



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi)

State Bank Buildings, St. Mark's Road, Bangalore – 560 001

CIRCULAR NO.2

DATE: 03.01.2012

TO ALL AFFILIATES /MEMBERS:

GUIDELINES FOR PROMOTION IN PUBLIC SECTOR BANKS ISSUED BY THE MINISTRY OF FINANCE, GOVT. OF INDIA

The Ministry of Finance, Govt. of India have issued draft guidelines on promotions in Public Sector Banks on 21.10.2011. The guidelines are on promotions, requirement of minimum experience, mandatory requirement of rural, semi-urban service etc.

2. We have addressed a letter to the Union Finance Minister wherein we have given our views and suggestions on the draft guidelines. A copy of the letter annexed, is self-explicit.
3. Further developments in the matter will be informed.

**WITH WARM GREETINGS FOR A HAPPY AND PROSPEROUS
NEW YEAR 2012**

**(G.D.NADAF)
GENERAL SECRETARY**



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State Bank Buildings, St. Mark's Road, Bangalore – 560 001

No.1410/02/12

03.01.2012

To,
Sri. Pranab Kumar Mukherjee,
Hon'ble Finance Minister,
Government of India,
South Block, Parliament House,
NEW DELHI.

Respected Sir,

GUIDELINES FOR PROMOTIONS IN PUBLIC SECTOR BANKS

We invite your kind attention to the Draft Guidelines on Promotions in Public Sector Banks dated 21.10.2011 addressed to the CEOs of all Public Sector Banks, wherein the Government has issued guidelines for promotions, requirements of minimum experience, mandatory requirement of rural, semi-urban and urban service, etc.

2. We wish to bring to your kind notice the fact that, the Public Sector Banks had introduced various channels of promotion, keeping in view the changing dynamics and paradigm shift, in the Banking operations. The promotion policy introduced by the Banks has been taking care of the aspirations of the Officers' community and the succession planning is taken care. As the Banking operations became more and more complex with the Banks becoming financial supermarkets, the Specialists to handle these new challenges, were recruited. The in house talent handled the technology initiatives

embarked upon by the Banks with efficiency and effectively, and the entire officers' community responded to these initiatives very positively. These challenges were overcome and our Public Sector Banks emerged as the tech-savvy Banks with an edge to meet the global competition.

3. The New guidelines issued by the Ministry need to be studied keeping in view the foregoing developments. Our observations on the guidelines are as follows:

- (i)** The guidelines on the channel of promotion and minimum experience are already being followed by majority of the Banks and the emphasis is on seniority-cum-merit. Many top Executives in the Banking Industry are the product of such promotion policy adopted by the Banks. It should not be forgotten that, there is no substitute for experience and therefore, seniority – cum - merit should be the sole criteria for promoting the officers to different scales.

Hence, we strongly feel that the individual Banks should be allowed to follow their own policies for promotion process, keeping in view their requirements, as there cannot be a single-policy-fits – all situations. We also would like to suggest the following:

- a)** Normal/Seniority Channel for promotions from JMGS I to MMG II and MMGS II to MMG S III may be called as Interview Channel.
- b)** Relaxation in merit/Fast Tract Channel for promotion upto SMGS IV may not be allowed as it will significantly reduce the required exposure level.

c) The Bank should be allowed to commence the process six months before the cut-off date of 1st April to ensure that Officers do not miss on the cut-off date for next grade promotion marginally.

(ii) PROMOTION FROM JMG SCALE I TO MMG SCALE II & FROM MMG SCALE II TO MMG SCALE III.

a) The requirement of minimum 75% marks in APAR for each of the three years of service eligible for promotion under merit/fast track channel is not practicable, as the officers will be working in different geographical environment. Hence, their APAR cannot be of uniform nature and the stipulation will favour only those who are placed in potential business centres and will be to the detriment of the officers placed in centres, with less business potential where the officer will be compelled to struggle hard to achieve the performance parameters. Hence, the minimum 75% marks in APAR for each of the three years of service should not be the criteria for promotions under merit/fast track channel. It may be total 150 marks in three years, out of previous four years.

b) The guidelines regarding mandatory requirement of two years continuous service in rural area for promotion from Scale I to II, and another two years service in rural/semi urban area for promotion from MMG Scale II to III, is difficult to implement; as the Public Sector Banks are not having adequate number of rural branches. As a consequence, banks have been making mandatory rural/semi-urban service as post promotion condition. This has worked fairly well and has met the aspirations of the Officers' Community. Otherwise,

also the guidelines of the Government are impracticable since the probation period for officers being 2 years they are required to work at three to four different centres for exposure in general banking, credit, forex, rural banking etc., and all of these are not available in a single rural branch. This compulsion will make a person eligible for fast track promotion only after four years in a JMG I as against the prescribed period of three years.

Two years continuous service may be replaced by two years aggregate service in a rural branch. This condition should be made effective from the year 2015 to afford an opportunity to the Banks to give required exposure to the eligible aspirants.

4. Similarly, making additional two years rural/semi-urban service mandatory for promotion from MMG Scale II to III will pose the same problem as indicated herein above. Moreover, this is against the present policy of 3 years rural/semi-urban service for promotion from MMG Scale II to III and should have completed mandatory assignment prior to an officer opts for promotion to SMG Scale IV. We strongly feel that the existing provisions on mandatory rural/semi urban service should be continued.

5. However, the new provision suggested by you in case of Officers who have put in more than 2 years of rural and /or semi-urban service will get 50% weightage in minimum experience for each additional completed year of service; while deciding their eligibility is acceptable to us.

6. With regard to the proposal for promotion from MMG Scale – III to SMG Scale IV and SMG Scale IV to V, it is mandatory to pass an examination for computer literacy and knowledge is superfluous; in as much as most of the officers in these cadres are already computer savvy, possessing adequate computer knowledge. Hence, passing a test for computer literacy and knowledge mandatorily is not warranted and should be dropped.

7. Again, the stipulation for promotion of an officer to TEG Scale VII, the Officer should have worked as Regional/Circle Head or must have worked at a Regional/Circle Office for two years, is impracticable. As many of the SMG Scale V and TEG Scale VI Officers will be working in the operation as Heads of the large Branches, the stipulation will put such officers to disadvantage. Hence, the above stipulation is unwarranted.

8. Job Rotation policy to give exposure in all vertical at Scale V and VI level is impractical since most of those Officers are heading the Branches/Regions where the term is normally three years, which leaves no scope to give any effective job rotation plan. Hence be dropped

9. Identification of vacancies be left to the wisdom of the Banks without linking to the ratio of GMs/DGMs as it is mainly determined on the basis of classification of branches/regions.

10. Zone of consideration for promotion may be maintained at 1:3 ratio; otherwise, non-promotion leads to frustration. The existing scheme provides for superseded candidates plus three times of number of vacancies.

11. We request you to take note of the above suggestions and modify your instructions to the CEOs of the Public Sector Banks accordingly.

12. We have a strong feeling that, as ours is the only organisation representing more than 90% of Membership of the Officers in the Banking Industry; we should be invited to offer our views on the proposals. On many counts, we have the first hand practical experience and can offer better practical and workable suggestions, which invariably take care of the hopes and aspirations of the Officers. A promotion policy, which takes care of the dynamics of the individual Bank and the expectations of the Officers in the fast changing environment, is the need of the hour.

Thanking you,

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G.D. NADAF', with a horizontal line underneath.

(G.D.NADAF)
GENERAL SECRETARY

