



# NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926–Registration No.B-2334)

**Registered Office & Head Quarters:**

Post Box No. 528, State Bank of India Buildings, Bank Street, Koti, Hyderabad-500095

**Circular No. 18**

**Dated: 24-11-2011**

**TO ALL MEMBERS**

**UFBU's Delegation to IBA**

We reproduce hereunder the full text of Circular No.UFBU/2011/21 dated 18<sup>th</sup> November 2011, issued by United Forum of Bank Unions, the contents of which are self-explanatory.

**(N. RADHAKRISHNAN)  
For GENERAL SECRETARY**

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On 16.11.2011, representatives of all the constituent Unions of UFBU met the Chairman of Indian Banks Association in a delegation in the wake of continued silence on the part of IBA to resolve our issues and demands despite the total protest strike by all the employees and officers on 5.8.2011.

The IBA was represented by Mr. M.D.Mallya, Chairman, Mr. K.Ramakrishnan, Chief Executive and Mr. Unnikrishnan, Deputy Chief Executive. UFBU was represented by leaders of all our constituent unions.

From UFBU, we explained all our current issues and demands and urged upon the IBA to resolve them expeditiously. We also lodged our protest against the attempts to implement the recommendations of Khandelwal committee.

The IBA Chairman gave a patient hearing to our submission and representations. He informed us that most of the issues are pending approval from the Government and our submissions would be examined and followed up.

We have sent a letter to the IBA covering the various issues taken up with them during the delegation. The same is reproduced herein.

With greetings,

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NCBE -----ZINDABAD  
UFBU -----ZINDABAD  
WORKERS' UNITY -----ZINDABAD

# UNITED FORUM OF BANK UNIONS

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

17<sup>th</sup> November, 2011

To  
Chairman,  
Indian Banks Association,  
Mumbai

Dear Sir,

## UFBU's Delegation to IBA

We thank you for providing us time to meet the delegation of the representatives of United Forum of Bank Unions yesterday in IBA's Office in Mumbai. We also thank you for the patient hearing of the problems, issues, grievances and demands of the employees and officers as submitted to you by the UFBU.

We record herein the various issues submitted to the IBA during our representation.

### **1. Compassionate ground appointments & financial compensation scheme**

After a lot of agitation, litigation, etc. at the instance of the Chief Labour Commissioner, Ministry of Labour, Government of India, the IBA and UFBU discussed the issue of a revised scheme on compassionate ground appointment and financial compensation to families of employees and officers who die in harness while in service of the Bank. Ultimately, a mutually accepted scheme was worked out in February, 2009. It was informed to us that the revised scheme would be introduced and implemented after approval by the Government of India.

30 months have since elapsed but the mutually accepted scheme is yet to be implemented. You are well aware that the incidence of death of employees while in service is very very negligible and less than 0.5% of the total staff in a year. But the scheme that was in existence for more than 25 years based on Government guidelines was given a go-bye and even the revised scheme agreed to by the IBA is not being implemented.

In all other sectors – Central Government, State Governments, Railway, Public Sector Units, LIC, RBI, etc – there are schemes in operation but the apathy to this most genuine issue warranting sympathy and humane consideration is highly regretful and deplorable.

### **2. Adequate recruitment of Staff**

The volume of business and consequently work load in the Banks has gone up considerably but the number of employees has been coming down. In many Branches of various Banks, there is shortage of staff and hence in violation of the provisions of the industry – level Bipartite Settlement, the staff are required to work beyond the stipulated working hours without any compensation. The situation warrants recruitment of adequate staff by the Banks as otherwise the level of customer services would be seriously affected.

### **3. Revival of BSRBs**

While some of the Banks have gone in for some dose of recruitments, the same are being done by campus recruitment process and various non-transparent procedures. Recruitments, particularly in the Government owned Public Sector Banks, should be by a Government recruitment agency and hence the erstwhile Banking Service Recruitment Boards need to be revived.

#### **4. Uniform guidelines in Staff Loans**

All along, the schemes relating to staff loans like Housing Loan, Vehicle Loan, Festival Advance, etc. were always based on uniform Government guidelines. But these guidelines are not being revised even though the earlier guidelines issued years ago have become inadequate. Of course, the Government has issued the guidelines on Festival Advance but here also, the earlier 'one month total pay' has been changed to 'one month Basic Pay'. Revised guidelines on Housing Loan and Vehicle Loan have not been issued so far.

Similarly, the guidelines on the quantum and ceiling on allocation of funds to staff welfare schemes have not been revised even though the profits in the Banks have improved considerably.

#### **5. Business Hours in Banks**

From time immemorial, the business hours for the customers was 4 hours within the total working hours of 6 ½ hours. With the advent of technology and CBS, and to benefit the customers, Banking / Business hours was extended by another one hour. But of late it is observed that the Banks are resorting to indiscriminate increase in Business Hours, some Banks even for 6 hours out of 6 ½ hours thus not leaving adequate time for back up work, cash tallying, etc. Even as per RBI guidelines, Banks can allow non-cash transactions upto 1 hour prior to close of working hours. This also means that for cash transactions, the timings should be still lesser. The unilateral and disproportionate increase in Business / Banking hours is creating a lot of problems for the employees and officers in the Branches and the same has to be regulated within the framework of RBI guidelines.

#### **6. Defined Working Hours for Officers**

There are well-settled case-laws that bank officers are also employees and do not *ipso facto* belong to the management / executive category. But in their service conditions, there is no defined working hours which is being wrongly interpreted as though they are 24 hour servants of the Banks. While officers do carry supervisory responsibilities, by no stretch of imagination, one can deny them a regulated and defined working hours. This is a very important issue to be resolved as officers are being increasingly subjected to harassments in this regard.

#### **7. 5 Day Banking**

With the introduction of technology in the banking sector, basic Banking services are today available 24X7; RBI, Central Government, State Governments, Insurance Sector, Financial Market, Stock Exchange, Foreign Exchange Markets, etc. are closed on Saturdays and Sundays. But in Banks, 6 days banking still continues. With the increased need for canvassing business, marketing, follow-up recovery, etc. one weekday off is inadequate and there is genuine need to introduce 5 Day banking for the Banks. The matter brooks no delay.

#### **8. Pension Scheme**

Bank employees' Pension Scheme was agreed upon and introduced in 1993 exactly on the lines and basis of the Central Government Pension Scheme. Even the New Pension Scheme that has been introduced for the Government employees has been made applicable to banking industry. But the various improvements that have been made in the Government scheme as per the 5<sup>th</sup> & 6<sup>th</sup> Pay Commission Report have not yet been extended to the banking sector. Hence issues like periodical updation of Pension Scheme along with wage revision for serving employees, 100% DA compensation for all pensioners, improvement in Pension, Commutation, Family Pension, etc. are very genuine demands that need to be resolved expeditiously. Even the Ex-Gratia Pension of Rs.300 per month being paid to the pre – 1986 retirees remained the same.

## **9. Implementation of New Pension Scheme for employees joining / joined from 1.4.2010**

In terms of the Bipartite Settlement / Joint Note, IBA agreed to work out and implement the New Pension Scheme for all employees joining / joined from 1.4.2010 on the lines of the Government employees' scheme. It is now 18 months since signing the agreement on 27.04.2010. But IBA has not worked out this New Pension Scheme for these new recruits. The issue should not be delayed any further.

## **10. Outsourcing Permanent and regular jobs**

In terms of the existing provisions of the Bipartite Settlement, regular and permanent jobs in the Banks cannot be outsourced except in areas specifically provided in the Settlement. But attempts are being made to outsource various routine, regular, permanent and perennial jobs on contract basis. This is most objectionable, unfair and unacceptable. Adding fuel to fire, basic banking services are being extended through contract agencies and Business Correspondents, thus endangering the jobs and job security in the banking sector.

## **11. Unwarranted Banking Reforms**

The experiences around the world and in our own country have brought into focus the need for better regulations and monitoring the Banks. In Indian context, the need for further strengthening our public sector banks cannot be overstated. But we regret to observe that the efforts are being continued and intensified to dilute public sector banking, further liberalise our Banks, encourage private sector and foreign banks, opening banking sector to more and more private and foreign capital, amending the Banking Regulations Act and Banking Companies (Acquisition and Transfer of Undertakings) Act, Sarfaesi Act, etc. Licences are sought to be given to corporate sector to open their own banks. Regional Rural Banks are sought to be commercialized and co-operative banks are being ignored.

All these measures are detrimental to the interest of our public sector banks in particular and banking industry in general. Hence UFBU is opposed to all these measures.

## **12. Khandelwal Committee Recommendations**

While bank employees and officers have expressed their strong reservations and protest against many of the recommendations of Khandelwal Committee, we are disturbed and concerned to learn that the government has accepted most of the recommendations and have also advised the Banks to go ahead with the implementation.

Some of the recommendations accepted by the Government are as under:

- a) Banks to outsource more and more non-core activities and manpower to be adjusted accordingly. The attempt is to reduce permanent employees.
- b) 50% of officer vacancies to be filled up by Direct Recruitment which will drastically reduce the promotional opportunities of clerical staff.
- c) Officer:Clerk Ratio to be 1:0.5 in metro, urban areas and 1:0.75 in rural, semi urban areas. The idea is to drastically reduce clerical staff and force officers to do jobs that are hitherto done by clerks.
- d) Increasing the minimum qualification for recruitment in the Banks ie. Graduation for Clerks & 10<sup>th</sup> Std. for substaff. This will deny employment opportunities to thousands of young persons who are presently eligible for these jobs.

- e) Now recruitments should be made only in rural / semi urban areas and no staff should be recruited in urban / metro areas. Banks are expanding in urban / metro areas also and already there is shortage of staff. Prohibiting recruitments in urban / metro branches is unwarranted and impractical.
- f) Officers in specialized areas to be taken on contract. This is highly objectionable and would curtail promotional / employment opportunities.
- g) All categories of staff to be covered by performance management system for promoting performance culture. This will tend to be highly subjective and hence highly demotivating rather than an incentive.
- h) Banks to recruit Human Resources professionals both at junior and senior levels. This is not warranted at all.
- i) Human Resources administration should be automated through web system. This will make human relations non-humanised.
- j) Productivity and performance should be the priority while dealing with Industrial Relation issues. This is a deliberate mechanism to deny the reasonable demands of the employees.

The above is only illustrative and not exhaustive. There are many other recommendations which are unwarranted.

In addition, there are some more serious recommendations which the Government has said that they are under their active consideration. The Khandelwal Committee has recommended abolition of the four decades old and time tested method of bipartite negotiations and collective agreement at the industry-level for improving the wages and service conditions of employees. It wants introduction of bankwise wage revision. The Committee has recommended the abolition of the present system of uniform wages for the employees and officers of all the Banks and instead wants incentive based, differential and variable pay method. Besides being retrograde, the implementation of these recommendations also implies unilateralism and denial of collective bargaining.

Hence UFBU is opposed to these recommendations, the acceptance of the same by the Government and the efforts to get them implemented unilaterally.

You are already aware that nearly ten lacs of employees and officers have expressed their strong protest by their All India Strike on 05.08.2011 at the call of UFBU. Further delay in addressing these issues for an amicable resolution would only fuel the agitated feelings of the bank employees and officers and would ignite further agitational programmes and strike actions.

Hence, as represented to you on 16.11.2011 during our delegation to you, we seek expeditious actions by IBA in this regard in the larger interest of industrial peace in our banking industry.

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