



**STATE BANK OF INDIA OFFICERS' ASSOCIATION
CHANDIGARH CIRCLE**

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh
Contact Nos. : 0172-4567133, 2726684 Email: sbioa.chd@sbi.co.in

Circular No. 2017/56

Date: 22.05.2017

TO ALL UNITS/MEMBERS,

**BOTTLENECKS IN THE COMMENCEMENT OF SALARY REVISION
NEGOTIATIONS IN BANKING INDUSTRY**

We reproduce hereunder the text of AIBOC Circular No.2017/31 dated 20th May, 2017 (reproduced vide AISBOF Circular no 54 dated 22.05.2017) contents of which are self-explicit.

With greetings,

(Deepak K Sharma)
General Secretary

QUOTE :

We have today sent a communication to Hon'ble Finance Minister of India on the captioned subject. A copy of the same is enclosed for information.

2. All our members/affiliates are requested to await further developments in this regard.

With greetings,

SD/-

(D. T. Franco)

GENERAL SECRETARY

Letter No: AIBOC/2017/19

Dated: 20/05/2017

Shri. Arun Jaitley,

Hon'ble Minister for Finance,
Government of India,

NEW DELHI.

Dear Sir,

**BOTTLENECKS IN THE COMMENCEMENT OF SALARY REVISION
NEGOTIATIONS IN BANKING INDUSTRY**

We are sorry to bring to your kind notice that even though the Government of India has been insisting for an early salary revision settlement at the industry level between the Indian Banks Association and the United forum of Bank Unions, there has been an unnecessary delay due to certain avoidable difficulties created by the Management of few banks in the Banking industry. It is historical that the salary revision in the Banking industry takes place once in 5 years through bilateral negotiations between the associations/unions and the Indian Banks Association covering over 10 lac workforce in the entire banking industry. During the last five decades we have concluded 10 bipartite settlements and the 11th one is now expected to take off. The first round of meeting was held between

the IBA and the constituents of the United Forum of Bank unions on 2nd May, 2017 but without any concrete progress. One of the major hurdles that we are now encountering is in respect of the 'mandate' to be given by the member banks to the Indian Banks' Association. A few of the banks have given a conditional mandate creating a chaotic and confusing situation in the negotiations, by insisting that they are allowing mandate for discussions only upto officers of scale III and that the remaining scales will have to be left to the discretion of the Bank.

2. The Banking Industry is overwhelmingly under the control of the Government of India due to the historical decisions taken by the Government of India during 1969 and 1980. The Nationalization of Banks was in the best interests of the economy and to take Banking facilities to the nook and corner of the country. We have seen the great contribution made by the banks during the last several decades due to this consolidation and ownership by the Central Government. But there was one area which was causing serious industrial relations crisis in the Banks at frequent intervals. Different banks had different service conditions and compensation system creating serious problems in the area of HR management. It was at this stage that the Government of India appointed Pillai Committee for the purpose of standardization of the scales and grades and also to bring parity amongst the Public Sector banks. After a thorough study of the service conditions that existed in those days, the Pillai Committee submitted a comprehensive report aiming at standardization and uniformity in the service conditions of the Officers in the Banking Industry. Thereafter, the Government of India introduced the recommendations of the Pillai Committee in the Banks for ensuring standardization and parity amongst the Public Sector Banks. Thus, a well-developed pattern was established over the next rounds of bipartite system in carrying forward the attempts made by Pillai Committee for the purpose of standardization of the salary scales and compensation system in the Banking industry. The Pillai Committee had recommended 4 grades and 7 scales which has now become a regular feature in all the Public Sector banks including the State Bank of India.

3. The Officers' organizations have been negotiating with the Indian Banks Association in respect of all these 7 scales over the last several bipartites. Thus, the industrial relations have been cordial and harmonious as far as the salary structure and compensation systems were concerned as they were being discussed and settled through bilateral negotiations at the industry level. The present decision of some of the Banks, in particular the bigger Banks, seem to create a similar disparity which was prevailing earlier to distort the broad parity that is prevailing in the banking industry by attempting to retain the right of decision in regard to the scale IV and above in the banking industry. This will defeat the very purpose of the Pillai Committee's attempt in ensuring parity and the subsequent objectives of the bilateral settlement.

4. We have conveyed our sentiments to IBA in our informal discussions and have requested them to ask all the Banks to give an unconditional mandate for

negotiations on all scales rather than restricting it up to scale III alone. We therefore request your kind intervention in the matter so that the issue could be resolved without any further escalation on this issue which may affect the smooth conduct of negotiations.

Please treat the matter as urgent.

Thanking you in anticipation.

Yours sincerely,

SD/-

(D. T. Franco)

GENERAL SECRETARY

UNQUOTE