

CHAPTER - 4

Policy Issues in Recruitment Process and Trends of Reforms

4.1 The effectiveness of public organizations and their service delivery potential in a civil society depends fundamentally upon the 'people' manning these organizations. There are several change factors like globalization, technology innovations, economic considerations which are acting as drivers for change in scope and process of public delivery systems, thereby bringing the whole gamut of civil service personnel management issues including recruitment and staffing in public services under scanner.

Merit appointments and spoils system

4.2 There are certain policy issues relating to recruitment in civil service which are universal and have been debated extensively. The merit appointment as against patronage system also referred to as spoils system or political appointments, is one of such issues. The merit system features impartiality and neutrality in the choice of public official which leads to the practice of fair, transparent and competitive recruitment practices. The merit system evolved as response against the patronage system which was considered to be the root cause of nepotism, corruption and inefficiency in public services. Most of the modern democratic states have imbibed merit principle in developing personnel systems in civil services and in many a cases a strong legal backing in form of codified law and rules etc has been provided.

4.3 Many a times the worst characteristics of a rigid civil service system: excessive rules, unresponsive and unaccountable civil service are assigned to merit system. Supporters of patronage system argue that such a system allows flexibility and fuels democracy. Many a countries have adopted hybrid systems, whereby a percentage of senior civil servants or those who occupy positions of policy / advisory function are political appointees. However it has aptly been pointed out by Patricia Ingraham⁵² in context of federal civil service reforms: “Current reform proposals envision a federal public service of the future that is different from today’s service, but none advocates eliminating a well qualified and competent federal work force. None suggest that the entire workforce be employed ‘ at will’. And none suggests that merit has run its course. Rather, contemporary view of merit envisions it as the energizing of the goals and ideas that guide reforms.”

4.4 In Indian context, the civil service after independence retains the defining features of British structures like open entry systems based on academic qualifications, permanency of tenure, training etc. A strong commitment towards open, equitable entry systems for civil service is reflected in the Fundamental rights relating to equality of opportunity and has further been strengthened through various judgments of the courts. This has already been dealt with in chapter 3. While the entry and progression in public organization is through open and publicized rules/ instructions / guidelines which are open to judicial review, the political patronage as a factor for senior level appointments in form of postings against a post, usually the coveted one cannot be ruled out completely. The

⁵² Patricia Wallace Ingraham: Building Bridges over Troubled Water: Merit as a Guide, Public Administration Review, July/ August 2006, Volume 66, No.4, pp 486-495

Second ARC has advocated an open, transparent system of placement at senior management positions in government through an independent Central Civil Services Authority.

4.5 Generally a need for flexibility from rigid civil service system is reflected in setting up of number of autonomous/ statutory organizations, boards etc. for regulatory, advisory, and research functions. The senior appointment in such organizations is through selection committee mechanism⁵³ and neutrality of such selection could also be debated. Keeping in view the trend world over, such system cannot be out and out derided, but as has been pointed out by Patrick Keuleers,⁵⁴ “politically inspired selection for appointments in the civil service should be linked to merit selections, embedded in a strong ethical framework and counter balanced by an effective system of checks and balances.”

Career or position system of staffing policies

4.6 The other universal debate in staffing policy impacting recruitment process is in relation to choice between position system and career system. It is by and large accepted that staffing pattern based on career service is a sound foundation for public administration. Milton M. Mandell⁵⁵ has observed that a career service “is predicted on recruiting young men and women with capacity for learning and growth, training them in opportunity for order to develop and utilize their aptitudes, and offering them

⁵³ DoP&T OM No.AB.14017/11/2004-Estt.(RR), 30/07/2007

⁵⁴ Keuleers, Patrick, Civil Service Personnel Management: Key issues for consideration when assisting civil service personnel management reforms in developing countries, UNDP, March 2004

⁵⁵ Milton M. Mandell: Personnel Standards: Article in Fritz Morstein Marx, (ed) Cited A. Bhattacharjya in Recruitment Rules and Civil Services, Ch.three, pg 45).

advancement in responsibility and remuneration. The advantages are team work and continuity in administration and an effective way of attracting the ablest candidates to the public service. However the administration of career service depends on a recognition of its implications.” In the field of civil service, the concept of career means that an official is recruited as a member of a service or cadre with a hierarchical structure and spends his entire professional life in that service or cadre occupying in successive stages different posts in increasing order of responsibility, pay and privileges. A prerequisite of career system is hierarchically arranged posts mostly in pyramid form where officials at different age, experience and responsibility are functioning for delivery of well defined public administration outputs. The official in such a system operate right from recruitment to retirement. In career systems the recruitment process is generally oriented towards open competitive written examination. Only basic academic qualifications are required and generally no special skill is insisted upon. It is expected that growth of skills would be achieved through training and on job progression in the cadre.

4.7 However recruitment to civil service is no where confined to career system alone. It extends to position based system as well where persons are recruited to the positions for a limited duration. The position based systems are usually associated with more open systems and emphasis is placed on selecting the best suited candidate for each position and such selection could be through external recruitment or via internal mobility. Recruitment in such cases is usually decentralized with market based salary structures and short term contracts. In position system of staffing, the emphasis is on clear cut job requirements and matching of skills with the job.

4.8 Broadly, the two general approaches to building civil service system, the job system and the career system affect the structure of the civil services. In Netherlands and United States, recruitment is for a job or position and individual remains in this job for the rest of their professional career. The promotion or change of job would need to be achieved by competing for the posts and may be passing a competitive examination. There is lateral entry and significant vertical and horizontal mobility. Such systems are often market oriented, have fewer age restrictions and generally use variable pay systems.

4.9 In most European countries and in Japan, the civil service is organized along career paths. The entry is highly selective and rigorous; progression is generally through several grades and echelons based on criteria of efficiency, evaluation and seniority. Although the closed systems leave little scope for abuse, the system is rigid and introducing new blood is extremely difficult. The system due to the rigidity involved tends to miss out on the special competencies evolved in private sector. However concept of lateral entry has its own set of problems including objectivity of recruitment⁵⁶

4.10 In Indian context, the contract or tenure appointments are not widely followed in Central Civil Services and recruitment whether in career system or position system is permanent till retirement. In many cases the hierarchical nature of posts may also not be evident, and yet the person recruited continues till the retirement on limited progression

⁵⁶ Based on Civil Service system and Economic Development: The Japanese Experience, Hyung Ki Kim, Report on international colloquium held in Tokyo, March 22-25 1994.

or even on single post at times. However while framing recruitment rules for isolated positions, especially at junior and at middle rung of civil service, the permanent recruitment from open market is generally discouraged and there are instructions that such posts should normally be filled through deputation i.e. internal sources.⁵⁷ For many senior level posts, like that of advisors and some other posts requiring specialized expertise, direct recruitment from open market is allowed but there is no tenure concept and incumbent is in post till superannuation. Separation of regulatory functions and at times advisory functions from the executive functions through statutory regulatory bodies, boards etc. is a recent phenomenon and appointments in such cases is mostly based on position systems.

Centralized and decentralized systems of appointment

4.11 Another important issue concerns centralized system of recruitment as against decentralized system. There are pros and cons attached to both the systems. The centralized systems of recruitment allow economies of scale, expertise in selection process, better control and reduce the risk of nepotism and corruption. On the negative side such systems can be slow, unresponsive to the needs of Departments on whose behalf recruitment is being made. On the other hand the decentralized system would be more flexible, faster and curb centralization of power. But such systems lose economies of scale, may lack expertise for proper selection and could be more susceptible to undue

⁵⁷DoP&T OM no. AB-14017 / 12/87-Est(RR) dated 18-3-1988, Para 3.12.4

pulls and pressures. According to a World Bank technical paper⁵⁸ the system with some degree of centralization is more appropriate for developing countries.

4.12 In India, the trend towards centralized recruitment system from open market is discernible. Institutional mechanism for such recruitment in middle and senior rung of civil service posts is through UPSC unless exempted specifically under Exemption from UPSC Consultation rules, 1958. For Gr. C and some non-technical Gr. B services, Staff Selection Commission is responsible for direct recruitment. In the case of appointment through promotion, generally UPSC is involved at senior level.

4.13 The policy debate in designing civil service recruitment systems, as discussed above, is reflected in trends of reforms followed by different countries in response to the effect of various change drivers.

Trends of Reforms in Civil Service

4.14 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, decentralized, citizen-responsive civil services, compatible with late twentieth century technological and economic requirements⁵⁹. Bureaucracies everywhere face similar problems. The

⁵⁸ Ibrahim F.I. Shihata, Civil service Reform in developing Countries (sourced from Civil Service reforms in Latin America & the Caribbean: proceedings of a Conference, edited by Shahid Amjad Choudhary, James Reid & Waleed Haider Malik: World Bank Technical Paper No. 259)

⁵⁹ Barbara Nunberg, Managing the civil Service Reform Lessons from Advanced Industrialised Countries, World Bank discussion paper 204, 1994)

challenges are mainly the problems of cost containment, the level of centralization of services co-ordination of different services, recruitment, training and retention of high quality personnel, administrative independence and integrity of the civil service. The reforms in most countries are basically centered on these issues. The reforms, in some of these countries have been radical based on systemic transformation. While 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.

4.15 The second ARC has analyzed the approaches to reforms in countries like Australia, Newzealand, U.K. and Asian cases like Japan and Singapore. The approach to reforms is systemic in first three countries while approach to reforms is incremental in nature in Asian countries mentioned above.

4.16 The Australian experience of reforms is centered around statutory framework for accountability and accounting framework and Public Service Act of 1999. The Act lays down the basics of an apolitical civil service, specific provision to affirm the merit principle, effective and fair employment, management, leadership and establishes rights and obligations of Australian Public Service employees. Creation of more open Senior Executive Service with stricter selection criteria, and appointments both from outside and within the government.

4.17 In U.K. a separation of policy and executive functions is attempted and a large number of executive agencies have been created and most members of British civil service works in these agencies. Defined responsibilities, key targets, greater functional power devolution to these agencies is the hallmark of such a system. All pay and grading matters have been decentralized to the executive agencies. A new senior civil service was created in 1996 and wide and open competitive filling up of the vacancies is the norm.

4.18 New Zealand's administrative reforms are based on the principles of clear objectives and accountability parameters, managerial freedom and transparency. The State Sector Act provided for fixed term contractual appointment of Chief Executives in line department under State Service Commission. To counter the threat from departmentalization and loss of public service ethos, a senior executive service was created as a cross departmental service appointed by chief executives with the approval of the State Service Commission.

4.19 Singapore Civil service reforms are premised around meritocratic recruitment, competence oriented promotions and salaries at market rate comparable to private sector for employees with similar abilities and responsibilities. This has been facilitated by monetization of various perks earlier available to civil services. The recruitment to Singapore civil service is by selection from top 200 of graduating class at National University of Singapore and Nanyang Technological University.

4.20 In France, like most civil service in Europe, the civil service is career based. However mobility is a defining feature of civil service with mobility being permissible to State owned public enterprises and private sector. The law also permits them to hold political positions while retaining lien over their original corps. Merit appointments through competitive examinations for higher civil service from candidates with at-least four years of higher education, middle echelons of civil servants and a very small portion from private sector along with training at Ecole Nationale d' Administration is the hall mark of French Civil Service.

4.21 Japan is an example of closed civil service system with no provision for lateral entry. However initial recruitment is completely open and rigorous, drawing from the most prestigious Universities. Civil servants work only within the agencies to which they are recruited. Japan is one of the few countries that has managed to keep the number of civil service within manageable proportions and has enforced manpower ceilings mandated by Law.

4.22 As can be seen the international experience of reforms has taken different paths in different countries but some of the common features have been merit based and competitive recruitment and promotion practices, clear accountability parameters and devolution of power. Separation of policy and executive functions and agencification for operational responsibilities of the government are some other noticeable trends in reform process.

4.23 In India, since Independence, there have been about fifty Commissions and Committees at the Union Government level to look into what can be broadly characterized as administrative reforms.⁶⁰ 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. Recommendations of the some important Committees and Commission related to recruitment in civil service are as below:

4.23.1 A.D.Gorwala's Report⁶¹ 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.

4.23.2 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.

4.23.3 The Krishnamachari Committee Report⁶² analyzed the recruitments to Class I and Class II services in the State Governments and recommended that recruitments should be made annually.

⁶⁰ ARPG, quoted in 10th report of ARC Ch. 2

⁶¹ Report on Public Administration, 1951(quoted in 10th report of ARC)

⁶² Report on Indian and State Administrative Services and Problems of District Administration by V.T. Krishnamachari, 1962

4.23.4 The first ARC emphasized the importance of proper personnel planning and cadre management. It recommended that recruitment to the Indian Administrative Service (IAS), Indian Foreign Service (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.

4.23.5 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.

4.23.6 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.

4.23.7 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.

4.23.8 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 services⁶³

4.24 The recommendations by various expert committees for recruitment in civil service are basically centered on entry to higher civil service through civil service exam conducted by the UPSC and mainly cover the structure for examination system, qualifications, age of entry in civil services and number of attempts for aspirants. The other recommendation for civil service reforms include reorganization of work of government in Ministries and Departments, assignment of domain experience and selecting senior management personnel from all services on the basis of knowledge and experience in the respective area of specialization. The selection process recommended by first ARC for senior management posts was through a mechanism of mid career competitive exam to be administered by UPSC and interview by a Committee consisting of two senior secretaries of Government of India and Chairman UPSC.

4.25 On implementation of civil service reform the second ARC⁶⁴ has summed up "As a result of the deliberations of these Commissions and Committees on different aspects of

⁶³ History of reforms sourced from 10th Report of second ARC, Ch. 2

⁶⁴ *ibid*

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'.

Recommendations of second ARC

4.26 The second ARC has recommended a wide array of reforms in civil services management and also proposed a statutory basis for reforms through new civil service law. Some of the main recommendations of second ARC are compiled in Annexure III. The second ARC has, like many other committees, favoured lowering of permissible age of appearing in the civil service examination. The moot question is if implementation of this would be possible in present scenario where any such attempt is viewed as furthering rural/ urban and rich/ poor divide. The appointment policy of the government is viewed and evaluated more from the perspective of general welfare than efficiency and while logic of recommendation is unbeatable, the implementation would require political will.

4.27 The second ARC⁶⁵ has recommended for establishing of National Institute of Public Administrations for degree courses which would emerge as the specialized centers of excellence and major source of civil service aspirants. The graduates from other systems would need to undertake a bridge course in subjects like Constitution, Indian legal system Indian economy, polity etc. before they can take the civil service exam. While the need to get a younger population interested in ethos of civil service may be a good idea, the recommendation perhaps needs to be deliberated in detail as it could result in unintended alienation from civil service exams. It is open to question that the student after class 12th would opt for such institutes over the preferred engineering, medical or other professional exams specially when the market relevance of such degree courses, besides the civil service exams, is not very clear at this stage. Even in humanities, in many of the reputed Universities offering Graduate Honor's courses, a system of campus placement is evolving and requirement of a bridge course for graduates for entering the civil services may not go down well with the bright young University population.

4.28 The second ARC has recommended a statutory Civil Service Authority for domain assignment and placement at middle and top management level in the government. On the lines of senior executive service in many countries,⁶⁶ the second ARC has recommended filling up of all senior positions (SAG and above)⁶⁷ by opening these posts to all services and competitive selections through Civil Service Authority. Lateral entry from private sector is recommended only against identified posts at the level of HAG and

⁶⁵ Tenth report Ch. 5

⁶⁶ comparative features in different countries at Annexure IV. (Tenth Report of second ARC)

⁶⁷ See Annexure II

above. The import of these recommendations is not very clear at this stage. At present, in Central Civil Services, the appointments to senior posts are through promotion in cadre hierarchy, mostly with the involvement of the UPSC and a central staffing scheme is operated for appointment to middle and senior level ministerial posts in the Ministries and Departments. Constitution of an empowered Central Civil Services Authority itself would require major structural and role changes in the government and overlapping of functions, further lengthening of the process etc. needs to be guarded against. No distinction seems to have been made in the recommendations of second ARC for functional and ministerial posts. If so, a related issue is that if all the posts above the level of SAG are pooled in the proposed system then cadres in all Central Civil Services would be restricted to the level of Director only. That would mean only one functional promotion would be available to the direct recruits of such services in junior administrative grade from senior time scale, as promotion from Junior time scale (induction grade) to Senior time scale and from Deputy Secretary to Director's grade⁶⁸ is nonfunctional in most of the organized civil service cadres. Mostly the posts at these levels are interchangeable in organized cadres and there is no assumption of higher responsibility. Would a Gr. A Service with induction through prestigious Civil Service examination remain justified in such a scenario? What would be the fate of Civil Service examination? Since the recommendations of ARC are for central posts and services, it is not clear if the promotions in All India Services which are against State posts would continue. If so, this may give rise to further disparities in progression of All India Services and Central Services. While opening up of the posts for senior management in government is a noticeable trend of reform process, the issues related to structural

⁶⁸ See Annexure II

adjustments would need to be deliberated in detail taking into account all concerns and implications. The concerns of transparencies and objectivity in proposed mechanism and institutional arrangements for the same would require detailed deliberations and consensus building.

4.29 Some of the other recommendations of ARC are: more competitive, exam based methods for induction into All India Services and Central Services from the subordinate cadres, mandatory training for subsequent promotions, 25% of direct recruitment in Gr. B, a well designed objective examination system for Gr. C and non-gadgetted Gr. B merit consideration as they would have an impact on energizing the recruitment system.

Recommendations of Sixth CPC

4.30 The Sixth CPC has *inter alia* made some recommendations on the appointment and promotion policy in the central government. Broad basing the selection procedure for deputation posts in SAG and HAG⁶⁹ in central Ministries and Departments and opening up of certain SAG and HAG posts requiring special expertise to all the officers within the Government as well as outsiders are some of the main recommendations. The Sixth CPC has also recommended for institutional mechanism of selection in both the cases through UPSC.

4.31 An interesting recommendation of the Sixth CPC is regarding contractual appointments with fixed tenures on higher remuneration package, especially for posts requiring high professional skills. It has also recommended that officers within the

⁶⁹ Refer Annexure II

government would also be eligible for such tenure appointment and could also get higher market based remuneration, provided they sever ties from their parent cadre. Tenure appointment are integral to opening up of government posts at higher level as at present any appointment in government is permanent. The market based remuneration would help in attracting suitable persons from the open market and such positions could also be taken by officers within the system. However the modalities and templates for contractual arrangement, selection for such positions and also methods of assessment of market based remuneration would need to be worked out. It may not be an easy task given the strict regimented financial systems in the government and also the variability of remuneration practices in the private market.

4.32 A significant recommendation of Sixth CPC for lower rung of civil service is that 10% of direct recruitment posts in Gr. C and B should be filled up by Limited Departmental Competitive Examination (LDCE) and it should be open to all persons having necessary qualifications. It is not clear as to why recommendation for carving out LDCE posts should be from direct recruitment posts alone and not from promotion posts also as ideally it is supporting a merit based fast internal promotion as against present rigid hierarchy where irrespective of competence there are no methods for fast movement upwards. However, the recommendation merits implementation as this would, to some extent establish the concept of competitive competence in internal progression system.

4.33 To summarize, keeping in view the policy issues involved in recruitment process, the choices in designing the recruitment system would need to be made in context of

overall legal and policy environment and requirement of efficient civil delivery systems in the organization. These choices would need to be reflected in recruitment rules for appointment to civil posts in Government. The trend of reforms in India can at best be categorized as incremental in nature rather than dynamic. The questions of providing domain expertise; channels for lateral entry into the civil services; downsizing the bureaucracy are the recurring concerns in reports of various committees but a solution has been found to be elusive and structural issues are yet to be sorted out. The strength and weaknesses of existing system against the backdrop of general trends of reforms are discussed in the next chapter.