



Dear Comrades,

End of an ERA

As another Era in the history of our beloved institution is coming to an end, and as we are eager to know what's next, being the only Association for the Officer Community of South Indian Bank, we thought it would add some value reviewing the term under the leadership of the outgoing MD, respected Sri. Murali Ramakrishnan. Rather than having 1000 reviews without focus, one realistic review will help us learn from what we have been through so that we will be prepared for the next, hence this circular.

The Beginning

The present MD had joined our beloved institution on 1st of October 2020. While the previous term under the leadership of respected MD Sri. V. G. Mathew had started with the dream of "Quantum Leap", a complete revamping of the credit policies was initiated through centralisation and verticalization. Being a responsible Trade Union with a heritage of more than six decades of coordination with our beloved institution, unlike it happened in other peer institutions, SIBOA had decided to support the initiative by continuously reviewing the process in all stages. The process was taken over by the new MD as Mathew sir had retired after a span of 6 years while the transition was still incomplete and midway, not knowing where our beloved institution was heading to. Having had substantial issues related to credit quality of the existing loans, Bank had taken a cautious decision to almost pause the credit growth until the revamped policies took control. With the change of leadership, further delay in completing the process was obvious and the implementation of revamped policies exceeded the expected timelines multiple times against the assurances given. With mounting defaulters and stagnant credit book, our Gross NPA reached 6.97% by the end of 2021 when we assumed ourselves to be at the verge of being considered by the regulator under PCA.

Transformation

It is to be mentioned that the present MD in his initial days was instrumental in coining a positive attitude among the employees with his introduction to the role when each and every Town Hall meeting and Video conference was received by the work force with utmost enthusiasm and curiosity. It was declared that our aim as a Financial Institution would be to excel in Retail Assets including MSME sector in focus. With the basic idea to grow with quality, it was also imperative that compliance aspects also had to be given more importance. While the absence felt about SIB in the market was wiped off with an urge of immediate action through intensive marketing and penetration broke out from the field level staff, the departments also geared up improving their performance and delivering up to the expectations of the branches in many aspects.

In the process, timely interventions were made by the Association through vertical and role-based feedbacks received, making sure that the process gets refined in terms of our service conditions and in upholding our rights as we went ahead. The interference of the Association got appreciated by the Management at various levels including the Town Hall Meetings. Our role of a Watch dog had to be continuous and engaging.

As the field level staff started combing the market, the difference between our expectations and market reality started showing up in terms of asset business. In liabilities, the modified policies in line with compliance having the upper hand over anything, procedural complications started back firing gradually. No matter how hard the ground level staff tried, the results remained a distant dream with the market not willing to take our offers. Deeply focused on motivation and core values alone, the lack of timely modifications in policy decisions was evident which in turn started creeping



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up in the form of pressure to the lower levels. Confused with motivation on one side being fed in excess and mounting pressure on the other side, the incompetency of the products in tune with market left the ones being pushed, helpless.

SIBians

SIBians, having a DNA embedded within, which enables them to rise up to any challenge faced by our beloved institution and bring it back to glory, no matter what, combined with the changes brought in had started working as ONE but for no results. Focusing on portfolios keeping highest priorities on quality and compliance with our limitations in being competitive with the major players in the market, we had to forgo a fair quantum of our book size, which we believe, did not take anyone by shock, being a part and parcel of the institution's calculated plan and hence obvious. Because of the policy decision and change-over we had to go through, the void created in the market was so huge that the effort the work force had to take was Herculean. It is understood that majority of the clients our marketing team met in the process had one relation or other with our beloved institution in the past but they had to change for reasons many, which made the task of bringing them back even more hurdled. The absence of any serious thought about customer retention was agonizingly evident and still, we do not have any focus on customer retention plans at any levels, while peer group is far ahead in the game.

Above all the odds, it was with sheer hard work and unwillingness to surrender to the market pressure that the work force responded in alignment with the Management. Not finding the desired results and deviating from the idea of Retail Loan Power House in our struggle to be profitable, a twist in focus to Corporate loans and digital lending was brought in to the rescue. Combined with the instantaneous treasury gains, the after effects of which are yet to be known, the results for Fiscal 2022-23 was something every SIBian could get a breathing space, considering the hard work put in. Let us all be reminded that performance, as far as a financial institution is concerned, never can be a once in a while achievement based on a financial report but a habitual trait to be displayed on a daily basis in today's market conditions.

The Twist

By the end of March, our MD had declared that he was opting out of reappointment in his post. This had taken the market as well as the work force by shock considering the momentum in which the current team was being pushed into. The delay in declaring appointment of the new MD having fuelled the dilemma in the market, the supervisory teams have taken a strategy of meaningless aggression for reasons unknown. This is where our concerns too started flaring up.

We all know that this is not the first time, we, as an institution had to face a crisis situation. With eminent personalities having led the Management by example from the front in the past, SIBians are accustomed only with leadership guiding the work force, together as a team they own to face the challenges. Rather, many superiors are getting exposed to the inexperience and lack of ability to handle pressure which in turn is pushing them to inappropriate situations swaying away from the elite professionalism which we are used to and that has been practiced in our beloved institution since inception. From what comes out of, it is understood that the mid-level functionaries have resorted to escapism playing a blame game and conveniently washing their hands from their responsibilities. We wish to point out that, SIBOA as a responsible trade union has a dutiful obligation to make this review as an elaborate reminder on where it began, how it transformed and where it is heading to.



By not controlling one's emotions when falling under pressure, the harm a leader causes to his/her team by demotivation can be irreversibly adverse. By continuously pressurizing someone through repeated VCs for something unachievable, without knowing the exact reasons, one can only help to knock off the confidence of the one being reviewed and make them feel dejected if not for finding pleasure from such harassment. We can now confidently say that the only challenge faced by the field staff now in growing their data base is because of the norms demanding highest quality of business we need to canvass but at the same time incompetency of our product to get chosen from the competition by a customer. Been an Association to have known the pulse of reality at the ground level, we are sure that the every SIBian is ready to work hard for the institution at these testing times where the market is keen on what turns around from what we did and we are not ready to betray our beloved institution no matter what it takes. We also would like to make it clear that we demand our respect which is priceless and which we are not ready to put for sale in exchange of paid incentives running to thousands or lakhs.

Association perspective

So far, we have approached the review purely from a business perspective of the Bank. Now, to be more to the point, we would like to point out the issues which have been felt by the Association during the period. At the outset, we feel that communication channels were not properly maintained. Just like the huge number of reviews and VCs which kept most of the hierarchy busy and not available for attending to business decisions in time, the general feeling was that communication was mostly one way and the reverse feedback that keeps the system robust and meaningful was not at all forthcoming. This was more so, not because staff members down the line were not giving the feedback, but rather, because nobody in the hierarchy was willing to listen. It almost seemed as if everyone seemed intent in playing a game of passing the buck rather than absorbing the pressure due for his/her position and motivating the workforce.

The role of cluster heads remains a dilemma till date. While the official version still remains that their very purpose of existence is to boost liability business, same is not what is happening on the field. In fact, had that been the case, the very selection of most of them was innocuous as most of them had proved themselves in advance portfolio over the years. Moreover, rather than guiding them to mentor branches and staff members, they are being pushed around to collect all kinds of reports and also to act as terrorizing agents, thus not only undermining their very roles but also resulting in a situation that their utility in the system remains a huge question mark. It is high time we re deploy them to profitable and effective business-oriented roles.

The movement of executives to CTC has created huge pressure on them, which in turn, has resulted in inhuman pressure being brought on the rest of the workforce. In fact, the increasing reference by controllers about the salary being received by staff members and the call to justify that seems to fit them more appropriately as the change has resulted in undue increase in remuneration for most of them but without the looming threat of review that is mostly associated with the system, at least for the time being. On the other hand, the rightful claims of permanent employees like HRA enhancement etc. have been put on hold citing profit position first but even after stabilization of profit, issues like productivity are being raised, which, incidentally is hugely influenced by the movement of executives to CTC as also the enormous number of recruitments effected over the past 2 years. Thus, the general perception remains that undue benefit is being given to certain sections but overlooking the huge number of employees who have toiled day and night to make the transformation happen.



Adieu

As we are about to bid farewell to our beloved MD, Mr. Murali Ramakrishnan, we as members of SIBOA take this opportunity to share our deepest thankfulness

- to have incarnated at the time of our crisis
- to have held our hands to move forward
- for the insight you had instilled in us to behold our bread and butter
- for the courage you imparted on us to face the challenges
- for bringing the catalyst within us to contribute
- for imparting the core values to carry forward

And most importantly to have shared one final message from your side which comprehends our perspective that “*nothing comes before one's self-respect and his family*”. We assure you that we will try our best to keep up the good work you have initiated. All the very best for your future roles dear Murali Sir.

Yours comradely,

(Praveen R)
General Secretary