

## VRS – some facts

This is not the first time that talk of VRS in BSNL has hit the headlines. **BSNL Management proposed VRS in the year 2004 itself, at a time when BSNL was financially quite healthy.** The issue was even discussed with the staff side in National Council. But it did not progress further since a group of BSNL Unions had been opposing the same. Subsequently, the proposal was mooted time and again, but it was not pursued seriously by the BSNL Management. Then came the recommendations by Sam Pitroda Panel, advising reduction of staff strength by one third. However DoT and BSNL preferred to soft pedal on this issue. But things changed after BRPSE, after a meeting held on 21.12.2010, gave various recommendations to improve BSNL's physical and financial performance. Vide its Recommendation No.3, BSNL was asked 'to submit details about category-wise identification of surplus staff as well as broad financial implications of suggested VRS options.'

Since then there have been flurry of activities on this issue.

**On 19.5.2011**, BSNL submitted its Action Taken Report on BRPSE recommendations, wherein it had proposed two options for VRS, one based on DPE guidelines (Gujarat Model) and the other – BSNL's own proposal providing for notional increments for remaining period of service. The contents of the proposals were published in AIBSNLOA CHQ site on 24.6.2011. No other website had published this information.

**On 27.7.2011**, AIBSNLOA published the information in its website that, **'DoT is understood to have conveyed its decision on the proposal indicating detailed action points on the issue.'** Again **on 13.9.2011**, AIBSNLOA posted the information in its website that, **'DoT has written to CMD BSNL requesting "Action taken on VRS in BSNL as discussed during the meeting in DOT on 1st September, 2011 may also be approved."' No other union/association published this information.** The representative union and the Executive Associations enjoying the patronage and facilities from the Management kept a studied silence on the matter, like the proverbial ostrich burying its head in the sand.

Only after the contents of the BSNL presentation on VRS to Hon'ble Minister of Communications & IT were published in AIBSNLOA site **on 15.9.2011**, these associations and the union half-heartedly admitted that such a proposal existed, that too after pressure from their members.

**Even one Executive Association which announced on 1-9-2011 that the CMD appreciated the Association for its foresight of cautioning its members well in time** about the emergence of such a situation and advised to apprise its members that management would be compelled to take drastic measures in the days to come in view of continuously failing health of the Company, which included deferring of promotions across the board by one to two years, stopping of both All India LTC and also leave encashment on LTC, along with stopping payment of medical reimbursement without vouchers for outdoor treatment, **did not utter a word regarding VRS which was in the offing.**

So, it can be inferred that these unions/associations chose to remain silent, while all the developments mentioned above were happening on the VRS front. **May be there was a tacit understanding between them and the BSNL Management on the issue.** The Executives are quite aware of all these developments although they are not vocal enough to express their views. Therefore call for agitation by these unions and associations did not come as a surprise and was seen only as a token protest. As expected, the other major union without recognition has taken a stand to oppose VRS, mainly based on ideological difference.

**Although the Government policies and the DoT & the BSNL Management both controlled by ITS officers are mainly to blame for the present financial health of BSNL, which was the No.2 Service Operator till 2004 in Mobile Service Sector, the representative union and the two associations enjoying the facilities and patronage of Management are also responsible for the present day situation, by remaining mute spectators all along.** They shirked their responsibility, as the sole negotiators on behalf of the employees and officers of BSNL, in effectively settling the issues like, restoration of justified ADC charges, reimbursement of licence fee, continuation of compensation for loss making rural services, pension contribution by BSNL to DoT on actual basic pay, settlement of the issue of 60% ceiling fixed by DoT on its responsibility of paying pension, etc., which have existed for many years now, on which these unions and associations pretend to show seriousness only now. In spite of a few strike calls, the issues were never negotiated seriously and hence the outcome of the strikes was practically zero. **AIBSNLOA called its members to join the strike on one occasion, although it was not a party to the strike decision, by way of showing its solidarity towards the issue. But the strike ended in a few hours, with an assurance from the Minister offering nothing.** Other important issues like revision of tendering and procurement policy, physical transfer of assets from DoT to BSNL, changing over from commercial tariff to industrial tariff for power consumption, cancellation of all AMCs for exchanges etc. were either not taken up or were not pursued seriously to reach a conclusion.

If a large group of Executives and many non-Executives are eagerly awaiting announcement of VRS today, it is because of the fear psychosis created by one Executive Association that 'the BSNL employees and their family would start bleeding' and **its open approval of the Management's decisions of withdrawal of**

**leave encashment on LTC, withdrawal of medical facility without voucher and more drastic measures in the days to come. This particular association which refused to participate in the agitation called by its own group on the above issues a few days ago, is now found presiding over the agitation on the same issues which exposes its double game.**

Arguments put up by some unions against VRS that, post-VRS, the remaining employees will face extra work load and transfers, will only help in driving more employees towards opting for VRS.

AIBSNLOA felt that this time the Management is really serious about implementing VRS, mainly due to clear directions from the Minister. AIBSNLOA had already made known its stand on VRS during its presentation to DoT on the recommendations of Pitroda committee, that **'trimming the size of the organization is important for its financial health, but implementation of any VRS scheme should be purely voluntary and no coercion or indirect pressures be exerted on the employees.'** Since the BSNL Board was to approve the proposals on VRS in its meeting on 29<sup>th</sup> September 2011, which was expected to be approved by the DoT agreeing to fund the scheme, again at the instance of the Minister, time was running out and hence AIBSNLOA submitted its views on VRS to the CMD BSNL in writing, taking a balanced and pragmatic stand on VRS and suggesting very important and crucial points for improving the scheme, before BSNL takes a final decision in its Board meeting. AIBSNLOA's practical stand and suggestions have received wide appreciation from BSNL employees and officers alike, irrespective of affiliations.

Due to modernization and introduction of new technology, staff have been rendered surplus ever since the 1980s. But the representative union of those days ensured that the **staff rendered surplus was trained and retrained in the new technology through the Cadre Restructuring Scheme so that they did not become redundant.** But technology has been changing in a fast pace than expected, leaving more employees surplus. Since no effort has been taken for further restructuring and retraining, many of them have become redundant. As a consequence, the wage bill has been rising disproportionate to the output. VRS is the only legitimate option available for the Management to reduce the redundant staff by providing adequate compensation. **VRS at earlier stages when the company was financially healthy would have fetched more compensation for the VRS optees, since the DPE guidelines for VRS provides for lower compensation for marginally profit/loss making PSUs and much lower compensation for sick PSUs. Even at this stage, if the VRS proposals are dropped by the Management for any reason, it is bound to resurface some time later, but with further lesser compensation.** Till now, VRS has mainly targeted the non-executive employees. **It should also be**

**noted that after introduction and stabilisation of the ERP (Enterprises Resources Planning) Project in BSNL, staff in all cadres, including Group B and Group A level officers, would be further rendered surplus in very large numbers.** It is in this background that AIBSNLOA formed a considered opinion that “trimming the size of the organization is important for its financial health, but implementation of any VRS scheme should be purely voluntary and no coercion or indirect pressures be exerted on the employees.”

Any responsible trade union/association should analyse the proposal taking into account this background and all the relevant facts and **should face the challenge squarely, instead of merely recording the protest and allowing things to flow out of their control, without benefiting anyone. The leadership should be bold enough to work out solutions without token opposition and should ensure that the VRS optees are not at the mercy of the Management and those remaining after VRS do not face undue hardship.**

Therefore, it is pertinent that all unions and associations which are really and honestly interested in the survival of BSNL as well as the employees, come together and concentrate on settling the core issues like continued Government support assured at the time of corporatization viz. reimbursement of licence fee paid by BSNL, continuation of compensation under USO fund for loss making rural services, pension contribution by BSNL to DoT on actual basic pay, settlement of the issue of 60% ceiling fixed by DoT on its responsibility of paying pension, proper tendering and procurement policy, physical transfer of all assets from DoT without further delay, bringing in professional managers at all levels, autonomy in decision making, restoration of curtailed benefits like leave encashment on LTC, medical allowance and approval of 78.2% for fixation in revised pay etc. The struggle to achieve all these cannot be impulsive and instantaneous, but shall be a prolonged one, which would include mobilizing public support on the necessity of BSNL to remain in the stage, to keep the prices affordable as are now and not allowing private operators to return to the old days when they charged exorbitant prices. Members of other unions and associations will also support such a movement in the course of time.

Trade union movement can survive the onslaught of technology and government policies only by changing tactics and adopting new strategies in consonance with the changing times and changing environment, which is the need of the time.

***“It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.” - Charles Darwin***

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