



**STATE BANK OF INDIA OFFICERS' ASSOCIATION  
(HYDERABAD CIRCLE)**

(Registered Under Trade Unions Act 1926:No.3396 A.P.)  
(Affiliated to All India State Bank Officers' Federation)  
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Circular No.56

1.09.2017

**PARTICIPATIVE MANAGEMENT - EMPLOYEES  
REPRESENTATION ON THE BOARDS OF THE BANKS  
ANTI-LABOUR APPROACH OF THE GOVERNMENT  
TRUNCATED BOARDS**

We reproduce hereunder Circular No.94 dated 1<sup>st</sup> September, 2017 issued by All India State Bank Officers' Federation, the contents of which are self-explanatory.

  
(G.SUBRAMANYAM)  
GENERAL SECRETARY

**Quote**

The Government of India introduced the concept of industrial democracy in the functioning of the Public Sector Units since 1970's through introduction of the appointment of representatives of the employees and officers on the Boards of the Banks. The participative management was a novel thinking by several democratic countries in order to utilize the rich experience and expertise of the workers in the industry through the participation of their representatives on the Boards of the Banks. The Government adopted bill for the appointment of workmen directors on the boards of the Public Sector banks and a similar scheme was introduced in respect of the Officer Directors as well in the Public Sector Banks. The scheme is current and operative. It proved highly beneficial not only for the Officers organizations but also to the Management since the representative on the Boards on behalf of the officers fraternity will bring along with him the rich experience of the working knowledge and also will be contributing in a positive manner for the overall development and progress of the institution.

2. The scheme of appointment of Officer-Directors on the Boards of the bank was a cumbersome and required to pass through several stages. The majority organization will have the right to submit a panel of three names to the Management for onward transmission to the Government of India who will get the advice of the Reserve Bank of India and finalize the same. However, in the recent past several changes have taken place and the Government has entrusted the responsibility of the appointment of the Directors on behalf of the Union and the Association to the Bureau of Banks Boards which was authorized not only to clear the names of the Directors but as also the appointment of the senior executives of the banks for final approval of the Ministry of Finance.

3. In the recent past, the Government has not taken any initiative to clear the names forwarded by the Banks for appointment of the Directors on behalf of the workmen as well as Officers in the Banks. As a result, most of the banks where the vacancies have arisen during the last 2 years, no appointment has taken so far despite the statutory provision and the responsibility rested on the Government of India for the appointment of the representatives of the workmen as well as officers in the Banks. The issue has been constantly followed-up by the representatives of the associations directly as well as through the parent body including the United Forum of Bank Unions.

4. In the case of the State Bank of India, the position is vacant for more than 2 years. The Federation has forwarded the panel names as required under the scheme. There has been a constant follow-up with the Management and the Management is pleading helplessness in dealing with the matter. The issue figured in the last agitation call given by the United Forum of Bank Unions as well. As a result, we have no representation and the benefit of participating in the Central Board of State Bank of India.

5. Our representation through the various channels including the Ministry of Finance has failed to evoke any positive response. The State Bank of India and its Associates had the benefit of the representation on the Boards of the Banks and these representatives had made tremendous contribution for the success of the Bank. Today, instead of 5 Associate Banks and State Bank of India, we have only one Board representation to be filled up by the Government of India. There appears to be an attempt to ignore the existing statutory provision for the representation of the workers and officers on the Boards of the Banks by the Ministry of Finance and to indirectly abolish the scheme in vogue.

6. The Government has now taken a series of decisions in regard to the merger of the Public Sector Banks despite the strong protest action by over 12 lac employees and officers working in the banking industry by participating en mass in the one day strike on 22<sup>nd</sup> August, 2017. The Government is yet to respond to our issues positively.

7. The UFBU will take stock of the situation and arrive at a concrete steps to be taken to thwart the sinister design of the Government in the name of Merger of Public Sector Banks including the nomination representatives of the union and association on the Boards of the Banks. We shall keep you posted of further developments.

With greetings,

**Sd/-  
(Y.SUDARSHAN)  
GENERAL SECRETARY**

**Unquote**

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