Track Promotions	<p>The merit list for Fast Track Channel shall be drawn on the basis of marks allotted to Work Record, Score in the Qualifying Examination and Interview.</p> <p>There shall be no marks for Seniority. Officer competing for promotions to Scale II and Scale III and having Fellowship Qualification will be given additional marks for the same (Work Record and Exams Score could carry a weightage of 40 each, Fellowship Qualification carrying weightage of 5 for Scale II & Scale III, Interview carrying a weightage of 15 for Scale II & III and 20 for Scale IV).</p>

III. Campus Recruitment:

- ✓ In addition to the general mode of recruitment, it is proposed to adopt Campus Recruitment to serve specific requirements.
- ✓ Campus recruitment to be restricted in the entry level of Officers (i.e. Scale I) only.
- ✓ Gives an opportunity to pick up best talent from the target groups.
- ✓ Gives an option to approach the Educational Institutions where the syllabus predominately contain insurance and risk management subjects.
- ✓ Shall be helpful in getting the right people particularly in deficit areas by approaching the Educational Institutions located in that area. These candidates will be there to stay for reasonable length of time and provide continuity in these deficit Regions.
- ✓ Formal mechanism, including panel of accredited Institutions, to be established in due course after undertaking some recruitments on pilot basis.

IV. Revision of ACR Formats to reflect the KRAs based performance as measured for providing incentives under PLIS

- ✓ KRAs based performance assessment system shall introduces elements of objectivity and reflect the actual performance / output of an officer being assessed.
- ✓ To start with this system of performance assessment may be introduced for officers-in-charge of DOs / BOs / Service Centers / Hubs and other officers wherever such individual KRAs based performance has already been introduced or being introduced, from the performance year 2011-12, with gradual and corresponding extension to other employees to be covered under individual KRAs based performance system in due course.
- ✓ The weightage for such KRA based performance shall be kept at 60% level of the overall weightage attached to the Work Record (ACR), the balance 40% being distributed over Traits and Growth Potential, depending upon different cadres being considered. For lower cadres, the Traits would carry greater weightage while for higher cadres; Growth Potential would carry greater weightage.

V. Common recruitment of Direct Scale I officers through a single examination for all the 5 PSU General Insurance Companies.

A Common Recruitment of Direct Scale I Officers, for the Member Companies agreeing to it and giving the requisite mandate to GIPSA for the same, is proposed to be conducted to derive the advantages of (1) Economy of Scale and Saving on Duplication of Efforts (2) Avoiding hopping of Direct Recruits from one Company to another (3) Emergence of a Brand Image of the PSU General Insurers and (4) larger pool of vacancies expecting to attract better talent.

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