

CIRCULAR NO. **108** /2020

DATE : 31.08.2020

TO,
ALL MEMBERS

Voluntary Retirement Scheme

We reproduce hereunder the text of the **AISBOF Circular No. 108** dated 31.08.2020, the contents of which are self-explicit.

With warm greetings,

(Ajit Kumar Mishra)
GENERAL SECRETARY

OUR UNITY : ZINDABA D-ZINDABA D
S.B.I.O.A. : ZINDABA D-ZINDABA D

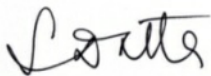
TEXT

Voluntary Retirement Scheme

We have sent a communication to the Dy. Managing Director (HR) & Corporate Development Officer, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,



(Soumya Datta)
General Secretary

The Deputy Managing Director (HR) & CDO,
State Bank of India,
Corporate Centre,
Madame Cama Road,
Mumbai – 400 021

Dear Sir,

Voluntary Retirement Scheme

We have been given to understand that the bank has mooted a proposal to introduce a provision for seeking voluntary retirement by officers and employees. This sudden development has come as a shocker to us. Through this communiqué, we are constrained to place on record our views on such an unwarranted development at a time when the entire country is in the throes of the deadly Covid-19 pandemic, amidst other multifarious challenges faced by the Bank.

2. Our Federation has always been a strong votary of participative management. It is an undeniable matter of fact that we represent the entire officers' cadre of the Bank, and as a major stakeholder, are cogs of the same wheels of progress of the Bank, as the Management is. As the main drivers of business of the Bank, an equal right of say in policy making which affects the fortunes of the Bank and its staff, is a natural given in the Human Resources culture and ethos of our Bank. Needless to say, we expect to be taken into confidence whenever any change in the service conditions of the officers and radical structural changes in the Bank, especially in the HR domain, are envisaged. To our dismay, we find that this VR scheme, which is poised to have far reaching ramifications on the Industrial Relations climate of the Bank and a lasting impact on the lot of the officers' community in the Bank, has been introduced keeping the Officers' Federation completely in the dark. While expressing our deep anguish, resentment and opposition on this unwarranted and unwelcome development, we make our substantiated stand as under;

- a. ***Departure from bilateralism:*** While we engage with the Bank on many issues concerning officers in their day to day functioning, a critical decision of reducing the number of officers/employees by way of a VRS has been taken unilaterally without any regard to bilateralism. It is just and fair expectation that as major stakeholders, we should have been taken into confidence and the issue discussed threadbare before arriving at some mutually agreeable conclusion.
- b. ***Absence of Workmen & Officer Directors to protect the interest of the stake holders:*** We note with deep consternation the fact that despite repeated reminders, there has been apparently no perceptible effort to nominate the Workmen and Officer Directors on the Board of the Bank, despite judicial directions and statutory requirements. The procrastination on the part of management is beyond comprehension. It is unfathomable that a forward-looking, premier, government-owned organization like our esteemed institution has been ignoring not only the aspects of good and ethical governance but also mandatory requirement and legal obligation of having such Directors on the Board. We are constrained to believe that the only purpose of not nominating Workmen and Officer Directors on Board is to block the channels of information to the legitimate stakeholders.

It is no wonder therefore that, in the absence of Directors representing workmen and the officers on the Board, we are not privy to the discussions and resolutions passed by the board and which also deprives us from raising and recording our concerns and contrarian views, if necessary, on issues which may have a deep impact on the balance sheet of the Bank as well as on the HR policies of the Bank. You may recall that we had expressed our angst in the last CNC meeting held through VC on 28th July 2020 on the lack of dissemination of vital

information and about the necessity to do so on a sustained basis. The same can only be done in a bilateral forum which we also insisted on being set up to deliberate on issues pertaining to major changes in HR policies. Despite our strong objections and the assurance made to us, the management is proceeding arbitrarily. Thus, the opportunity to protect the interest of the officers' fraternity is being denied to their accredited representatives. This has resulted in our views not being heard at Board level, giving room for unilateral decisions, detrimental to officers and in the long run to the Bank.

- c. ***Inadequate Human Resources:*** It is a well-known fact that the inadequacy of human resource is all pervading in the Bank, whatever may be the attempts to portray otherwise. Most of the circles are functioning below 80% of the assessed manpower, more so at junior/middle management grades. Unrealistic man power planning and irrational method of arriving at human resource requirements have resulted in wrong projection of manpower requirement at branches and offices. Branches are reeling under acute shortage of manpower and consequential pressure. In fact, inadequate staffing is the root of all problems, be it customer acquisition, retention, achieving top line or the bottom line or even compliance. We have a significant percentage of the branches in the custody of a single officer. Officers are toiling day and night to foster the growth and development of our organization, shouldering humongous workload. Social life and work-life balance of officers today have become a mirage which exists only in well-meaning circulars which in the current scenario is impossible to implement in letter and spirit. Despite all odds, the officers are serving and trying to meet the expectations of the Bank and the customers. Under these circumstances, instead of augmenting human resources, a diametrically opposite decision of encouraging mass exodus has been taken, which will further deplete a dwindling workforce. The merger of the Associate Banks with the Bank is yet to stabilize, many issues pertaining to service conditions of employees of erstwhile Associate Banks are unresolved and the integration of resources, culture, ethos and hierarchy is still to be achieved. In this context, it is surprising that the Bank could think of a VRS without proper mapping of manpower requirements.
- d. ***FIMM Network and the challenges emerging there from:*** Implementation of FIMM vertical has resulted in innumerable problems at the ground level. We have given our feedback about the disruptions that could be caused to the service-delivery capabilities and the compliance aspects of the Bank and its consequential effects on business and HR. Creation of this vertical by itself has further widened the pre-existing staff shortage. In many Circles, more than 50% branches in this network are single officer branches. The Bank is unable to provide required human resources to the branches and the outfits. Several components of FIMM like – RACCs, DSHs and RBOs are grossly understaffed. To address the crisis, the Bank had to employ retired officers. This vindicates our arguments that the Bank is woefully understaffed. With this, it is also true that employment opportunity in Banks to many unemployed youth of the country is being denied. The concept of CSPs, BCs and re-engaging retired officers to perform regular Banking jobs is misplaced. While they could be facilitators, they cannot replace the regular banking system and personnel. The attempt to do away with permanent staff and placing the banking in the hands of CSPs, BCs/Apprentices *et al*, will prove counterproductive as it has a direct impact on our goodwill and could throw up operational and reputational risks.
- e. ***Covid19 - various measures of Government need more and more human resource for implementation:*** To combat the economic crisis and distress caused by the pandemic, the Central Government has implemented a number of schemes, programmes and policies apparently for kickstarting the economy by way of infusion of liquidity, DBTs, social security measures, increased lending to agri and SME segments etc. The majority of the financial package of around Rs. 20 lakh crore announced by Government will flow only from/through banking channel. Ours is the single largest Bank, spread across the length and breadth of the country. As such, the weight of national expectation hangs heavy on our shoulders. Further, moratorium granted to borrowers on account of Covid-19, associated relief and concessions accorded/proposed by RBI/Government will have a direct impact on the asset quality of the

Bank. Financial experts are of the opinion that huge part of the exposure may end up as stressed. This calls for substantial human resource to take care of business and manage the portfolio.

The need of the hour is a realistic assessment of necessary Human resources needed to rise to this challenge and if the situation so warrants, add to our staff strength. But, the present initiative is an antithesis to the logical demands of the current scenario.

- f. **CDS – linking to extension, consequential impact:** We have brought to your attention the numerous lacunae in CDS and its effect on the career of the officers. CDS, unscientifically and illogically is being linked to even extension of service, which we have protested vehemently, both in writing and in our meetings. The CDS should be delinked from extension forthwith and it should be scrapped altogether.

3. Our officers are suffocating under the woes of gross understaffing, galloping stressed assets, carrying the weight of implementation of umpteen numbers of government schemes and yet deliver the best possible customer service even at great personal cost. We need not remind you of the number of colleagues we lost while providing Banking service to the nation. Human capital is considered to be the most valuable asset of an institution as it takes a lot of investment in time and money to build up such invaluable human assets. Having built up such a vast array of priceless human assets, it is a suicidal and retrograde step for the Bank, to let them ride into the sunset prematurely, instead of utilizing their experience and expertise to the dregs.

Incontrovertibly, the above challenges demand accelerated augmentation of human resources and not giving the so called 'golden handshake' to the invaluable experienced officers through this ill-conceived VRS. We might venture to suggest that this was the ideal time to recruit raw talent who with their infectious enthusiasm could be the mentees to the experienced and time tested senior Bankers who would make excellent mentors. We have no hesitation in saying that VRS is instigated retrenchment. The pressure-cooker like situation, inadequate staffing, mounting pressure at branches and offices, misplaced initiatives like linking CDS to extension, transfer hazards, ill-treatment meted out to officers will all fuel the exodus of experienced and matured officers. The already burdened workforce will be furthermore saddled with the additional workload of officers who opt for VRS. Already strained social and family life of officers at all levels will be adversely affected. We apprehend that this step might just be the proverbial straw which broke the camel's back.

4. State Bank of India, being the premier financial institution, is also the flagship bank in the country providing employment as well as catering to the financial needs of approximately 44 crore population., Any impairment at this critical juncture is likely to have telling effect on the banking industry, economy and the most importantly large customer base "from the bottom of the ladder to the uppermost step", who repose utmost faith in the 'banker to the nation'.

5. While we strongly denounce the proposed VRS, we are constrained to say that any modification to the service conditions/structural changes in the Bank should only be by way of bilateral discussion. We call upon the Bank not to implement the scheme. Also, we urge upon the management to convene an emergent meeting with the Federation leadership for a detailed discussion on this issue.

With regards,

Stay Safe, Stay Healthy

Yours sincerely,



Soumya Datta
General Secretary