

10:45 AM 09 NOV MARKET STATS ▾	SENSEX 26,584 ▼ -1006.98	NIFTY 50 8,210 ▼ -333.50	GOLD (MCX) (Rs/10g.) 31,300 ▲ 1420.00	USD/INR 66.89 ▲ 0.27	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
--	------------------------------------	------------------------------------	---	--------------------------------	-------------------------	--------------------------------	------------------------

PNB plans to give performance based incentive, to break away from IBA negotiation

By [Sangita Mehta](#), ET Bureau | Updated: Nov 08, 2016, 03:47 PM IST

[Post a Comment](#)

MUMBAI: Government owned [Punjab National Bank](#) (PNB) plans to break away from the industry level wage negotiations in move aimed to retain talent. Managing director of the bank, [Usha Ananthasubramanian](#) said that the bank will seek approval from the board to give performance linked remuneration.

RELATED COMPANIES

[EXPAND](#)

[Punjab Nat...](#)

[PNB](#)

As of now, the industry body Indian Banks' Association (IBA), on behalf of all public sector banks, negotiates wage hike with the officers' association and employee unions. The wage hike is applicable for a term of five years and the contract would be due for renewal November 1, 2017.

The bank has formed an internal committee of general managers to examine the feasibility of this proposal, [Ananthasubramanian](#) said at an analyst meet here. For decades remuneration of government owned banks are linked to industry wide negotiations irrespective to the performance of each employee. Private banks' remuneration are linked to performance and would vary significant between two employees of the same rank.

"Performance based remuneration was never considered. Times are changing and we have to change with times. I think, time has come to recognise performance and it is also to retain talent," said Ananthasubramanian.

Meanwhile, finance ministry has asked public sector banks to start wage negotiations with employees unions and officer association well before it comes for renewal in November 2017. In the last negotiations, IBA and bank employees had agreed for 15% hike in wages which was applicable for 27 banks with employee strength of over 8 lakhs.

She said that in the past PNB wanted to break away from the industry wide wage negotiations but ultimately it had to part of IBA negotiations.

Meanwhile, the bank reported Rs 549 crore of net profit in second quarter of this fiscal year, down 11.5% over corresponding period last year.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Live Market	News	Portfolio	Mobile	Live TV	Newsletter	Commodities	Speed	QnA	Blogs	Alerts	RSS
Other Times Group news sites Times of India इकोनॉमिक टाइम्स मुंबई टाइम्स Mumbai Mirror Times Now Indiatimes नवभारत टाइम्स महाराष्ट्र टाइम्स ವಿಜಯ ಕರ್ನಾಟಕ Lifehacker Gizmodo Eisamay IGN India NavGujarat Samay	Living and entertainment Timescity iDiva Zoom Luxpresso Gaana Happytrips Cricbuzz Get Smartapp Networking itimes MensXP.com	Hot on the Web Sensex, Nifty Live Blog Gold Rate US Presidential Elections Live Updates Festival Guide 2016 Google expected to unveil Pixel smartphones Live: India's surgical strikes on PoK RBI Rate Cut	Services ads2book Gadgetsnow Free Business Listings Simplymarry Astrospeak Timesjobs Magicbricks Zigwheels Timesdeal dineout Filimipop Remit2India Gaana Greetzap Techradar Alivear Google Play								