

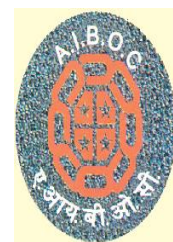
# THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

Regd.Office: Bank of India Bldgs., 70-80, M.G.Road, Mumbai – 400 023.



OFFICE OF THE GENERAL SECRETARY,  
C/o Bank Of India, Parliament Street Br.  
PTI Bldg., 4 Parliament Street,  
New Delhi – 1100 001.  
Phone:011-23730096, Tel/fax :011-23719431  
E-mail: [fboioa.sectt@yahoo.com](mailto:fboioa.sectt@yahoo.com)



Circular No. 2015/04

Date: 15/01/2015

Dear Comrades,

## **MEETING OF THE SUBCOMMITTEE ON SALARY REVISION**

We reproduce, hereunder, the contents of the Circular No. 2015/04 of date, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information, circulation and implementation.

### **QUOTE:**

"As you are aware, as a parallel to monetary benefits and as a part of charter of demands, Officers' Organisations have been consistently demanding for

- 1. Comprehensive Accountability policy.**
- 2. Five days banking.**
- 3. Regulated working hours.**

As all the three agenda are pertinent and relevant to officers alone, we have been insisting the IBA to bring some common guideline to the sector as these are being handled at the whims and fancy of each bank and the absence of such common guidelines is hurting the officers very badly, more specifically in the cases related to disciplinary matters.

Thus, in the last meeting with IBA held on 7th January 2015, while it was decided to discuss further on the wage costs beyond 12.50%, it was also decided to arrive at a consensus on these three issues too through a subcommittee formed exclusively for the said purpose.

As you will agree that these three issues are very much dear to officers because of being the factors affecting the working condition and life style of officers' community besides wage increase, the officers' organisations have decided to approach the IBA with an elaborately prepared Perception paper on all the three issues.

Accordingly, the subcommittee met on 14th January at 2.00 p.m. at IBA office, Mumbai.

### **Comprehensive Accountability Policy.**

In the current scenario, the Banks - a highly sensitive sector - are essential for economic progress and sustenance but carrying out the business has become highly risky and there would be a reflection of serious ramifications in case of little deviation/ failure.

Nevertheless, it is the basic duty of the officers in the banking sector to carry on with the business continuously despite the presence of so many demotivating factors encountered in making credit decisions in order to keep the Industry vibrating.

Among various risks involved in carrying out the day to day functions of the Bank, the credit risk is considered the major risk which impacts the performance of the Bank in a big way. As we all are aware that, though the Credit dispensation function is inherently risky, we, the bank officers are expected to effectively discharge our responsibilities without having any insulation or protective gear.

In this regard, the M.S. Verma committee, during 1999, has given a call for reintroduction of credit culture as the fear of staff accountability has "killed" initiative for fresh business. In the same tone the Kapoor committee on assessing credit, observed as follows-

"While fixing accountability, a line should be drawn to separate malafide decisions from normal bonafide credit decisions in order to keep the morale of the employees high". It further says "to instil confidence in the staff and encourage them to make decisions including some bonfide mistakes there is a need to evolve a system in Public Sector Banks in assessing the performance of each Officer in taking credit decisions." Even Khandelwal committee also advises the Public Sector Banks to put in a place a staff accountability policy.

**Everybody will accept that while mistakes may happen, an atmosphere of fear of being subjected to investigation at some later date and the associated stigma is not conducive for efficient and informed decision making.**

Under today's dynamic situation that drives every nerve in expanding banking business, with the young and comparatively lesser experienced supervisory workforce in the operations side, it is very much required to devise a comprehensive policy with an objective to erase the fear of accountability from the minds of Officers.

**Such policies must have following few ingredients -**

1. The essence of the policy should be able to motivate the credit decision making capability of the Officers.
2. The tools of the policy should be able to differentiate the malafide intentions from the bonafide decisions.
3. It should be able to differentiate the various roles in credit decision making process and accountability may be fixed accordingly.
4. The process of investigation should be handled by the persons from the operational area.
5. The job of fixing accountability should not be vested with one individual but it may be handled by a committee consisting of experienced persons involved in such decision making process.
6. There should be a specific time frame within which the accountability, if at all, should be fixed on any individual.
7. The punishments should be proportionate and should be codified.
8. There should be specific guidelines in deciding the vigilance angle.
9. There cannot be multiple punishments and the punishments should not deter anybody in pursuing career elevations.
10. Disciplinary issues if any should be concluded well before the retirement date and there should not be any post retirement harassment for the officers.
11. There should be a specific time frame for disposing the appeal and review petitions.

Many operation level issues were brought for discussion and there was a mutual understanding to pursue the issue further keeping the essence of above calendared items as a guideline.

## **REGULATED WORKING HOURS**

The entire discussion was on the essence of following few points

1. It has been the demand of officers from 1966.
2. VRS and subsequent restriction on fresh recruitment till 2009 added huge pressure on officers in view of the disproportionate but positive growth witnessed by the industry vertically in business and horizontally in staff strength.
3. Restriction on recruitment increased the average age of the officers in the branch, certainly having impact on the reflex.
4. Introduction and increase of ATMs, e-lounges, POS, Business Correspondents and Internet banking failed to reduce the responsibility of the supervisors and indeed added the workload as they have to monitor these alternate channels too.
5. Various verticals introduced in the sector has absorbed the little relief available due to computerisation to the supervisory strength.
6. With the introduction of improvised system like Cheque truncation, RBI introduced reduction in holidays and enhanced burden to the officers.
7. Additional responsibilities due to schemes like 'JAN DHAN YOJANA' and tax collection added additional work load to officers.
8. Thousands of branches are manned by single officer bearing all the amount of pressure.
9. Officers' presence in the branches from 9 to 9 is a common sight.
10. Many incidences of robbery and attack by insurgents during the extended hours.
11. An international labour convention, to which India is a signatory, also requires the introduction of regulated working hours.
12. In USA, it is 33 hours, in Australia it is 35 hours, it is 30 hrs in France and Netherlands stipulates 27 hours working in 5 days.
13. Working after 6 pm is banned in France and in some countries people work beyond 8 hours are ineligible to get insurance cover.
14. Unregulated working hours results in fatigue and the resultant is reduction in efficiency leading to low productivity.
15. A study by the American journal of Epidemiology observed the poor performance in the people working 55 hours a week when compared to those working 40 hours a week.
16. All the Govt. offices and offices of private sector are under regulated working hours.
17. RBI has introduced the regulated working hours on 12th July 2012 along with flexible timing vide their circular no. G.28/240/04.01.14/2012-2013.
18. IDBI introduced the regulated working hours in 2009.
19. With 75 percentage of the workforce below 33 years in a few years, the introduction of regulated working hours will certainly enthuse them and will increase the efficiency & productivity.

After hearing our presentation, there was a welcome reaction from the IBA side and they acknowledged the fact that the officers are sitting late and agreed to examine the issue to bring a possible solution.

## **FIVE DAYS WEEK**

The discussion was based on the following arguments and facts put forth by us in support of demand:

1. Central Govt. Employees work for five days.
2. Majority of State Govt. employees work for five days.

3. RBI works for five days.
4. IT sector works for five days with sole aim to retain and recoup the energy despite their nature of work having the scope to work continuously.
5. No financial institution, internationally, work on Saturdays.
6. Currently about 50% of the workforce are recruited after 2009 and the remaining too either will be recruited now onwards or will be promoted from out of the beyond 2009 recruits. To keep the youths in resonance with international standards so as to retain them in the Industry, five days a week is required.
7. As per RBI report 62% of the transactions are done through alternate channels and the percentage is on increase.
8. No. of ATMs as on Oct. 2014 is 173697.
9. About 2.5lac business correspondents are discharging the banking related jobs outside the bank premises.
10. About 11,11,576 POS (point of sales) terminals are available all through the days.
11. About 1,99,54,598 credit cards and 44,16,11,701 debit cards are in active operation as on Oct. 2014 as all 11 crores accounts opened under JAN DHAN YOJANA are issued with debit cards.
12. There are 3.50 crores mobile banking users and 9.40 crores transactions during financial year ended March, 2014.
13. All banks are in the process of opening self service kiosks wherein the facilities for pass book printing, coin vending, cash withdrawal and deposit through the machines are available.
14. The cheque truncation system is working efficiently and funds clearance is possible on line instead of waiting for 14 days.
15. Recently the MOS Sri Jitendra Prasad in Parliament and Sri Ajith Seth, Cabinet Secretary informed that the Govt. does not have any intention to propose any change in the existing 5days a week.
16. It will have very effective impact in the govt. proposal of cutting expenditure to 10% from the current level
17. In a recent interview to Business today, while recording the reasons for the success of HDFC bank, the Chairman admitted that today 85% of the transactions by customers takes place through non branch channels. The mobile and Internet banking channel contributes almost 55%.
18. He further stated that HDFC bank already created 75% of the work involved in digital banking which would be implemented shortly, whereby everything you do physically will be done virtually.
19. Other obvious benefits are,
  1. Reduced fuel costs,
  2. Increased productivity,
  3. Improved job satisfaction morale,
  4. Saving the scarce National power and energy resources,
  5. Improved work life balance,
  6. Reduced traffic congestion and pollution.

Almost all countries/economies adopt 5 days a week including U K, USA, Russia, Japan, Chile, China, Columbia, Europe, France, Hungary, Ireland, Italy, Austria, Bulgaria, Czech Republic, Denmark, Estonia, Finland, Latvia, Poland, Portugal, Romania, Spain. Sweden, Mexico, Mongolia, Newzeland etc. After thorough deliberations, there was a positive signal of acknowledging the seriousness of the issue and it was decided to pursue the issue further.

## **OTHER ISSUES.**

Though the above said three items were listed for discussion we also brought following issues for discussions which are concerning the working class and Bank employees in general and officers in particular in view of the challenges in front of the Banking Industry:

1. As Honourable Prime Minister told in the 'Gyan Sangam', Indian Public Sector Banks are holding beyond 70% of the banking business and to sustain the pace and business is our biggest challenge in the current scenario and sufficient manpower and infrastructure must be provided in the Banking Industry.
2. To meet the challenges like slump in economy resulting in lesser credit growth, increasing trend in NPAs, reduction in NIM, unprecedented technological advancement in the Industry, a big shift in customers' need, challenges to be posed by possible increase in the presence of Foreign Banks & New Private Banks and even the Payment Banks, a motivated, well groomed, intellectually strong tech savvy youths are required.
3. As per the Industry estimate the virtual banking is not only the mode of future banking but it would be the better method to reduce the cost. It is expected that about 85% of the banking transactions will be taking place through non branch channels and mobile & Internet banking shall be crossing more than 50% of the banking transactions.
4. Digital Banking will be the key to success and almost 85% of the banking transactions are going to be through Digital banking.
5. When all the alternative channels of banking are fully geared up and the Digital banking will be the order of the day, the Industry would tend to become totally Officer centred. Even Khandelwal Committee recommended for 50% direct recruit officers, perhaps may be based on the above said expectation. On getting the embargo on recruitment lifted in 2009, the Banks started recruiting the officers in a big way from then on.

Currently about 50% of the Officers in the Industry are in the age group of below 30 years. Out of the remaining 50% about 30% of the Officers will be replaced by the Officers recruited after 2009 or by the Officers to be promoted from out of the employees recruited after 2009.

However, in another 5 years about 75% of the Bank Officers would be in the age band up to 35 years and they will be holding the positions of Scale I, II & III having a major role in the operation side of the Banking.

Thus it is expected that many youngsters, perhaps without much exposure in the branch banking, may be heading the branches. This mass presence of educated youth may over a period result in stagnation at the top which may lead to frustration. It is also a fact that more than 1/3<sup>rd</sup> of the young Officers are girls.

6. Unlike in the past, all the Officers and even the employees recruited after 2009 are professional/technical/Post Graduates with huge amount of aspirations.

Thus the sector is at the compulsion of revisiting all its policies related to promotion and monetary benefits in order to keep the most talented Indian youth to be drawn towards the Banking Industry and retain them too.

A few suggestions in this regard which were given to IBA are as under:

1. **Creation of crèche facilities to facilitate the women employees in all big cities and towns.**
2. **Bringing Comprehensive Accountability policy to instil confidence in decision making**
3. **Stipulation of 3 years rural or semi urban service, to be completed before becoming scale IV.**
4. **Automatic elevation to next scale up to scale III on completion of specified years of active service in the respective scales.**
5. **Preference in admission for Bank officers' wards in the Central Schools/KV schools.**
6. **Construction of hospitals by IBA all over the country in the lines of ESI and Railway by earmarking certain portion of the gross/net income of the Banking sector.**

There was a positive reception for the above listed suggestions too.

Comrades, you must have perceived from the above that there is a constant and consistent effort on our part in pursuing every issue concerning the officers with an ultimate objective to improve the working condition and atmosphere besides increasing the wages which is very much important to officers who are always working under continuous pressure.

**Unity is the Mantra and if it is chanted and practiced by everybody in unison, its reverberations will be filling the atmosphere and its resonance will wake up any giant.**

We are nearing the victory post and concentration & compilation of every nerve will bring the success nearer to us despite lot of constraints, hurdles and resistance.

**Believe in you, Believe in your Organisation, lead every agitation programme !**

***Let us make the four day strike programme also a GRAND SUCCESS.***

**MARCH ON ! MARCH ON !!**

**UNQUOTE**

Yours comradely,



(HARVINDER SINGH)  
**GENERAL SECRETARY**