



ORIGINAL RESEARCH PAPER

Management

COLLECTIVE BARGAINING BY TRADE UNION FOR WAGE REVISION PRESENT SCENARIO WITH INDIAN BANKING INDUSTRY.

KEY WORDS:

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Introduction:

One of the key, drivers behind the success or failure of any organization is the performance of their human resources in order to enhance the extent of comfort and security in an organization, employees from a trade union. Which vall (2010) defines as an organization consisting mainly of employees who joined together to achieve a common goal and promote their interest by collective actions after forming the trade union the employees negotiate with their employers about their working conditions and this process is known as collective bargaining. This helps both the employees and employers to come to common terms and avoid disputes. This assignment provides a transparent view towards the effects of trade unions and collective bargaining on organizations using various examples.

2. statement of problem :

Once upon a time starting salary of an IAS Officers and Bank officers was same but now over the period of time Government employees salary got increased with the help of Central pay commission(CPC) but Bank employees salary got declined with reference to the risk level of bank officers their compensation is very less, our Former governor RBI Mr. R.Raguramarajan rightly pointed out the compensation paid to Indian public sector bank executives are very less. Working atmosphere and work life balance of employees of banking industries are deteriorating day by day. We cant provide satisfied customer service with un satisfied employees since employees are internal customers.

3. Objective of this paper :

My main objective of this paper is to discuss shortcomings of present system of fixing salary of employees of banking industry. presently they are fixing the salary after prolonged negotiation between United forum of bank union at employees side and IBA at Management side we have seen last three bipartite settlements it was finalized after 10 Days strikes ,employees are losing their salary for strike days where as central and state government employees are getting their salary hiked without any strike with the help of Central Pay Commissions.

4.Overview of banking sector in India:

Indian banking is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy and user in a new down of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. But to do so it has had to control miles and miles of difficult terrain, suffer the indignities of foreign rule and the pangs of partition. Today, Indian banks can confidently compete with modern banks of the world. Before the 20th century. Usury or lending money at a high rate of interest was widely prevalent in rural India. In the Indian banking system. Co-operative banks exist side by side with commercial banks and play a supplementary role in providing need based finance especially for agricultural and agricultural based operation including farming, cattle, milk, hatchery, personal finance etc.

Banks have been given greater freedom to frame their own policies. Repaid advancement of technology has contributed to significant reduction in transaction costs, facilitated greater

diversification of portfolio and improvements in credit delivery of banks. The acceptance of the Narasimhan committee recommendations by the government has resulted in transformation of hitherto highly regimented and over bureaucratized banking system into market driven and extremely competitive one. Today we have five types of banks in our country 1.Public sector bank 2. Private sector bank, 3.co op banks 4.Foreign banks 5. Regional rural banks only public sector banks ,Regional rural banks, selected private sector banks are participating with collective bargaining process Employees are represented by UFBU and management is represented by IBA.

5. Collective bargaining:

Over a period, The unions enjoyed unfettered power at the expense of managements and even its own members. The basic concept of collective bargaining itself was totally forgotten, having gained power the major unions did not play their appropriate role of improving productivity while simultaneously protecting the legitimate rights of the employees.

The secret ballot system was not prevalent. Union leaders were elected by a nominated panel and hence the interests of the majority of workers were not reflected. The interests of the union leaders and their close associates took precedence over the legitimate interests of the workers. A many trade unions are headed by retired peoples its very tough for them to understand the needs of new generation bankers. While analyzing last two bipartite settlement needs and interest of new generation bankers are not honored.

6.Threats of agitation:

The all India bank employees association (AIBEA) Members have organized a nationwide strike on January 8 & 9th of 2019 the strike is a protest against the government's move to privatize nationalized bank and anti lab our policy & manger of Dena bank, Vijay a bank , Bank of Baroda, strike was concluded without any confirmed Results.

A very regular feature in the industry was threats of agitation, non co-operation stoppage of work, go-slow tactics , demonstrations, gherao, strikes, etc, the employees very often resorted to such threats because powerful unions could bring the economy to a grinding halt and force management to exercise their legitimate rights and protect the employees against victimization of the method the unions uses has been coercion.

Even the unions have realized that the common man is much disgusted with frequent agitations / strikes of bank men, amendments to sections 22 & 23 of industrial disputes act 1947, the act being renamed as industrial relation act stipulate that unions should take strike decisions only by secret ballot, only if it is supported by a qualifying majority workers and after obtaining permission from Lab our authorities. There will be a compulsory and mandatory notice of 30 days for any strike action by workers both in public utility and no-public utility industries.

7.Bilateral negotiations:

In the recent past, whenever negotiations took place,

management would demand that unions discourage certain restrictive practices adopted by employees, however these agreements were only on paper and the union failed to discourage restrictive practices, employees, continues strong to resist the local managements by refusal and disobedience.

In extreme cases such refusal of lawful and reasonable orders of the management would have been firmly dealt with by initiating drastic disciplinary action such as by charging employees under major penalty proceedings.. Accountability, responsibility, work norms and completion of allotted days work be if an employee or officer, could not be ensured. Unions were unable to support even a right cause for their own reasons including fear that employees might shift loyalty to other floor shops.

8. History of Bipartite settlement:

SASTRY AWARD	1953
LABOUR APPELLATE TRIBUNAL DECISION	1954
INDL. DISPUTES (BANKING CO) DECISION AMENDMENT ACT, 1955	1955
(INDL. DISPUTES (BANKING CO) DECISION AMENDMENT ACT 1957 FOR 'C' CLASS BANKS	1957
GOVT. NOTIFICATION ON D.A. CALCULATION	13-02-1960
DESAI AWARD	1962

9. Review of literature:

Trade unions are considered important as per group theories because they further group interests in the form of class struggle. Further marx has reiterated the importance of expansion of trade unions (Olson, 1947) a general opinion is that individuals with common interests from groups and attempt to further those common interests, groups further common interests like a single individual would for his personal interests, dewey and Bentley (1949:130) and Truman (1951-235-242), whose works on group theory are widely accepted suggest that individuals with common interests would voluntarily further group interest however, Olson (1965) critiques their work in the logic of collective action" in which he says that individuals find it difficult to pursue group interest as compared to self-interest.

Trade unions are the major institutional representatives of the working class in modern states (Freeman & Medoff, 1984) and workers benefit through unions (Rajan & Zingales 2014)

Union office bearers believe that unions are pivotal in providing workers with not only higher wages but also employment security. This form of lab our protection is good for workers, society and the economy as a whole (Kaufman, 210:102) some management also agree with these claims (freeman and Medoff 1984) Since nationalization of the Indian banking sector in 1969, employment has expanded rapidly with the opening of many new bank branches. However, recruitment of employees were stopped after the reserve bank of India signs an overstaffing and declining operational efficiency (Mankidy, 1997) made the reserve bank of india (RBI) impose major restrictions in 1986. This has forced banks to use the existing staff and not to recruit any fresh employees. Indian banks association (IBA) was started in 1942 to liaise among the government,

RBI and banks, but it is now involved in wage negotiations as a representative of banks banking employment has witnessed a high level of flexibility subsequent to the Narasimham Committee report (NCR) and liberalization of the sector(Mankidy, 1997) made the Reserve Bank of India (RBI) impose major restrictions in 1986. This forced banks to use existing staff and not recruit any fresh employees. Indian Banks Association (IBA) was started in 1942 to liaise among the government, RBI and banks, but it is now involved in wage negotiations as a representative of banks. Banking employment has witnessed a high level of flexibility subsequent to the N Narasimham Committee Report (NCR) and liberalization of the sector (Mankidy, 1997). This has resulted in a chronic insecurity for workers. With implementation of superior technology, more and more work is being outsourced. This form of skill-based technologies reduces the relative demand for unskilled labour, and suppresses their wages. Moreover, technology has resulted in

deskilling of work such that economic cost of replacement is negligible as compared to the retention cost. Formal employment in new private sector banks and foreign banks is subject to minimum regulation because none of the banks have clerical staff/workers as per their designations. Yet as per National Classification of Occupations (NCO codes), a large chunk of people with lower designations in new generation private sector banks are workers by nature. In public sector banks, some old private sector banks and old foreign banks, due to the presence of unions, wage settlements are done through bipartite agreements (for workers—clerks and sub-staff) and joint notes (for officers), whereby workers' rights and interests are preserved. In line with the characteristics of the Indian Labour market, Caste-, gender-, occupation- and inter-industry-based discrimination is dominant (Krishna & Bino Paul, 2012) in the Indian Banking Industry. Caste-based discrimination is prevalent despite Affirmative Action taken in the form of reservation policy (Thorat & Attewell, 2007). India had to defend itself against accusations on caste-based discrimination at the universal periodic review at the UN Human Rights Council (UNHRC) in May 2012 (Times News Network, 2012). Also, labour market participation rates for women have increased, but are evident primarily for low end, low skilled jobs (Ghosh, 2004; Paul et al., 2008). Further, as can be predicted from a structuralist and strategic perspective, the employment practices of these new generation private sector banks and foreign banks are now being implemented by Public Sector Banks (PSBs) and old generation private sector banks as they have become the industry norm.

Restructuring is rendered relatively difficult in the face of very old and strong collective action in the industry. The State Bank of India Staff Association (SBISA) was established in 1920 and was registered under the Trade Union Act in 1926 (SBISA, 2014). It was earlier known as "Imperial Bank of India, Indian Staff Association" and was registered as a proprietary society under the Societies Act. Subsequently, it got registered as a trade union under the Trade Union Act, 1926. Today, United Forum of Bank Unions (UFBU) is the joint representative for the Banking workers and officers and it negotiates with the IBA to arrive at Bipartite Settlements and Joint Notes. The constituent unions hold further internal negotiations with the respective bank managements for the remaining aspects of service conditions. Workers negotiate as per Section 2(p) and Section 18(1) of the Industrial Disputes Act, 1947 read with Rule 58 of the Industrial Disputes (Central) Rules, 1957. The job of unions as institutions is to represent the interests of their members, be it wages, job profile or mobility. Unions in the banking sector have also been known to oppose hiring by organizations outside their membership, and hence resist to outsourcing of work albeit being non-core. The most important reason for this is the wide disparity in payments, which results in compromising the interests of their members in the long run; leading to the conflict of interests of unions and cost cutting intent of firms while achieving internal and external flexibility. The major cost cutting measures are technology (Paul et al., 2008) and flexibilization. The latter is rendered possible due to the sack of choices and reduced forms of security (refer to ILO convention 155 as mentioned in Ghai, 2002). Outsourcing serves as a mechanism to maximize flexibility. The income inequality between the regular and outsourced employees for work of a similar nature is as high as 4:1; moreover, regulation is nearly nil (Bhowmik, 2009). In the process of rendering such rigidities, unions have been accused of fostering "a labour aristocracy" (Tzannatos & Aidt, 2006). Yet the concern is that these negotiations impact fewer and fewer people who are engaged in banking work because many banks that can opt out of these negotiations do not send their mandate to the IBA. As such, there is evidence that bank unions are losing their grounds as managements have been overriding them in many instances (Khandelwal, 2011: 364). In addition, the outsourcing phenomenon is on the rise in the banking sector; this need to be outsourced workforce is seldom represented by a trade union.

10. Important years of bipartite settlements :

	DUE DATE	ACTUAL DATE	DELAY (In Months)
1st Bipartite settlement	01/01/1966	19/10/1966	9

2nd Bipartite settlement	01/01/1970	12/10/1970	9
3rd Bipartite settlement	01/09/1978	01/08/1979	11
4th Bipartite settlement	01/09/1982	17/09/1984	24
5th Bipartite settlement	01/07/1987	10/04/1989	21
6th Bipartite settlement	01/11/1992	14/02/1995	28
7th Bipartite settlement	01/11/1997	27/03/2000	29
8th Bipartite settlement	01/11/2002	02/06/2005	32
9th Bipartite settlement	01/11/2007	27/04/2010	30
10th Bipartite settlement	01/11/2012	25/05/2015	30
11th Bipartite settlement	01/11/2017	Not yet completed	15 Months Over

11. Suggestions for effective collective bargaining :

1. There should be some time bound negotiations consist of all level of employees & ,all the negotiation process should be complete within prescribed time. And negotiation process should be meaning full and transparent one. If it is failed, automatically it should go to next higher level.
2. Instead of waiting up to last minute, Negotiation process should be started well in advance. Before completion of next block.
3. Arrears should attract some penalty, (for example interest at Bank rate). Employers should pay interest on arrears at bank rate because of this settlement will conclude as early as possible.
4. A give and take policy must prevail in the organization. The difference between two parties can be adjusted only by compromise so that an agreement can be reached. Neither side should be too rigid on its demand.
5. Sometimes unfair labour practices are resorted to by both the employers and the trade unions. These will restrict the development of collective bargaining. Unfair labour practices should be avoided by both the sides, as this will create an atmosphere of goodwill.

12. Conclusion:

Wages in banks are settled after long negotiations between the management (IBA) and workmen unions/officer associations, Earlier wage policy in banking is the best, with national coverage of the entire industry. The DA is linked with the consumer price index. A number of special/other allowances are additionally paid linked to specified duties. The fringe benefits are to the optimum with safer social security in old age. The latest 10th bipartite settlement despite strong powerful trade unions associations has not yielded any substantial increase in wages compared to earlier settlements that clearly indicates the wages are at the optimum vis-a-vis wages of other organized/unorganized sectors. now 11th bipartite Settlement Due with effect from 01-11-17 several rounds of Negotiations already completed with IBA, They want mandate from banks union only for award staffs & officers Upto (scale III) but union demand is Upto scale VII, Recently they accepted the above demand but still wage revision not yet finalized . This is caution to existing unions & union leaders many young bankers don't have affinity towards trade union activities, by postponing the wage revisions they will lose their hope on Trade union concept. Some parts of country Young generation bankers formed new association named as WE BANKERS. This shows unhappy among new generation bankers.

This need to be addressed as early as possible otherwise banking industry will face severe knowledge drain in near future.

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