CHAPTER IV

SELECTION TO SUCCESSION

Back in 1960, I tried an experiment with a group of industrial foremen. That morning the newspaper had carried an employer's description of a man who was on his payroll: "...a model worker, an unusual craftsman, extraordinarily punctual. He left his bench only for lunch. He did not join other workers at the bar. He hurried home at night."

I asked the group if they would hire the man for their own company on the basis of these facts, assuming that he was otherwise qualified. All agreed they would. I then revealed to them that this was a description of Oscar Collazo given by his employer. Collazo had attempted the previous day to assassinate the President of the United States.

Aaron Lavenstein

We can never know all the facts about any person. But that is no reason to abandon the pursuit of detail. The need to know the person has long been recognized as essential to the effective selection and placement of people at work. The ability of an organization to achieve its goals, and to survive and grow in a dynamic environment depends on the effectiveness of its selection process. Recruitment is a costly process and if it miscarries it can be disastrous to the organization. Much of the apparent lack of concern about selecting the right man for the right job stems from a lack of appreciation of cost, and more important, commitment involved in the recruitment.

Recruitment in public sector is much like an Indian marriage, which in a sacrament of a life-time. The Industrial Disputes Act of 1947, opposing with a legion of rules any sort of lay off, retrenchment, etc., is comparable to our moralist who would not see divorce as a solution, no matter how diseased the relations between husband and wife is. This is also one extreme if the olden "hire and fire" system is the other. It is because of this sort of commitment in recruitment in public sector that the process of selection gains all significance. It is sad to note that such an important component of personnel management has been pushed back into the realms of "routine". This is clear from the passage quoted below:

"Hiring" is the most important aspect of personnel management and there is, therefore, need for greater precision in hiring methods as the gap between the number of qualified "hands" and job openings is widening. 2

While the context says positively about the importance of recruitment, the style and language used betray the pretensions. The two words which have been put in ironical quotes : "Hiring" and "Hands", suggest that no respect is shown either to the person employed (qualified hands) or to the process of employing (hiring, as though it is hiring a taxi), thus relegating the whole process of recruitment into a "routine".

2K Uppuluri, "How meaningful are interviews", [Hindj, March 16, 1980.
In the situation in which we are placed today, with a large unskilled labour force, available in the country, selection of the right people becomes difficult without a scientific recruitment policy. Peter Drucker says that the purpose of an organization is to make common man do uncommon things. This may not sound particularly wise to an Indian employer who is used to appoint "The best"—not necessarily "the right"—people for the job in question. The wisdom of recruitment lies in seeing that the nature of work fits the candidate's innate abilities and not in indiscriminately employing the brightest. The standard of adjudging people as 'bright' is also peculiar. The brightest civil servant is the one who remembers the most—right from who assassinated M K Gandhi to who is the son of Rajiv Gandhi. With his long list of murderers and politicians he becomes a chief executive of an iron and steel or paper industry only to sit on the Organization's Recruitment Board once again to test people's memory and 'hire' 'the brightest' 'hands'.

The initial development of the Central Public Sector Enterprises saw through the schemes of depersonalization, and manning of the top management by the civil servants. The next stage saw the emergence of "pool"—the Industrial Management Pool—in November 1957. This was a reservoir of about 200 persons from which the public undertakings were free to draw for their top management posts. This system was not put to effective use as the undertakings continued to draw the candidates from other sources and the "pool became one ad-hoc arrangement to mitigate the problem" This was followed by the setting up of a Public

Enterprises Selection Board (PEC3) in August 1974 with a view to evolve sound managerial policies for the Public Enterprises and also to advise the government on the appointments within its prerogatives. The board at its head has a member of the Planning Commission while the other members are Secretaries to the Government and a few Senior Chief Executives of Public Enterprises. Though final approval of the appointments is given by the Appointments Committee of the Cabinet, the Committee's decisions are based on the recommendations of the Public Enterprises Selection Board. While recommending such persons, the PESB calls the aid of the Data Bank of Personnel. Besides, it also contact individuals to ascertain whether they are suitable for the position. This is a considerable departure from the earlier ad-hoc schemes and enables the board to make the selections from a wider choice.

The appointments for the second level executives like functional directors, etc., are made by a committee headed by the Chief Executive of the public enterprise, a representative of PESO and some specialists in the functional fields. This committee generally follow the same principle adopted by the PESO for selection of the candidate for the top posts. 'In a way, the PESO is now associated directly or indirectly with the personnel requirements, manpower planning, training, etc. of the entire public sector and during its [con] years of existence it has met with considerable success'. But what Mr S Banerji, Assistant Director of Bureau of Public Enterprises says, must be taken with a pinch of salt. The success of this Board (PEC3) depends on the cooperation from the public enterprises and the Administrative Ministers. And it is not an easy job to bring about such a cooperation.
Since the starting of PESB, huge expansions and growth have taken place in Public Enterprises, the number of top and second level appointments are increasing, leading to the mounting pressures on the PESD. It is high time the authorities considered expansion of the PESD to several folds to handle the appointment problems of the public sector. With the existing set up, it can only do justice in concentrating on the appointment for the top posts in the critical industries which have national implications. All other appointments up to the general manager level are made by the public sector units themselves. It is in this process that many substandard persons get into the organisation.

The selection process in public enterprises, therefore, needs to be given a second look so that at least the second level appointments are also made under the chairmanship of some representative of the PESD and efforts are made to recruit professional managers from the open market as far as possible. Unless the right man is chosen for the right job, no improvement is possible.

In order to avoid ministerial intervention in selection, so common in the public sector, computerisation can be adopted in recruitment for establishing the suitability of candidates for particular jobs. Setting up of the Public Enterprises Service Commission at the Centre and in the States along the lines of Public Service Commissions may also help considerably in improving professionalising managerial inputs. The staffing pattern and strength should also be constantly reviewed to avoid overstaffing.

Any study of industrial sickness in the country would show that a
disproportionate labour force is one of the causes of sickness. While new industries are being set up on the one hand, more and more of the existing ones are turning sick. With the result, the net addition to employment has remained minimal.

Studying the ratio between staff strength and job performance, in various government organizations, one comes to the conclusion that the volume of work remaining the same, productivity decreases in proportion to the increase in staff strength.

"About a year ago some loco men went in for a wild cat strike over an agitation partly successful since it did not have the support of majority of the loco men. The attending loco men successfully ran the show. The strike as a consequence petered out. The railway administration realized that with 20 per cent reduction in staff strength the performance went up by 50 per cent. This revealed a new angle that overmanning has an impact on efficiency..."

One can take the above example for whatever it is worth. The policy of overstaffing should not be associated with the Government's social objective. One can understand the Government's policy of paying stipend to unemployed graduates, but not paying salary to workers who have no work or sub-optimal work to do. The adverse effect of such a policy is not only losses for those organizations due to overstaffing, unwanted union activities, etc., but also slowly such employees who are given below-optimal work lose their skill as well as confidence in themselves. Nothing possibly demotivates more than sub-optimal work.

And it makes it all the more difficult to motivate them again. If all these losses could be saved the government will be able to give its people employment by ploughing back the profits in other fields.

Public sector enterprises have since their inception been dens of feather-bedding, a dumping ground for people to be found employment for political reasons. At one stage or the other, the authorities will have to face squarely the problem of reordering the manning pattern. But measures to implement this wish will tread on many a sensitive coe and cannot be carried out without goodwill and conviction on all sides.

On December 1, 1991, the President of China, Mr. Zhao Ziyang while concluding an economic report to the annual session of Chinese Parliament had said that he is determined to eliminate, amongst other evils, the evil of overmanning in government departments within a limited period as this had reached intolerable proportions. The other East European Communist countries have also openly vowed that overmanning shall henceforth be discarded. The communist countries in their zeal for creating employment, in order to show the world that the problem of unemployment has been solved, had overmanned all their establishments resulting in low productivity. It is high time the Indian manpower planners also realised the seriousness of this problem.

Manpower planning implies a continuous and systematic assessment of the existing as well as the projected manpower requirements, taking into account both the normal needs and the proposed plans of expansion and diversification, if any, of the organisation. It should cover both the
quantitative aspect, that is, the number of personnel required at various levels, as also the quality of such personnel by way of basic qualifications and preparatory training before placement on the job.

Manpower planning conceived in these terms has been completely absent in VISL. A decade ago when Mr. R.C. Dutt gave his report on VISL (VISL), he made it clear by saying: "A clear instance of mal-adjustment, for instance, is the considerable shortfall in the strength of metallurgists even when a programme of sophisticated production of high alloy products was undertaken. The great majority of the engineers has been and continues to be drawn from the mechanical and electrical disciplines."

Over those years the position has not improved much. Today, VISL has a total work force of about 11,500. But this has been there since over a decade. This is in spite of the expansions. Does not this speak ill of Manpower planning? This suggests that the limit for recruiting personnel set by the Estimates Committee was violated in the early years itself. So though there were expansion programmes in VISL, in the past ten years, the work force remained almost constant.

According to the revised organisational structure Manpower Planning comes under the Deputy Chief Industrial Engineer—Manpower who

3 During 1963-63 IDCON were engaged as consultants in inter-alia for job-evaluation, assessment of work load standards and rationalisation of handling and transportation methods. During this period in cooperation with the VISL Engineers, IDCON studied about 20 departments, covering 4,500 employees. A number of departments, however, were left out, the most important of which was the whole group of maintenance units and the new expansion units.

9 R C Dutt, op. cit., p.126.
directly reports to the Chief Industrial Engineer, who in turn reports to the Chief Administrative Officer.

**CHART 5**

**VIST POWER PLANNING**

<table>
<thead>
<tr>
<th>Officer</th>
<th>Category of Posts</th>
<th>Sanctioned No. of men</th>
<th>Working Strength</th>
<th>SC</th>
<th>ST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Industrial Engineer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dy. CII-Humanpower</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr. Indl. Engr.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(HPP/control &amp; Redeployment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jr. Indl. Engr-2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Delow is an abstract provided by the Human Power Planning cell recently.

Note: Many senior officials are of the opinion that there is roughly 20-25% of overstaffing in VISTL. In support of this, the labour productivity figures (vide table 1.15) are surprisingly low. But to the "Manpower Planning Experts" of VISTL say that VISTL is a "Labour intensive" industry. It becomes difficult to buy this when VISTL makes loud claims for success in modernisation.
RECRUITMENT:

Principles of Recruitment: The Principles of recruitment for all the public enterprises in this country were first laid down by the Government in April 1961. They may be summarized as follows:

1. Unskilled workers and employees at lower scales may be drawn from the local area where the project is situated. The displaced persons of the areas acquired by the project, people of scheduled castes and scheduled tribes, and the retrained employees from the government undertakings should be given preference.

2. Skilled workers and clerks working in lower scales may be recruited locally if they fulfill basic qualifications. (But the extension of this principle to the degree of making a theory out of it, viz., "Sons of the Soil Theory", etc., is quite in contradiction to section 16 of the Constitution of India which says: "Equality of opportunity in matters of public employment: the State shall not discriminate on grounds only of religion, race, caste, sex, descent, place of birth or residence...".)

3. Recruitment for middle technical and non-technical posts having starting salaries equal to class I junior scale of Government of India should be made on all India basis.

4. Recruitment for higher non-technical posts carrying a salary of Rs.600 or more should be taken first from management pool and if adequate candidates are not available from the pool, it should be done by advertising on all India basis.

5. Higher technical posts may be filled either by advertisement on all India basis or by personal contact.
6. Vacancies for unskilled and skilled labour, clerks and other employees for low grades etc., should be communicated to the employment exchange closer to the project. Those registered at employment exchange should be given preference.

7. Each unit should have its selection committee which should screen applications and lists coming through employment exchange and mail. Representatives or nominees of the State Government should be included in such selection committees.

8. Selection committees set up for recruitment at medium level or non-technical posts should also include at least one representative of the State Government. Local interests should be represented in ad-hoc as well as standing committees.

The 52nd report of the Estimates Committee (1954) reveals that these principles have not been uniformly followed by public undertakings. According to the existing practice the model recruitment procedures based on the above principles are usually laid down by the ministries concerned. They provide rules for laying down the category of employees, proportion of the posts to be filled by direct recruitment and by promotion, the formation of selection committees, advertising vacancies, qualification prescription, etc.

The employees of VSL are categorized as follows:

(i) Monthly rated employees, and
(ii) Converted Monthly rated employees.

Monthly rated employees comprise those in non-production
departments—clerical staff and supervisory staff in non-production departments. Converted Monthly rated category of staff comprises employees in production departments and employees in non-supervisory cadre. Besides these two categories of employees, Executives (officers) are working in the administrative and supervisory capacity. Categorisation of Executives is as follows:

1. Managing Director
2. General Manager
3. Chief Sales Manager/Chief Administrative Officer/Controller of Finance and Accounts
4. Junior General Managers/Equivalents
5. Deputy General Managers
6. Managers
7. Deputy Managers
8. Assistant Managers
9. Shift Managers

As per the existing rules of VISL, the following categories of posts are filled by Direct Recruitment:

1. Shift Engineers
2. Asst. Foreman
3. Chargeman
4. I Division clerks/stenographers
5. II Division clerks/Typists-cum-clerks
6. Teachers
7. Attendants
8. Security Guards
9. Conductors
10. Cooks
11. Staff Nurses
12. Compounders
13. Mädhuses
14. Nagarikarukkas
15. Substitutes in the last grade in Converted Monthly rated Cadre.

Recruitments to the above categories are normally made in accordance with the provisions of the Employment Exchange (Compulsory Notification of Vacancies) Act. List of candidates are obtained from the Employment Exchange, Bhadravati and Shimoga, and the Professional and Technical Employment Exchange, Bangalore. But in case of som
posts which require special qualifications, recruitments are made through newspaper advertisements which are issued simultaneously with the notification of vacancies to the Employment Exchange.

In practice, the pattern which has emerged is that recruitment is undertaken at the lowest (Grade IV) level of unskilled workers. Vacancies at the higher grades of semi-skilled workers and those in the still higher grades up to Grade I of skilled and highly skilled workers are filled by promotion after trade tests, without however, any provision for formal training to fit them to such higher posts.

One can understand and to a certain extent concede, when the Management of VISL prides itself upon its ideal method of employment, but this is true only with regards to employment at lower levels: The selection committee is named only on the day of interview, to avoid any sort of canvassing. Candidates in 1:10 ratio are called for interview. Usually efforts are made to complete the interviews, etc., in one day itself and to announce the results on the same evening.

For non-technical departments of the company such as Accounts, Finance, Commerce, including Purchase, Sales and stores, Personnel and General Administration, no definite recruitment practice has emerged. There have been sporadic recruitments, as for instance, of Graduates or post-graduates in Commerce for Accounts Department. Many of the posts in departments like commerce and personnel are, however, held by persons transferred from different departments. The Senior Personnel Manager (Establishment), for instance, is at present a person with Accounts background, while the Manager Training (General) is an Engineer.
That is essential as VSL is proper plan of recruitment. The plan should take into account the basic qualifications of the persons to be recruited. Thus, while the technical departments grouped separately may need Engineers drawn from the different specialisations, e.g. electrical, mechanical, metallurgical, etc., the Accounts and Finance Departments should similarly be manned by Chartered or Cost Accountants. Other departments, though grouped separately, may need no such pre-recruitment specialisation. For such departments as stores and purchase and general administration, for instance, it would suffice if specialisation is developed by continued exposure to work within a group, and there necessary by deputation to training and diploma courses. And the departments of personnel (including Training), if we agree with Mr. Lawrence A. Appley that personnel management is the most important area of management science, VSL must give proper importance to it:

First, by having a professional as Director of Personnel and not an IAS officer as CAO.

Secondly, by recruiting specialised people for this section.

After a plan is formulated, it is necessary to have a regular programme of recruitment. The present practice of ad-hoc recruitment at irregular intervals should be abandoned and replaced by recruitment of pre-determined numbers at prescribed intervals. This is where manpower planning is of importance.

The source of recruitment needs to be more broad-based than it is at present. While it is legitimate and in fact natural that at the level of workers, recruits, should be largely from the neighbouring
areas, a broader source of all-India recruitment should be envisaged at the officers level in order to ensure that advantage is taken of the best talent available in the country. One of the major hurdles in attracting the best talents of the country, as one observes, is certainly not the scale of pay in VIST (which according to the prevailing standards is quite attractive), but the fact that Bhavnagar is a developing industrial area holding limited attractions for dynamic persons.

**INDUCTION AND TRAINING**

Induction and training are the two activities which are conspicuous by their almost total absence in VIST.

**Induction**: Induction acquaints the workers with the nature of their work and the company. The importance of induction courses lies in their value in teaching the new-comers about the nature of work, the history, growth and purpose of the organization and other important information which is necessary and of interest to the employee. Workers can do their best only when they are fully aware of their duties and responsibilities. They must be informed as to what role they have to play in the working of the company.

Public Undertakings which have regular induction courses are Fertilizers and Chemicals Ltd., Hindustan Aeronautics Ltd., Hindustan Antibiotics Ltd., Hindustan Machine Tools, Indian Rare Earths, Indian Telephone Industries, Oil and Natural Gas Commission, Phaga Tools Corporations, Shipping Corporation of India, State Trading Corporation and Damodar Valley Corporation. Some enterprises have introduced
induction courses for some categories only. For instance, Air India has introduced such a course only for mechanics, junior executives, cabin crew and flying crew.

Induction activity, in the formal sense of it, is almost completely missing in VISC. Informally, perhaps the only thing a new recruit will learn is about the internal policies. There is a need for full-fledged induction courses of at least a week's duration which should come under the jurisdiction of Manager, Training.

Recent writings, particularly relating to the Japanese economic miracles, suggest that human resource development is the key to the success of business corporation. This was realised even by the early Chinese as far back as 122 B.C. when they opened the first training college for civil servants.

Unlike Britain, where public sector came into existence as a result of nationalisation of private firms, the Government in India had to start from the scratch due to its decision to enter into new areas of economic activities. This resulted in a gap between the need for trained personnel in various disciplines and the availability of such talents in the country. While in Britain, the state got ready-made

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1. Japan, today, is one of the economically most advanced countries of the world. In 1950, Japan's GDP was the third largest in the world, and if the current trend is extrapolated, it would be No.1 by 2000 AD. It exports roughly worth $475,000 crores more than what it imports and has an investment and GDP growth rate that is twice that of U.S.

talents, in India the vacuum had to be filled by the deputationists and foreign experts. The idea of systematic and planned efforts at executive development through training in Indian public sector units is of recent origin. The formal recognition was given by the Administrative Reforms Commission in its Report on Public Sector Undertakings in 1967 wherein the Commission has opined: "Scarcity of trained manpower operates as a severe constraint on the efficient running of public enterprises and the growth of public sector. The public enterprises which generally operate on a big scale, need a large number of specialists.... It is in these fields that the public undertakings will face increasing difficulties particularly with the setting up of sector corporations which have to be equipped with adequate staff organisations. In addition public undertakings which have entered into new areas of industry like oil exploration, heavy electricals, etc., face another problem posed by their particular requirement for the specialists needed in those areas. Such undertakings have either to depend on training facilities abroad or create their own training capacity at their expense." 

Training is to fill the gap of knowledge, skill and techniques or to develop these in a person. The objective is to develop vital human assets of an organisation. The national expenditure on training is placed at Rs. 6000 crores, according to one estimate.

But proper attention does not seem to have been given to this area.

12 S. Danaj, op. cit., p. 45.
of personnel management. The mushrooming of training programmes of one sort or another does not mean much. Whatever learning that takes place in the management training programmes appears to be more at the cognitive levels, and little or nothing at the behavioural and attitudinal levels. People sent to training programmes are often the so-called sparables. There are some managers who view training programmes essentially as paid holidays, bestowed by the company on them as a reward for some special services rendered. Then I asked some of the trainees of middle management level at Management Training Institute, Ranchi, how life was, they said: "It is lovely, except for those boring lectures." There is often a mismatch between the training needs of an organisation and the training programmes to which their managers are sent.

And after the training, there is no proper evaluation carried on. There is as yet no formula for a meaningful evaluation. Nor is there any yardstick for measuring returns on training expenditures. At the most, evaluation of the reaction of participants in a programme is made. This consists of the filling up of a form by the participants on various aspects of the programme and is really an evaluation of training inputs and not output.

If training is not to become a failure such programmes should cease to be considered a status symbol. An organization invests to improve its effectiveness in meeting its objectives. If, therefore, training is to be useful, the organisation rather than the individual should be the prime object and for this, as a pre-requisite the needs of the organisation should be identified. The ills that deter the
organisation's progress should first be diagnosed and remedial action taken.

Training the personnel becomes all the more important in a concern which lays undue emphasis on seniority for promotion. Here the passage of time is a predominant consideration for promotion, one could hope to learn something with the help of training programmes to ensure that time is utilized to make the employees concerned suitable for higher responsibilities. However, in VISL, no such attempt has been made, though stress is put on seniority as a basic factor for promotion.

The arrangements for training which exist at present in VISL are indeed poor. There is a Training department coming under the jurisdiction of Senior Personnel Manager-Management Development (Sr.PLM-HD).

Chart 6
VISL-Training Department

| CNO          |
|             |
|             |
| Sr PLM-HD   |
|             |
| Manager Training |
|             |
|             |
| APPL-LUT   |
| Training Officer |
|             |
|             |
|             |
| B&O | Asst. Training Officer |
|             |
|             |
In the existing organisational structure, Manager Training reports to the Sr PMA MD, and is given only two officers, Training Officer and Assistant Training Officer, to look after the training section. Where as in the proposed organisational structure, Manager Training reports directly to the Director (Personnel and Administration). It is given more officers (5+) for this purpose. This advocates the policy of attaching more significance to the important function of training.

At the entrance of the Training Department of VISL, there is a canvas which reads:

It is good to have good will
It is good to have enthusiasm
But it is essential to have training.

thus quoting Jawaharlal Nehru. There is little physical facility for
training, and the "training cell", as it may be called, is mainly engaged in sponsoring the employees for training programmes conducted by such bodies as National Productivity Council, etc.

Work at junior levels is often routine and repetitive in nature. It tends to create a feeling of monotony, unless the significance of such work in the wider context of management is clearly understood by those who are employed at these levels. It should be a part of the effort of management to give this orientation, to impart a feeling of pride in every worker and every employee by relating the work they do to the wider objectives of the undertaking, and by explaining its significance.

Table 4.1

The total number of worker's Development programmes in VISL

<table>
<thead>
<tr>
<th>Period</th>
<th>Co Programmes</th>
<th>External Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Programmes</td>
<td>No of Participants</td>
</tr>
<tr>
<td>Since 1923 upto June 1990</td>
<td>14</td>
<td>235</td>
</tr>
<tr>
<td>During 1990-81</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1981-82</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1982-83</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1983-84(for labour association)</td>
<td>1</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>370</td>
</tr>
</tbody>
</table>

Source: Compiled from VISL records, Training Department.
The figures clearly speak of the lack of importance shown for training the workers in VISL. (Only about 600 out of 12,000 workers in VISL are trained—5%)

At higher management levels also there is a growing need for professional training. In Japan, even Managing Directors attend instructional courses repeatedly. Today, management in each sphere has become highly professional. This professionalism cannot be acquired at the college or university level. Much of it has to be acquired while doing job by discussions in seminars and conferences with others who are similarly employed. There is a lot that can be done by exchange of information and experience, by holding well-conducted courses and seminars and by deputation to diploma and other courses of study.

### Table 4.2

Management Development Programmes for Executives in VISL

<table>
<thead>
<tr>
<th>Period</th>
<th>Internal No.of Programmes</th>
<th>Internal No.of Participants</th>
<th>External No.of Programmes</th>
<th>External No.of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since 1923 upto June 1930</td>
<td>115</td>
<td>254</td>
<td>152</td>
<td>211</td>
</tr>
<tr>
<td>1920-91</td>
<td>—</td>
<td>—</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>1931-32</td>
<td>—</td>
<td>—</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>1932-33</td>
<td>—</td>
<td>—</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>1933-34</td>
<td>2</td>
<td>00</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>117</strong></td>
<td><strong>334</strong></td>
<td><strong>210</strong></td>
<td><strong>201</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from VISL records, Training Dept.
There is a Management Development Committee in VISL headed by CAO, having General Manager, Controller of Finance and Accounts and Sr PLM-ID as members. This committee recommends persons for management development programmes.

Looking at the figures in Table 4.2, one may think that all the 600-odd officers have been brought under someone or the other sort of training. But such a conclusion would not make much sense. For instance, in the calendar 20 executives have been covered as shown in Table 4.2 during 1983-84. Quality wise, the training given to executives of VISL has been of no avail. Occasionally some officers have visited other steel plants in the country, but the practices in these organisations have had little or no impact on this company, which has continued to follow its own tradition, regardless of such developments. There is no doubt that a more constant interchange of ideas and experience will help the officers of VISL to acquire a broader outlook, more in tune with modern management practices.

At higher levels too, there is a remarkable absence of contact with the training activities such as refresher courses, seminars, etc., even within the country. A few officers have indeed participated in such training courses and seminars, but such deputations have been ad-hoc and not part of any systematic plan. This criticism applies also to the training deputations to Germany and Austria at the instance of the Consultants Mr Bohlers. A good number of VISL employees were sent abroad for such training, but selections were made without due regard to the antecedents or aptitudes of the persons deputed. Indeed, such deputations abroad for foreign training came to be regarded as a favour
dole or a benefit given to the persons so deputed, and to avoid
criticism of showing undue favour, selection was often based once again
on seniority. Further, completion of training abroad, many officers
were not placed in positions in which the training they received abroad
could be utilized. On the whole, one cannot escape the feeling that
much of the foreign exchange spent on such training was wasted, without
corresponding gain to the company.

At present 40 percent of VIST's capital holdings are with the
SAIL. (See Appendix D for details on SAIL & Steel Industry in India).
There has been, for some time, a proposal that VIST would be completely
brought under the umbrella of SAIL. If done so, at least training will
be one of the areas which would gain in due importance. One can say
that SAIL carries on a systematic approach to training and managerial
development to develop skills and talents at all levels. The training
and development institutes at all plants and the Corporate Management
Training Institute, Ranchi, conducted a total of 799 programmes during
the year 1931-32 covering over 11,000 executives and non-executives. To
ensure a broader base to the training, employees were also deputed to
over 500 programmes conducted by other Management Institutes in the
country besides deputation of over 30 employees in specialized areas
abroad under aided programmes and bilateral agreements.

Whether VIST comes under SAIL or not, the management must think of
reconstituting the Training Department as early as possible, since
training constitutes one of the most important areas of personnel

14 SAIL-10th Annual Report 1931-32, pp 14-15
management. Such a reconstituted Training Department must have two wings, one for technical and developmental training and the other for managerial training. Professional men should be put on its staff.

The technical development training wing should draw up training programmes for the various skills required of the workers, and arrange as well as oversee the training actually imparted in these skills. It should also draw up specifications for trade tests which workers should be required to satisfy for promotion from one grade to the next higher one.

This wing should also provide for development training where instructions should be given as in primary schools for development of literacy. Advantage should be taken of those training facilities to give a general orientation on the objectives of the undertaking, its place and its importance in the economy of the country and the significance of the work done by the workers; the need to improve productivity and to acquire higher skills should be emphasised.

The managerial training wing should similarly encourage discussions and exchange of ideas on professional subjects. This can be done both by arranging group discussions of officers within the organisation, and by inviting experts from outside to speak on various specialised subjects. Guest speakers from other steel plants in the country or from an export group of consultants and management institutes, as well as occasional visitors from abroad could help to maintain contact with the latest developments elsewhere.

This wing should also draw up a regular scheme for deputation to
training courses and seminars both within the country and to the extent possible abroad. Such deputation should be systematic and should form part of a plan of training. It should also be ensured that the persons who are so deputed are, on the one hand, able to benefit by the deputation, and on the other, are able and are given the opportunity on their return to utilise this knowledge for the benefit of the company.

**Safety Training**

Accident prevention is an important job of management. Many a spot on the premises of VSL has been pitched with large holdings preaching the importance of safety at work. But if one goes through the statistical data about accidents, their frequency rates in VSL are alarmingly high.

**Table 4.3**

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Bhubaneshwar</td>
<td>179(4)</td>
<td>203(5)</td>
<td>269(3)</td>
<td>266(5)</td>
<td>335(1)</td>
</tr>
<tr>
<td>Durgapur</td>
<td>703(6)</td>
<td>405(6)</td>
<td>355(4)</td>
<td>362(3)</td>
<td>272(2)</td>
</tr>
<tr>
<td>Bokaro</td>
<td>476(4)</td>
<td>542(5)</td>
<td>472(6)</td>
<td>276(6)</td>
<td>230(4)</td>
</tr>
<tr>
<td>Durgapur</td>
<td>542(2)</td>
<td>377(3)</td>
<td>623(4)</td>
<td>354(1)</td>
<td>247(2)</td>
</tr>
<tr>
<td>Jamshedpur</td>
<td>627(10)</td>
<td>625(2)</td>
<td>403(5)</td>
<td>207(3)</td>
<td>242(5)</td>
</tr>
<tr>
<td>ASP, Durgapur</td>
<td>39(-)</td>
<td>34(-)</td>
<td>23(-)</td>
<td>32(-)</td>
<td>32(-)</td>
</tr>
<tr>
<td>Dolaro</td>
<td>203(2)</td>
<td>373(3)</td>
<td>547(6)</td>
<td>441(5)</td>
<td>455(1)</td>
</tr>
<tr>
<td>VSL</td>
<td>1455(2)</td>
<td>1373(2)</td>
<td>1371(1)</td>
<td>1140(-)</td>
<td>1316(4)</td>
</tr>
</tbody>
</table>

**Total**

|        | 4261(31) | 4444(25) | 4163(30) | 3036(23) | 3125(20) |

**Note:** Figures in brackets denote "fatal" accidents which are included in the total.

ASP, Durgapur, has come out with the least number of accidents, while VISTL, Bhadravati, has accounted for the largest number. It is a strange anomaly that while both are special steel plants with considerably smaller workforces than at integrated plants, it would appear that safety consciousness is least evident at VISTL.

Enquiries at VISTL reveal that those who are wounded while on job are eligible for full pay plus if the injury is serious, compensation. This has almost turned into an "incentive" to feign small injuries to take home a package of paid holidays. Doctors seem to be a party to this fraud.

All the same there is need for greater emphasis on safety campaign. This work may well be undertaken by the Welfare Division of the Personnel Department.

PERFORMANCE APPRAISAL: As K G Dalleappa puts in his article, "Making Confidential reports more useful" (Hindu, May 21, 1984): "Every year various minions of the management in most companies bring out their broad swords, sharpen them and wield them to produce what is called Annual Confidential Report".

15 Among the integrated steel plants, Bhilai scores over the rest in safety followed by Bokaro. Here again, a similarity exists between the two plants, perhaps based on Russian practices, which are followed at both the plants. However, the total number of accidents has fallen from 1976 to 1980.

16 "The most commonly given reason for appraisal and counselling programmes is that the employee should know where he stands with management. It is held that in a democratic industrial order the employee has a right to know how his work and his prospects are evaluated. The very concept that secret dossier might exist that determines a man's future and reflects on his past is inherently repugnant to most people." - Saul U. Gollerman, "The Management of Human Relations", Holt Rinehart and Winston, New York, 1965, p.36
A related weakness of rating scales is their amenability to manipulation by the appraisers to victimise or discriminate among subordinate managers. The Confidential Reports of managers about subordinates are often subjective. Employees who bring problems to the managers to be solved are 'bad boys' and are thus branded for life. May be it is here that we can recall Bernard Shaw's saying (Man and Superman): "The only person who behaves sensibly is my tailor. He takes my measures anew every time he sees me. All the rest go on with their old measurements".

The best in employees is sometimes lost by this attitude. Though it will be unfair to maintain that a manager's report is totally lopsided, a chance to the workforce to criticise or defend through appraisal interviews can help clear misconceptions.

The objectives of such appraisal interviews could be (i) to re-check certain facts, reports, etc., on the basis of which the reporting officer may form certain impressions; (ii) to enquire from the appraisee, about any organisational constraints or procedural flaws being faced by him, due to which he is unable to function up to the expectations of his superior officers; (iii) to advise the appraisee as to what extent the reporting officer accepts the appraisee's appraisal of himself (where self-appraisal is desired); (iv) to discuss the factual basis of any claims of excellence made in self-appraisal; (v) any other area which the format does not cover.

At the same time, self-assessment by an employee is considered another extreme on the grouse that it generally avoids a probe into one's own weaknesses. Successful managers (in terms of achieving the
tangible goals) back in glory and the unsuccessful ones invoke excuses.

As a midway, many organisations have found it useful to encourage individuals to maintain a running "achievement account" that is periodically "audited" by both the appraiser and the appraised. The running record helps the appraiser to be open and the appraised to avoid a sense of injured innocence or infer any threat from the appraisal system. Such a record will be maintained by one individual concerned. It will record only outstanding activities undertaken and completed successfully as also significant lapses with a view to avoiding their recurrence.

Attitude, skill and knowledge and their application at work are known to be basic for performance. The value of appraisal as a basis for continuing education, training, and development of individuals, as a tool of management and as an integral part of management process for motivating people is also being increasingly appreciated, more especially in private sector.

In the public sector, employees enjoy greater job security and their career growth depends mostly on their seniority irrespective of the performance. The importance of performance appraisal system has not been properly appreciated in many public sector enterprises. The policies of the government are seldom observed in their proper spirit. Business ethics laid down for avoiding unfair practices and ensuring better utilisation of public resources are circumvented and flouted with ease, for the sake of high-sounding but hollow social goals. A critical assessment of the manager by employees can go far in checking such unethical business practices.
# APPRAISAL FORM

Visvesvaraya Iron and Steel Limited, Bhadravati.

Applicable to all employees in the Non-Executive Category including CM Rated
(IV grade and above)

<table>
<thead>
<tr>
<th>Department</th>
<th>Name</th>
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<tbody>
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<table>
<thead>
<tr>
<th>CC No.</th>
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<table>
<thead>
<tr>
<th>Emp No</th>
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<table>
<thead>
<tr>
<th>Assignment</th>
<th>Date</th>
<th>Date</th>
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<table>
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<tr>
<th>(months)</th>
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<table>
<thead>
<tr>
<th>Completed Years of Service</th>
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<tr>
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<table>
<thead>
<tr>
<th>Qualification</th>
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<tbody>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Present Position</th>
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<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

(CHECK APPROPRIATE BLOCK)

1. APPLICATION ON THE JOB
   Is he/she steady, interested, regular in attendance
   Below Standard: [ ]  Average: [ ]  Good: [ ]  Out-Standing: [ ]

2. ABILITY TO LEARN AND WORK
   Does he/she understand, remember, follow instructions and work
   [ ]  [ ]  [ ]  [ ]

3. TEAM WORK
   Does he/she get along and work well with others
   [ ]  [ ]  [ ]  [ ]

4. COMPLIANCE WITH INSTRUCTIONS AND REGULATIONS
   Does he/she readily conform to instructions & regulations
   [ ]  [ ]  [ ]  [ ]

5. HEALTH AND SAFETY
   Is he/she normal in health?
   Does he/she follow safe practices in his/her work
   [ ]  [ ]  [ ]  [ ]

6. QUALITY, QUANTUM AND SPEED OF WORK
   [ ]  [ ]  [ ]  [ ]
7. Amplifying remarks to any of the above items:

8. Special ability, qualifications, training needs acquired/required.

9. Additional information which will help appraise the employee.

RECOMMENDATIONS

(Tick the statement which is most applicable)

☐ Unfit for promotion
☐ Needs improvement
☐ Performance satisfactory
☐ Extraordinary Performance (give examples)

Signature of Appraiser
(Shift Engineer/Asst Manager)

(Name & Designation)
Date

Specific remarks, if any, of higher Executive.

Signature of Higher Executive
(Dy Manager/Manager)

(Name & Designation)
Date

(M.C. No 21488/Pl.Mgr)
EXECUTIVE APPRAISAL FORM

Appraisal for the period April __________ to March __________

Functional Area ____________________________

Wing/Division/Dept ____________________________ Group________________________

Name ______________________________________ Qualification ______________________

Date of Birth __________________________ Date of joining the Company __________

Age : __________________________ Position held during the period of review __________

Designation __________________________ Pay Scale __________________________

Date of entry into : __________________________ Employee Number ______________________

Present grade __________________________

Instructions to the rater

1. Rate the executive in relation to positions held during the year under review.
2. Be objective. Avoid any personal prejudice.
3. Do not evaluate on the basis of isolated incidents, but base your judgement on the entire period under review.
4. Consider each factor independently, un-influenced by the rating given for other factors.

Performance rating Grades

<table>
<thead>
<tr>
<th>Grades</th>
<th>Descriptions</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Outstanding</td>
<td>Exceptional contribution or ability rarely achieved by others</td>
<td>5</td>
</tr>
<tr>
<td>B - Very Good</td>
<td>High performance or ability</td>
<td>4</td>
</tr>
<tr>
<td>C - Good</td>
<td>Effective discharge of responsibilities and suitable managerial abilities</td>
<td>3</td>
</tr>
<tr>
<td>D - Satisfactory</td>
<td>Just meets the normal requirements</td>
<td>2</td>
</tr>
<tr>
<td>E - Poor</td>
<td>Far below average standard expected</td>
<td>1</td>
</tr>
</tbody>
</table>
Performance on the job:

1. Summary of achievements on the present job during review period.

2. Area where performance has fallen short of expectations/targets and the reasons thereof.

3. On the basis of the above how would you rate the assessee’s performance (Please indicate in the scale provided)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**EVALUATION OF MANAGERIAL FACTORS**

(Please fill the column by putting the appropriate points, not grades)

<table>
<thead>
<tr>
<th>Reporting Officer</th>
<th>Reviewing Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

1. **JOB KNOWLEDGE:**
   (Professional expertise with regard to all phases of his work)

2. **PLANNING, ORGANISING & CONTROLLING:**
   (Ability to plan and organise work and to control men and their operations efficiently)

3. **COMMUNICATION**
   (Ability to express himself in a clear and concise manner, both in writing and orally)

4. **CREATIVITY**
   (Aptitude for and interest in developing and putting into practice new and beneficial ideas or improvements)

5. **COST CONSCIOUSNESS**
   (Aptitude for and interest in controlling/reducing costs)

6. **DEVELOPING SUBORDINATES**
   (Aptitude for and interest taken in training personnel and preparing them for higher responsibilities)

7. **FUNCTIONAL RELATIONSHIP**
   (Ability to get along with colleagues/clients/customers and win their confidence and co-operation)

8. **LEADERSHIP**
   (Ability to inspire and motivate others and create a feeling of esprit de corps)

9. **JUDGEMENT**
   (Ability to analyse Problems and issues and propose/take sound decisions)

10. **EFFECTIVENESS**
    (Capacity to get the right things done in the right way)
PART III

1. OVERALL ASSESSMENT: (Overall assessment of the executive taking into consideration his performance on the job and the relevant factors listed above). In arriving at the overall grade, performance on the job (Part-I) should be given 50% weightage, and potential for performance as covered by the attributes/Parameters exhibited in Part-II, the remaining 50%. In case of fractional grades, round off the nearest whole grade.

Example:
1. Grade in Part-I is “A” which equals 5 points.
2. Average points obtained in part-II: 3.20

\[
\text{Overall points scored} = \frac{5.00 + 3.20}{2} = \frac{8.20}{2} = 4.10
\]

Overall Grade = B

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing Officer</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Space for comments, if any (Please give special reasons/justifications for outstanding and poor ratings).

Reporting Officer

Reviewing Officer

PART IV

SUITABILITY OF THE ASSEESSEE FOR PROMOTION

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For A or C, Reasons may please be given.
### PART - V
**COMMENTS BY PERUSING AUTHORITY**: (On overall appraisal of performance and promotability of the executive and comments on reporting and reviewing officers' appraisal of the Executive).

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Signature</th>
</tr>
</thead>
</table>

### PART - VI
**TRAINING NEEDS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Assessee)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Designation</th>
<th>Department/Section</th>
</tr>
</thead>
</table>

1. **Training undergone during the year under review.**

2. **Training in specific areas required to improve performance on the present job.**

3. **Training needs for future development.**

<table>
<thead>
<tr>
<th>Signature</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Officer</td>
<td>Reviewing Officer</td>
</tr>
</tbody>
</table>

4. **PERSONNEL DEPARTMENT**:

   A: Action on the training needs indicated last year for the year under review.

   B: Action for the coming year
Feed back on the performance Appraisal

CONFIDENTIAL

Appraisal for the Period...

Functional Area...

Wing/Division/Dept.: .......................................................... Group: ..........................................................

Name:

Designation:

Employee No:

PART – A

This is to be filled up only if there are any points noted regarding short-fall in performance given in Part-I. If so, summary of achievements short-fall in performance as observed by the reporting office in Part-I (1) and (2) should be reproduced and sent to the assessee. The assessee shall give his views on the comments and return this sheet within 3 days to the reporting officer who shall forward this to the reviewing officer.

1. Summary of achievements on the present job during review period:

2. Areas where performance has fallen short of expectations/targets and the reasons thereof.
PART - B

Reaction of the assessee regarding the adverse comments relating to his performance.

Signature of the Assessee

PART - C

Final noting of the Reviewing officer.

Signature of the Reviewing officer
Performance Appraisal is introduced for all officers and workers up to grade IV employees in VISL. It is prevalent in the form of Confidential Reports, prepared every year by the immediate head.

The Appraisal Forms used in VISL are comprehensive and objective enough to give a fairly true and dispassionate evaluation of an employee. But merely having detailed forms of appraisal does not make the Performance Appraisal System a foolproof endeavour. What one discovers after a few interviews with the appraisers and the appraised is that the former seem to have accepted it as a very "formal duty" and the latter seem to be either unaware of or indifferent to the whole practice. Such a feeling is really a sad one, more especially, in the present day management style, wherein Performance Appraisal system is used as a major test before an employee is promoted or sent for training, etc. The need of the hour seems to be a serious attitude towards this important area of personnel management, viz., Performance Appraisal System.

PROMOTION:

It has been in practice in VISL, to have direct recruitment to the lowest grade, i.e., Grade VI and thereafter only to the grade of Assistant Foreman. Promotions from grade to grade are based on trade tests, which, unfortunately, do not have properly prescribed specifications.

To say about promotion in the officers' cadre, two important features in VISL are:

1. Their plant-wise nature from the grade of Assistant Superinten-
Their almost exclusive emphasis on seniority (till today).

While even the workers had to face trade tests, a Shift Engineer, till recently, could have been promoted on the basis of his seniority to the post of Assistant Superintendent in his own department. Promotions from and above the level of Assistant Superintendent were on an all-plant basis. This arrangement coupled with the emphasis on seniority has led to several anomalies, such as the promotion of an accounts man as Sr.PW, or promoting a technically qualified man as Secretary to the Board of Directors as was the case for quite some time. Even office managers could have been promoted to the cadre of Shift Engineers. Defective policies of this nature, practiced for long, have vitiated the promotion schemes and have created serious problems of manning at higher levels.

There has been discontent among the ministerial staff about VSL's promotional policies. They allege that some departments (e.g. Coot and Finance) have higher rates of promotions while some (e.g. Personnel and Commercial) have lesser. The ratio of discrepancy as put by one of the officers is 3:1.

It is also necessary to avoid complete reliance on seniority as the criterion for promoting people. In the absence of merit as a factor for promotion, there is no incentive for officers to exert themselves. Where promotion is assured by influx of time, and where hard work or

17 Only recently this policy has been changed. Presently, a Shift Engineer cadre officer recruited as Management/Technical Trainee, stays in one of the 12 groups till he reaches the level of Deputy General Manager. Promotions above this level are on all-plant basis.
good work brings no special benefits, there is no reason why any officer should go out of his way to put in special effort or to improve the quality of his work.

**TRANSFERS**

Transfers play an important role in the development of human resources. Moving the executives vertically within the same department or organization is the way most companies develop their executives. Principles of management are violated when we move people in a straight ladder along the line very rapidly, thus taking away their overview.

The primary purpose of a transfer is to increase the effectiveness of the organization in attaining its objectives. When an employee is found not very suitable in one position, he need not be considered as a good-for-nothing. A proper study of his potential followed by a transfer accordingly may give an answer to the problem.

Another significant purpose of transfer is to provide greater personal satisfaction to the employees. A new job may open up new avenues of promotion or add the spice of variety to daily routine or may suit the employee because of his present state of health, age or accident record.

Transfers may also be helpful in avoiding lay offs among the present employees. In a growing organization, new jobs may be filled by transfers of experienced employees within the plant. Where jobs in departments or units are similar, interplant or interdepartment transfers considerably benefit the organization by providing a means of
exchanging each other's experience.

In VISL, however, there is no definite policy regarding periodical transfers of personnel from one department to another. Only when the labour union leaders bring pressure upon the management a manager may be transferred from one department to another. Most transfers are of inter-department level at the most. If VISL comes under SAIL then it could think of having inter-plant transfers. This would certainly be to the favour of VISL, which has been in isolation since its inception in 1923. Presently, even in the integrated plants of SAIL, one finds not a very well kept policy of inter-plant transfers of personnel. In the British Steel Corporation which is much bigger than SAIL, mobility of technical personnel in the constituent units has been facilitated right from the beginning. Such a policy in the Indian public sector is a welcome policy.