Appointments of Public sector chiefs

Why in news?

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The petroleum ministry’s proposal to appoint chairman and managing director of ONGC with just a year’s validity is illogical.

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What is the recent appointment about?

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- The Public Enterprises Selection Board (PESB) had shortlisted nine candidates for the top job, but Petroleum Ministry has chosen one of its own choice.
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- Petroleum ministry also had sought the approval of the Appointments Committee of the Cabinet (ACC) for this appointment initially for a year.
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- During which the ministry will conduct quarterly performance appraisal of the new recruit before seeking a fresh mandate for further employment.
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- It is a classic example of all that is wrong with senior-level appointments in public sector companies.
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What are the issues with appointments?

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- **Various stakeholders -**Appointments to top positions in PSUs are lengthy and complicated process,
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- It involves various organisations such as PESB requiring clearances from the administrative ministry, Central Vigilance Commission and finally the ACC.
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- **Delayed appointments-**These layers often delay the appointment.

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- There have been several instances of the appointment panel finalised by the PESB being scrapped without reason, delaying the process further.
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- **Lack of foresight -**There have been several cases where it initiated the selection process barely days before the current CMD was due to retire.
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- **Political interventions -** Large number of politicians affiliated with the ruling party are appointed as independent directors of various PSUs.
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- The question is how a politician with no experience in the core competence of the PSU concerned will add any value to the decision-making process.
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What should be done?

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- There is a clamour for giving longer tenures to heads of public sector units so that they can make a meaningful contribution.
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- The decision of petroleum ministry beats logic of appointment of chiefs.
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- The government needs to institute a new process that incorporates the best practices for the selection of the leader of a public sector undertaking (PSU).
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Source: Business Standard

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