Concerns with PSU recruitments

What is the issue?

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In recent times, the recruitment process of PSUs are not being done according to the Public Enterprises Selection Board (PESB).

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What is the role of PESB?

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- The objective of PESB is to evolve a sound managerial policy for the Central Public Sector Enterprises.
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- It is responsible for the selection and placement of personnel in the posts of Chairman, Managing Director or Chairman-cum-Managing Director (Level-I), and Functional Director (Level-II) in PSEs as well as for other posts specified by the Government.
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- It advises the government on matters relating to appointments, extension of tenure and termination of services of the personnel of the above mentioned levels.
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- PESB also has a data bank containing all information relating to the performance of PSEs and its officers.
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What are recent concerns with recruitment process in PSUs?

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- **Coal India Ltd** - The chief of Central Coalfields, a subsidiary of Coal India Ltd (CIL) assumed additional charge of chairman and managing director of Coal India Ltd (CIL).
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- This is in-spite of the chief's rejection for the post by the PESB few months before his recruitment.
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- **Oil & Natural Gas Corporation** - The petroleum ministry proposed to recruit a person as the chairman of ONGC with just 1 year validity and quarterly appraisal to decide his further appointment.
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- This was not accepted and the Appointments Committee of the Cabinet and the person was made CMD till his superannuation in 2021.
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- **Banks Board Bureau -** Its broad agenda is to improve governance at Public Sector Banks and advise government on top-level appointments.
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- But appointment of those officials are scrutinised and decided by the Finance ministry and not under the preview of BBB.
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- There are also instances where appointments in top management of PNB, BOI took place and services of board members terminated completely bypassing the BBB.
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What measures needs to be taken to address such concerns?

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- The long standing tradition of interfering with the appointments of the PSUs by the governments needs to be reduced.
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- The recruitment process must be best left to the designated government machinery.
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- The PSU chiefs also have to stand up to the superfluous intervention by the governments to bring about meaningful changes in the appointments, functioning and productivity of PSUs.
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Source: Business Standard

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