

Letter by our Association-AIBOC addressed to the The Chairman, IBA under copy to Secretary, Ministry of Finance

The Chairman,
Indian Banks' Association
Mumbai

Respected Sir,

Re: OUR DEMAND FOR FIVE DAY WORKING WEEK IN BANKING INDUSTRY

We would like to draw your attention to the major economic crisis our country has faced in the recent past owing to a continuous slide in the value of rupee leading to almost a state of economic emergency. The Current Account Deficit (CAD) shot up unfavorably and controlling the fiscal deficit was a great challenge. For both the major macro - economic problems, the centre of focus has been expensive Petroleum imports. The problems confronting the Petroleum ministry to restrict imports and remove subsidies had major political and social ramifications.

We, the largest national organization of Bank officers, feel responsible and duty bound to our beloved country and feel that Banking Sector can contribute enormously in conserving fuel, petroleum products, electricity etc., if 'FIVE DAY' working week could be implemented. Besides, it will serve the dual purpose of controlling pollution which is the need of the day.

We wish to bring to your kind notice that since the last petroleum crisis faced during the Kuwait war, 'FIVE DAY' working week in Banking Industry has been our considered demand. One of the major benefits apart from various others was to save energy and fuel. We strongly believe 'Energy saved is energy produced'. We are made to understand that RBI is not averse to the idea and IBA also supported the move but due to lack of consistent and sustained follow up, the final decision could not be taken.

Introducing 'FIVE DAY' working week in Banking Industry will be of immense help for the reasons enumerated as under:

- There are over 80,000 banking and financial branches and offices. One day additional closure a week will lead to enormous energy and cost savings
- There is over 10 lac work force in banking & financial sector. Over 70% use their vehicles to reach work place and if they are off road for an additional day in a week the saving of precious fuel will be tremendous
- There are over 30000 cars used by the branches, offices & executives for official purposes. A huge amount of fuel can be saved if they remain off the roads for one more day.
- All Bank Branches are on CBS, which require continuous power supply for connectivity. The power supply is not uniform all over the country. In most parts of the country, there are erratic power supply or prolonged power cuts, hence the branches/offices have to use diesel generator sets consuming precious fuel. Even small branches with few transactions have to maintain these generator sets & incur heavy expenditure.
- There will be a drastic reduction in pollution during the long weekends. Environmental benefit will be many folds, when consumption of the highly polluting petroleum fuel is controlled.

We would also like to draw your kind attention towards the fact that Banks observe five days working internationally. The multinational Banks operating in India also follow the five day week policy of their parent organization. Some of the major Private Sector Banks like HDFC Bank also undertakes limited business transactions through very few selective branches with minimum staff. New generation private sector banks like Axis Bank, all IT companies, general insurance sector, Corporates and all Universities, colleges & schools work only for 5 days a week. Our regulator, the RBI as well as Central and most of the State Govt. offices work only for five days and few have 2nd& 4th Saturdays off.

We humbly submit that the experience in the banking industry clearly establishes that by keeping the branches open for extended hours or all days does not lead to increase in business or accretion of new business. In 2009, when there was aggressiveness from new generation private sector banks for business, all the banks introduced 7 day banking and 8 to 8 banking. Within a year, all the banks wound up this experiment as there was low patronage and the cost to benefit ratio was unfavorable.

With introduction of so many alternate channels of delivery due to IT initiatives, like ATMs, Internet banking, Mobile banking etc., majority of the customers in the metropolis, urban and semi urban areas have migrated to these for their normal banking needs. The number and penetration of ATMs is much more than branches and most of the ATMs are maintained by outside agencies which keep the ATMs available round the clock. Now ATMs are not mere dispenser of cash, they are programmed to accept cash and also transfer amounts to pay statutory payments, booking of tickets etc.

In rural areas, the Public sector banks have surpassed the targets of financial inclusions set by the government and have been in forefront in reaching unbanked areas of the country. Banking services are made available to the landless labourers, marginal farmers and other under privileged and poor people of the rural area round the clock with the help of 'Business Correspondents' and 'Business Facilitators'. Thus with the banking facilities available throughout the country on '24 X 7' basis, 'five days' working week will not have any adverse bearing on the customer services.

To sum up, with the implementation of 'Five Days' working week, we can save huge amount of cost on fuel, petrol/diesel and electricity, can control pollution apart from achieving desirable economic implications as enumerated in the forgoing paragraphs. Needless to say, happy and healthy work force will lead to higher productivity as stress level and attrition rate will come down.

In the light of aforesaid facts, we are hopeful that our suggestions would be viewed with fresh perspective in the larger interest of the country.

With warmest regards,

Harvinder Singh
General Secretary

CC:
Sh. G. S. Sandhu
Secretary, Department of Financial Services,
Ministry of Finance, Parliament Street, New Delhi.
(Sir, For Your information & Kind Consideration)