



IBOA CONNECT



Indian Bank Officers' Association (TN & PONDY)

3, Sripuram 2nd lane, Royapettah, Chennai 600 014,

Ph No. 044-2811 3376/86

Email: iboa.tn.pondy@gmail.com

Website: www.aiiboa.in

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Performance Linked Incentive

Dear Comrade,

The objective of any Incentive Scheme is to promote a high performance culture through continuously raising the bar of performance of the organisation, not only in terms of quantifiable business parameters but equally, in terms of improvement in qualitative aspects of productivity and efficiency. In the year 2009, Government of India appointed a committee to look at the HR issues of the public sector banks under the chairmanship of Mr. Anil Khandelwal. The Committee submitted its report on Manpower and Recruitment Planning, Training and Skill Development of Staff, Career Planning, Performance Management, Reward Management, Succession Planning and Leadership Development, Wages, Service Conditions and Welfare and Industrial Relations etc.,

In Reward Management, the committee recommended certain principles for performance based incentives of PSBs.

- Total amount of incentive to be paid by a PSB in a year not to exceed 2% of its average net profit earned over the previous two years.
- 50% of the amount to be earmarked for Branch Managers of Metro and Urban Branches and Executives
- 25 % to be earmarked for Branch Heads of Rural and Semi Urban branches and employees connected with priority sectors and financial inclusion.
- 25% to be earmarked for Boards of PSBs to identify individuals and groups who have made outstanding contributions for business growth in Credit, Forex, Recovery, innovations in banking operations, systems and processes, etc.

Subsequently some PSBs formed guidelines and started implementing the performance linked incentive (PLI) Schemes for their work force. Accordingly PLI was paid to the officers based on the branch performance, zone performance and individual APAR marks.

When 11th Bipartite negotiation started with IBA, a section of Banks have given fractured mandate saying that they will pay better pay to their executives as per their paying capacity. Even some Banks like BOB initially said they did not want to be part of 11th Bipartite negotiations as they want to give better package for their workforce. Hence there were attempts break the Industry wide negotiations to achieve the Wage system as per their paying capacity. UFBU continued to demand full mandate from all the Banks and finally full mandate was achieved by AIBOC after giving 2 day strike call on 26th & 27th September 2019.

From the beginning of the 11th Bipartite Negotiation, IBA placed counter demand of performance linked incentive. In September 2018, IBA proposed that in addition to 6% hike offered by them which would be common to all Banks, additional wage increase can be worked out through a scheme by which in each Bank annual increase in emoluments can be offered ranging from 1.4% to 8.2% based on Operating Profits and Return on Assets of the individual Banks with a view to add an element of performance linked compensation over and above the uniform pay structure.

Now in the latest round of talks it appears that IBA has offered performance linked incentive ranging from 1.10% to 5.75% based on increase in operating profit of bank in a year over the previous year and on Return on Assets which is over and above the mutually agreed revision. UFBU constituents have accepted the concept of performance linked incentive.

In 10th Bipartite Negotiations also, IBA tried to introduce performance linked variable pay and cost to company for the work force of the Public Sector Banks. In 10th Bipartite settlement UFBU was able to out rightly reject this proposal but in this 11th Bipartite talks UFBU succumbed to the pressure of IBA and accepted the performance linked incentive. This may be due to the offer of IBA as a separate and exclusive scheme on payment of incentive to ALL EMPLOYEES of a Bank at uniform rate based on the performance of the banks each year.

Association's stand is performance linked incentive is directly linked to the performance output of the Individual employee. This may be applicable to a staff member whose performance is stand alone and not relied upon other staff members support. But in the case of PSBs, the successful performance of a staff member is directly linked to the support extended by his team in the Branch. Hence it is not an individual performance, it is a team performance. Hence now the offer of performance linked incentive to all employees at uniform rate is a welcome one when compared to the payment made on the basis of individual performance.

But it is also a fact that with the implementation of PLI, IBA would also achieve the differential wage revision according to different categories of profitability of Banks. Banks with higher profits would pay more PLI and Banks with less profits would pay lesser PLI. Even though the purpose of PLI is to motivate the team to achieve better performance, but in general the profitability of PSBs is not only in the hands of its employees because of socio economic role of PSBs. It appears that in the case of PLI it is both win-win situation for both the IBA and UFBU.

Yours Comradely,



R Sekaran
General Secretary



**Best Wishes to all the
aspiring officers
appearing for
promotion process**



IMPORTANT CIRCULARS DURING THE MONTH OF NOVEMBER 2019

Circular No.	Date of Issue	Subject
CRA-35	01-11-19	Observance of Life Insurance Products Campaign from 01.11.2019 to 31.12.2019
ADV-103	01-11-19	Policy Repo rate change for Repo Linked products/RBLR
ADV-105	04-11-19	REPO LINKED RATES OF INTEREST FOR MICRO AND SMALL ENTERPRISES
ADV-106	04-11-19	Revision in Rate of Interest on Retail Asset Loan Products w.e.f 01/11/2019
GENL-46	05-11-19	Calibration of Rs.200 and new Rs.100 Denomination Currency in ATMs & BNAs
ADMIN-42	06-11-19	CONDUCT OF ELECTRICAL AUDIT IN BRANCHES & ADMIN. OFFICES
ADV-107	08-11-19	Standard Operating Procedures (SOP) for Declaring as Wilful Defaulters
ADV-108	13-11-19	OBSERVANCE OF "INTENSIVE FARM CREDIT RABI CAMPAIGN" FROM 15.11.2019 to 13.01.2020 (60 DAYS)
HRMD-109	14-11-19	Promotion Process 2020 – 21 for Promotion from Scale IV to V` Scale III to IV` Scale II to III Scale I to II
ADMIN-43	15-11-19	STAFF ACCOUNTABILITY POLICY 2019-20 - AMENDMENT
CRA-36	18-11-19	MIGRATION OF SCSS IN CBS AND CLOSURE OF SCSS ACCOUNTS
GENL-47	19-11-19	Introduction of Section 194N – Finance Act 2019 (TDS on cash withdrawals).
FX-24	19-11-19	Submission of Data Regarding Unhedged Foreign Currency Exposure
FX-25	19-11-19	Foreign Contribution (Regulation) Act 2010 - Receipt of Foreign Contribution by Individuals/NGOs/Organisations from Turkish NGOs (Foreign Donor)
FX-26	20-11-19	Opening FCNR / RFC Term Deposits in SGD Currency - Introduction
FX-27	25-11-19	"Foreign Contribution (Regulation) Act 2010 - Receipt of Foreign Contribution by Individuals/NGOs/Organisations from Donor agencies "
ADV-110	27-11-19	Observing "Minority and SC/ST Credit Campaign" from 01.12.2019 to 31.12.2019
CRA-37	27-11-19	"Amendment to Policy on Digital Banking Products and Services for 2019-20 : Section-B Merchant Acquisition "
DEP-16	29-11-19	IB – VRIDDHI – CASA Campaign II 2019-20
FX-28	30-11-19	Revision of interest rates on FCNR (B) Deposits and RFC Term Deposits

Non inclusion of a circular does not reflect on its importance.

MEMBERS MEET AT THANJAVUR



AIBOA OFFICE BEARERS MEETING AT MANGALORE



Wedding Bells

Selvan **Ramireddigari Murali Mohan**
(ECM, IBOA – Indian Bank,
Vengikal Branch)
Married to
Selvi **Suvarna**
on 10.11.2019 @ Nandyal

Selvan **B Arun Yogesh**
(Manager, Corporate Office,
Chennai)
Married to
Selvi **V Rajakumari**
on 10.11.2019
@ Andimadam

Selvan **M Eswaran**
(Manager, Corporate Office,
Chennai)
Married to
Selvi **V Sasikala**
on 10.11.2019
@ Jalakantapuram

Selvan **B Ragasundar**
(Branch Manager,
Puduchatram)
Married to
Selvi **V Arunadevi**
on 10.11.2019
@ Udumalpet

Selvi **J Jayapadmini**
(Daughter of Com G Jegannatha
Janardhanan, Manager,
Ayodhyapatnam Branch)
Married to
Selvan **G Anand**
on 10.11.2019 @ Belur, Salem

Selvi **R Prashanti**
(Daughter of Com R Rajkumar,
(Retd))
Married to
Selvan **J Hariharan**
On 01.11.2019
@ Chennai



Selvi **M Keerthana**
(Asst. Manager,
Saligramam Branch)
Married to
Selvan **S L Narendhran**
on 24.11.2019
@ Thoothukudi

IBOA (TN&Pondy)
*Wishes a Very Happy
Married Life to the
Newly Wedded Couple.*

RETIREMENTS

Sl. No.	Name	Designation	Branch
1	Com RADHAKRISHNAN PILLAI C	Dy.General Manager	Corporate Office
2	Com SUNDAR RAJ S	Dy.General Manager	Corporate Office
3	Com RAJA SEKAR J	Chief Manager	Zonal Office Puducherry
4	Com VENUGOPAL B	O-In-C/Cc/Senior Manager	Harbour
5	Com DUSHYANTHAN S	Senior Manager	Corporate Office
6	Com LAKSHMI NARAYANAN S	Manager/Abm	Teynampet
7	Com RAMAMOORTHY K K	Manager/Abm	Irpc Salem
8	Com RAVICHANDRAN	Asst. Manager	Poonamallee
9	Com ABRAHAM ADVENT	Asst. Manager	Zonal Office Chennai (N)
10	Com ANBARASU N S	Asst. Manager/Abm	MLA Hostel

IBOA (TN & Pondy) Wishes the above Comrades a Very Happy, Healthy and Peaceful Retired Life.