



# Oppose Casualisation of Bank Jobs

## Prelude

Since NDA government came into power in 2014, the neo liberal economic policy is being pursued with unprecedented aggression which is having disastrous consequences on the economy of the country and livelihoods of common masses. The financial sector in general and the banking sector in particular, more precisely the public sector financial institutions, are under severe attacks posing challenges to its survival and existence. In this critical juncture, BEFI have decided to publish booklets for campaign among the employees and common people about the prevailing situation, so that together we can counter the offensives in all possible ways and means to save the public sector financial institutions for better interest of the country and its people. This is the third booklet being published in this campaign.

## No to Casualisation of jobs

Elections to Indian Parliament offers us an opportunity to vote out those who implement policies to exploit labour and favour the Employer Class. Employer class always find ways and means to extract maximum labour at minimum wages. Thereby they amass profits for the riches. For this purpose, they engage temporary employees. They don't want to regularize temporary employees. This is the new trend in banking industry. This trend can be arrested only by a political process.

Service conditions of bank employees in the country are governed by various Industrial Awards and Bipartite Settlements arrived at between Banks and Unions. The Latest Settlement was signed on 08.03.2024. Going by the Awards and Settlements, there is no provision for casual employment or outsourcing of perennial jobs. There is provision for outsourcing of only IT related bank jobs, but only under stringent conditions where in house facility is not available. That too, only if existing employees cannot be retrained or reskilled to perform those sophisticated jobs. Even then, at the intervention of RBI outsourcing of perennial jobs are continuing unabated compromising secrecy and security of the banks.

In fact, New Generation Hi-Tech Banks first introduced casualization in a big way. These Banks were inaugurated in the mid -1990s by the then Government. ICICI Bank, HDFC Bank, GLOBAL TRUST Bank, and Centurion Bank were the pioneers in the series. From the very beginning, the said Banks had no defined service conditions as existed in the banking industry.

In 2010, Dr. A K Khandelwal Committee recommended a new Human Resource Policy for all Banks including Banks in the Public Sector. The Committee rejected uniform pay structure in all banks and for all employees. The Committee glorified the HR policy of New Generation Banks. Eventually, casualization was covertly adopted by all Banks, ignoring protests by Unions.

As on date, there is a visible craze for casualization of bank jobs. Initially there was some resistance from employees. But staff strength continued to be trimmed in course of time. Retirement was more. There was no recruitment of Substaff including Sweepers to perform perennial jobs. When shortage became acute, Branch Managers engaged even daily wagers to work in casual nature in the vacancies caused by promotion and opening of new Branches. As work load turned heavy, resistance were not upto the level.

Old Generation Banks casualized only jobs in subordinate cadre, like Peons, Sweepers, Watch and Ward or Security Staff, to start with. Subsequently it had a contagious impact. Old Private Banks started outsourcing all jobs, both in subordinate and non-subordinate cadres. Presently, Public Sector Banks are also, by and large, imitating New Generation Banks, wherever possible and wherever resistance is lagging. Some of the public sector banks have decided to form subsidiaries to facilitate outsourcing of jobs in alarming proportion. The policy, we apprehend, has the blessings of the present Government.

Many banks even ventured campus recruitment. In several places campus selection met with success. In Kerala, some students challenged the policy before High Court. Sensing the mood of the Court, State Bank of India withdrew from the campus interview. Later SBI attempted to conduct Interview at Coimbatore. But Youth Organisations resisted. SBI was forced to withdraw. Now even the public sector banks, including SBI, are engaging Apprentices and contractual officers in large numbers.

Posts of Sub Staff including Sweepers were entrusted to different Agencies by Old Private banks such as Federal Bank, South Indian Bank, Catholic Syrian Bank (now CSB Bank) and Dhanlaxmi Bank. Not stopping there, they engaged casual and contract employees against all cadres. In CSB Bank, the entire Substaff are casual employees. In non-subordinate cadre, IBA strength was reduced from 4000 to 1000 while Cost to Company (CTC) employees drawing salary between Rs.10,000 and 18,000 stands enhanced to 6000. They are multi-taskers, acting as both makers (Clerks) and checkers (Supervisors).

Attractive Nomenclatures and designations are conferred on Contract, Casual staff in non-subordinate cadre. Business Development Executives (BDEs), Sales Officers (SOs), Sales Executives (SEs), Gold BDEs, Customer Relationship Executives (CREs), Relationship Executives (REs), CASA BDEs, Junior Officers (JOs), Business Correspondents (BCs), Banking Ambassadors are some of them. The list is only illustrative. But, wages paid to the Executives, Officers and Ambassadors is less than that of a Permanent Peon or Sweeper in the IBA pattern. With no defined service conditions, no annual increments, no Dearness Allowance, no periodical wage revision, no working hours and no leave benefits, they live on various incentives which are discretionary, and not mandatory.

All non-subordinate contract staff are asked to sign individual contracts. Salary and incentive is different. There is no uniform pay scale. An employee is not aware of the salary received by another employee sitting next to him. No uniform service conditions. No individual workman is expected to seek amendments to the standard contract form. In essence, the HR Department designs the agreement for every employee. The employee has

no option but to sign. It is a unilateral piece. The employee is only a signing machine under CTC system.

During the last ten years, strength of permanent employees in banking industry is coming down heavily. Casual, contract and outsourced employees including the business correspondents - the number have exceeded employees on pay rolls. The numbers of banking outlets serviced by business correspondents are given below :

	As on 31.03.2022
Total banking outlets in villages through BCs	2218470
Urban locations covered through BC	1295307

Source : RBI

Of late, Banks are inviting tenders for Contracts through Press. Prospective Contractors have to participate in competitive bid. Those who quote the lowest amount will be awarded contract. The Contractor will try to reduce wages on plea that he has quoted for the lowest amount. So each time the Contractor is changed, there is the threat of further job loss and wage reduction. During last decade we have seen large scale retrenchment of ATM guards since surveillance system was introduced at the insistence of RBI. Even after deputation to the Labour Minister of NDA government the situation did not change. At one time, there were huge recruitment of Ex-servicemen every year as Watch and Ward Staff in the Banks. With complete outsourcing of the job, permanent recruitment in this category has been stopped.

Public and Private sector banks utilise the services of outsourced agencies to engage the contract workers. This outsourcing is done as per RBI's guidelines regarding engaging contract workers on contract basis. The wages to such contract workers are paid as per the minimum wages prescribed by the government from time to time. The total number of contract workers, category-wise in PSB's as given below :

Category	Number of Contract workers
Housekeeping	5719
Security Guard	29865
Cash movement	3266
IT related services	1054
Catering/Cafeteria services	290
Others (Maintenance, CTS Clearing, Call Centre, ATM Caretaker, Reconciliation activities, Technical Support Staff etc.)	46802

Source : Lok Sabha Unstarred question No 767 answered on 12 Dec 2022

The point is that these many contract workers, as on date, was paid with minimum wages only. We understand that many more workers are engaged in the banking outlets to whom minimum wages are not paid.

This is the policy being pursued by the present dispensation is quite clear from the fact revealed through another answer to a question in Rajya Sabha (Unstarred question No 1511 answered on 20 Dec 2022) that, "As on 31.03.2014, there were 13.51 lakh regular employees and 3.08 lakh contractual workers and as on 31.03.2022, there were 9.22 lakh regular employees and 4.99 lakh contractual workers in various Central Public Sector Enterprises. Hence there is a reduction in total workforce by 2.38 lakh whereas number of regular employees is reduced by 4.29 lakh, almost 32%.

Casualisation per se leads to exploitation. It amounts to denial and deprivation of due wages legitimately entitled to the Workmen, by-passing the laws of the land. Bank job is a dignified job. But it involves immense risks. Slip of a fingertip can cause irreparable injury and colossal monetary loss. Denial of Dearness allowance, annual increments and periodical wage revision as entitled to regular employees under IBA pattern is unjust. All the employees, whether regular or casual go to the same market, buy the same goods and services, rice, wheat, edible oil, pulses, and vegetables. Cost of living is sky rocketing. The Workman has no command over prices. Price line is life line. Blatant discrimination between one segment of employees and another under the same roof is bad. All employees come to the bank for eking out a living. They have parents, spouse and school going children to take care. They have to be paid a decent wages and service conditions. Casualisation of bank jobs amounts to denial of right to a decent life. Unfortunately, the present Government is encouraging large scale casualization of bank jobs. Bank employees must oppose casualisation of jobs. This is the highest form of livelihood struggle we launch every day seeking a respectable living for us, our children and our family. We should fight for more and more permanent employment in banking industry.

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