
TRADE UNIONISM AND COLLECTIVE BARGAINING IN THE INDIAN BANKING SECTOR: A CRITICAL APPRAISAL

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ABSTRACT

Trade unionism and collective bargaining have played an important role in shaping employment relations in the Indian banking sector. The banking industry is one of the most organised sectors in India and has a long history of employee representation through trade unions. Since the pre-independence period, bank employees have formed associations and unions to safeguard their interests relating to wages, service conditions, working hours, promotions, job security, and social welfare. Collective bargaining has emerged as a significant mechanism through which employers and employees negotiate employment terms and resolve industrial disputes peacefully.

The Indian banking sector has witnessed major transformations over the years. Economic liberalisation, technological advancement, digital banking, privatisation initiatives, and labour law reforms have altered traditional employment relationships. These developments have affected the strength and functioning of trade unions as well as the process of collective bargaining. Despite these challenges, banking unions continue to influence policy decisions and labour-management relations through negotiations, bipartite settlements, and participation in industrial forums.

This paper critically examines the development of trade unionism and collective bargaining in the Indian banking sector. It analyses the legal framework governing trade unions, the role of collective bargaining in determining service conditions, and the contribution of banking unions in protecting employee rights. The paper also evaluates judicial decisions and identifies contemporary challenges affecting trade union activities. Finally, it offers suggestions for strengthening collective bargaining mechanisms and ensuring balanced industrial relations in the banking industry. The study concludes that while trade unionism remains relevant, adaptation to changing economic and technological realities is essential for its continued effectiveness.

Keywords: Trade Unionism; Collective Bargaining; Banking Sector; Industrial Relations; Labour Law

INTRODUCTION

The banking sector occupies a vital position in the Indian economy. Banks facilitate financial transactions, mobilise savings, provide credit, and support economic development. The efficiency of banking institutions depends significantly on their workforce. Consequently, maintaining harmonious industrial relations within banks is crucial for organisational stability and public confidence. Trade unions and collective bargaining have historically contributed to achieving this objective by providing employees with a collective voice in employment-related matters.¹

Trade unionism in India emerged during the early twentieth century as a response to industrialisation and the need to protect workers from exploitative employment practices. The banking industry was among the sectors where employee organisations developed rapidly. Banking employees recognised the importance of collective action in securing fair wages, better service conditions, and protection against arbitrary management decisions.²

Collective bargaining serves as a democratic process through which employers and employees negotiate terms and conditions of employment. In the banking sector, collective bargaining has largely been institutionalised through bipartite settlements entered into between banking associations and employee unions. These settlements have significantly influenced wage structures, allowances, retirement benefits, and grievance redressal mechanisms.³

The present study critically analyses the evolution, legal framework, and contemporary relevance of trade unionism and collective bargaining in the Indian banking sector. It seeks to assess whether traditional collective bargaining mechanisms remain effective in addressing modern workplace challenges.

I. HISTORICAL DEVELOPMENT OF TRADE UNIONISM IN THE INDIAN BANKING SECTOR

A. Emergence of Banking Trade Unions

The origin of trade unionism in the Indian banking sector can be traced to the 1920s and 1930s

¹ P.L. Malik, *Industrial Law* 112 (Eastern Book Company, 2022).

² S.C. Srivastava, *Industrial Relations and Labour Laws* 421 (Vikas Publishing House, 2021).

³ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 73 (Universal Law Publishing, 2020).

when employees began organising themselves to improve service conditions. The growth of banking institutions and increasing workforce participation created a need for collective representation. Employees faced issues such as low wages, long working hours, absence of retirement benefits, and lack of job security. Consequently, bank employees formed associations to collectively represent their concerns before management.⁴

The enactment of the Trade Unions Act, 1926 provided legal recognition to registered trade unions and encouraged the growth of organised labour movements in various industries, including banking. The legislation granted unions legal status and certain immunities from civil and criminal liability, thereby strengthening workers' confidence in collective action.⁵

B. Formation of All India Bank Employees' Association

A landmark event in the history of banking trade unionism was the establishment of the All India Bank Employees' Association (AIBEA) in 1946. The organisation emerged as a national platform representing bank employees across India. It played a crucial role in advocating fair employment conditions and promoting collective bargaining within the banking industry.⁶

The formation of AIBEA marked the beginning of coordinated trade union activity in the banking sector. Through organised campaigns and negotiations, the association sought improvements in wages, leave benefits, pension schemes, and disciplinary procedures. Over time, AIBEA became one of the most influential trade union organisations in the country.⁷

C. Nationalisation of Banks and Expansion of Union Activities

The nationalisation of major commercial banks in 1969 transformed labour relations in the banking industry. Government ownership brought greater emphasis on employee welfare and institutionalised labour-management dialogue. Banking unions gained increased bargaining power because the public sector became the dominant employer in the industry.⁸

During this period, trade unions actively participated in discussions concerning wage revision, promotion policies, transfer regulations, and social security benefits. Collective bargaining

⁴ V.G. Goswami, *Labour and Industrial Laws* 218 (Central Law Agency, 2021).

⁵ Trade Unions Act, No. 16 of 1926, § 13 (India).

⁶ C.B. Mamoria & S. Mamoria, *Dynamics of Industrial Relations* 312 (Himalaya Publishing House, 2020).

⁷ B.D. Singh, *Industrial Relations and Labour Laws* 291 (Excel Books, 2019).

⁸ K.D. Srivastava, *Law Relating to Trade Unions and Unfair Labour Practices* 94 (Eastern Book Company, 2021).

became more structured and resulted in several industry-wide settlements covering employees across public sector banks.⁹

The expansion of public sector banking also increased union membership. Employees viewed trade unions as effective instruments for protecting their rights and securing favourable employment conditions. Consequently, trade unionism became deeply embedded within the industrial relations framework of Indian banking.¹⁰

II. LEGAL FRAMEWORK GOVERNING TRADE UNIONISM AND COLLECTIVE BARGAINING IN THE BANKING SECTOR

A. Constitutional Foundations

The right to form associations and unions derives constitutional protection under Article 19(1)(c) of the Constitution of India. This provision guarantees citizens the freedom to form associations, including trade unions. The Supreme Court has recognised that trade unions constitute an essential component of democratic participation and industrial relations.¹¹

However, the right is not absolute and may be subject to reasonable restrictions under Article 19(4). Therefore, while employees possess the freedom to establish unions, such activities must conform to legal requirements and public interests.¹²

B. Trade Unions Act, 1926The Trade Unions Act, 1926 remains the primary legislation governing registration and functioning of trade unions in India. The Act provides a legal framework for union formation, registration procedures, management of funds, and rights of office bearers.¹³

Registration under the Act confers legal status upon a trade union. Registered unions enjoy protection against certain civil and criminal proceedings arising from legitimate trade union activities. These protections enable unions to negotiate effectively with employers and represent workers' interests without fear of undue legal consequences.¹⁴

⁹ S.N. Mishra, *Labour and Industrial Laws* 355 (Central Law Publications, 2020).

¹⁰ P.K. Padhi, *Labour and Industrial Laws* 276 (PHI Learning, 2022).

¹¹ INDIA CONST. art. 19(1)(c).

¹² INDIA CONST. art. 19(4).

¹³ Trade Unions Act, No. 16 of 1926, §§ 4–8 (India).

¹⁴ *Id.* §§ 17–18.

The Act has significantly contributed to the development of organised labour in the banking industry by facilitating the establishment of employee unions and federations at regional and national levels.¹⁵

C. Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 provides the principal framework for investigation and settlement of industrial disputes. The Act encourages collective bargaining and voluntary negotiations as methods for maintaining industrial peace.¹⁶

Under the Act, disputes concerning wages, allowances, working conditions, transfers, retrenchment, and disciplinary actions may be addressed through conciliation, arbitration, and adjudication. Banking unions frequently utilise these mechanisms to resolve disputes with management.¹⁷

The legislation also recognises settlements reached through collective bargaining. Such settlements acquire binding force upon the parties and contribute to stability in industrial relations.¹⁸

III. COLLECTIVE BARGAINING IN THE INDIAN BANKING SECTOR

A. Meaning and Importance of Collective Bargaining

Collective bargaining is a process through which employers and employees negotiate terms and conditions of employment through their representatives. It is regarded as one of the most effective methods of maintaining industrial peace and promoting cooperation between labour and management. In the banking sector, collective bargaining has played a central role in determining wages, allowances, working hours, leave facilities, pension benefits, and service conditions.¹⁹

Unlike individual negotiations, collective bargaining enables employees to speak with a unified voice. Banking employees often face common concerns relating to career progression,

¹⁵ P.L. Malik, *Industrial Law* 145 (Eastern Book Company, 2022).

¹⁶ Industrial Disputes Act, No. 14 of 1947, pmb. (India).

¹⁷ *Id.* §§ 12–18.

¹⁸ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 126 (Universal Law Publishing, 2020).

¹⁹ S.C. Srivastava, *Industrial Relations and Labour Laws* 437 (Vikas Publishing House, 2021).

transfers, performance evaluation, workload, and job security. Through collective bargaining, these concerns can be addressed in a systematic and organised manner. The process also reduces the likelihood of industrial disputes by encouraging dialogue and compromise.²⁰

The banking industry is unique because it provides essential public services. Any disruption in banking operations can adversely affect economic activities and public confidence. Therefore, collective bargaining serves not only the interests of employees and employers but also the broader public interest by ensuring stable industrial relations.²¹

B. Characteristics of Collective Bargaining in the Banking Industry

Collective bargaining in the Indian banking sector differs from many other industries because negotiations are generally conducted at the industry level rather than at individual establishments. Representatives of employee unions negotiate with banking associations representing management. As a result, settlements often apply uniformly across several banks.²²

Another distinctive feature is the long-standing tradition of bipartite settlements. These settlements provide a structured mechanism through which employee demands and management concerns are balanced. The system has contributed significantly to industrial harmony within public sector banks.²³

Collective bargaining in banking is also characterised by high levels of union participation. Employees are represented by organised federations and associations that possess substantial negotiating experience. Consequently, negotiations tend to focus on long-term institutional arrangements rather than short-term demands.²⁴

IV. BIPARTITE SETTLEMENTS IN THE BANKING INDUSTRY

A. Origin and Development

One of the most significant developments in banking industrial relations has been the

²⁰ P.K. Padhi, *Labour and Industrial Laws* 283 (PHI Learning, 2022).

²¹ B.D. Singh, *Industrial Relations and Labour Laws* 312 (Excel Books, 2019).

²² C.B. Mamoria & S. Mamoria, *Dynamics of Industrial Relations* 336 (Himalaya Publishing House, 2020).

²³ V.G. Goswami, *Labour and Industrial Laws* 226 (Central Law Agency, 2021).

²⁴ P.L. Malik, *Industrial Law* 168 (Eastern Book Company, 2022).

establishment of the bipartite settlement system. Bipartite settlements emerged as a mechanism through which management representatives and trade unions could negotiate employment conditions without resorting to prolonged industrial disputes.²⁵

The system gained prominence after independence and gradually evolved into a regular feature of industrial relations in public sector banks. Periodic negotiations have resulted in settlements covering wage revisions, allowances, retirement benefits, disciplinary procedures, and service conditions. These settlements have provided predictability and uniformity across the industry.²⁶

The success of the bipartite settlement mechanism demonstrates the effectiveness of voluntary collective bargaining. It has reduced the need for compulsory adjudication and encouraged cooperative labour-management relations.²⁷

B. Indian Banks' Association and Wage Negotiations

The Indian Banks' Association (IBA) has played a crucial role in collective bargaining within the banking sector. Acting as the representative body of banks, the IBA negotiates with employee unions regarding wage revisions and service conditions.²⁸

Wage settlements negotiated through the IBA have significantly influenced employment relations in public sector banks. These negotiations generally take place at regular intervals and involve discussions concerning salary structures, special allowances, pension benefits, and other service-related issues.²⁹

The wage settlement process reflects a balance between employee welfare and organisational efficiency. While unions seek improved compensation and benefits, management representatives emphasise financial sustainability and productivity. The resulting settlements represent negotiated compromises acceptable to both parties.³⁰

²⁵ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 152 (Universal Law Publishing, 2020).

²⁶ S.N. Mishra, *Labour and Industrial Laws* 381 (Central Law Publications, 2020).

²⁷ K.D. Srivastava, *Law Relating to Trade Unions and Unfair Labour Practices* 121 (Eastern Book Company, 2021).

²⁸ Indian Banks' Association, *History and Functions of IBA* (official publication).

²⁹ P.K. Padhi, *Labour and Industrial Laws* 295 (PHI Learning, 2022).

³⁰ S.C. Srivastava, *Industrial Relations and Labour Laws* 451 (Vikas Publishing House, 2021).

V. ROLE OF BANKING TRADE UNIONS

A. All India Bank Employees' Association (AIBEA)

The All India Bank Employees' Association (AIBEA) is among the oldest and most influential trade union organisations in the banking sector. Since its establishment in 1946, the association has actively participated in collective bargaining and industrial relations processes.³¹

AIBEA has played an important role in securing improvements in wages, working conditions, pension benefits, and job security. It has also advocated employee welfare measures and opposed policies perceived as detrimental to workers' interests. Through negotiations and consultations, the association has contributed significantly to the development of banking labour jurisprudence in India.³²

B. National Confederation of Bank Employees (NCBE)

The National Confederation of Bank Employees (NCBE) is another significant organisation representing banking employees. The confederation has participated actively in wage negotiations and industrial relations forums. Its efforts have contributed to the formulation of industry-wide employment policies and collective agreements.³³

The NCBE has consistently advocated fair employment practices and equitable treatment of employees. Through participation in collective bargaining processes, it has strengthened employee representation within the banking sector.³⁴

VI. JUDICIAL APPROACH TOWARDS TRADE UNIONISM AND COLLECTIVE BARGAINING

A. All India Bank Employees' Association v. National Industrial Tribunal

In *All India Bank Employees' Association v. National Industrial Tribunal*, the Supreme Court examined the scope of Article 19(1)(c) relating to the right to form associations and unions. The Court held that while citizens possess a fundamental right to form associations, such right

³¹ C.B. Mamoria & S. Mamoria, *Dynamics of Industrial Relations* 341 (Himalaya Publishing House, 2020).

³² B.D. Singh, *Industrial Relations and Labour Laws* 326 (Excel Books, 2019).

³³ S.N. Mishra, *Labour and Industrial Laws* 389 (Central Law Publications, 2020).

³⁴ V.G. Goswami, *Labour and Industrial Laws* 233 (Central Law Agency, 2021).

does not automatically include every activity undertaken by the association.³⁵

The decision remains significant because it clarified the constitutional position of trade unions and recognised their importance within the framework of industrial relations. The judgment continues to influence discussions concerning trade union rights and collective activities.³⁶

B. B.R. Singh v. Union of India

In *B.R. Singh v. Union of India*, the Supreme Court emphasised the importance of collective bargaining in a democratic society. The Court observed that trade unions provide an effective mechanism for protecting employee interests and maintaining industrial harmony.³⁷

The judgment highlighted the growing significance of collective negotiations in modern industrial relations and recognised trade unions as important stakeholders in employment governance.³⁸

C. Kameshwar Prasad v. State of Bihar

In *Kameshwar Prasad v. State of Bihar*, the Supreme Court recognised peaceful demonstrations as an aspect of freedom of speech and expression, subject to reasonable restrictions. Although the case did not directly concern banking employees, it influenced labour rights jurisprudence and discussions regarding collective employee action.³⁹

The judgment reinforced the principle that employees possess constitutional freedoms that may support legitimate collective activities conducted within legal limits.⁴⁰

Summary

The Indian banking sector has developed a sophisticated collective bargaining framework supported by strong trade unions and institutionalised bipartite settlements. Organisations such as AIBEA and NCBE have contributed significantly to employee welfare and industrial peace.

³⁵ *All India Bank Employees' Association v. National Industrial Tribunal*.

³⁶ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 183 (Universal Law Publishing, 2020).

³⁷ *B.R. Singh v. Union of India*.

³⁸ P.L. Malik, *Industrial Law* 177 (Eastern Book Company, 2022).

³⁹ *Kameshwar Prasad v. State of Bihar*.

⁴⁰ S.C. Srivastava, *Industrial Relations and Labour Laws* 468 (Vikas Publishing House, 2021).

Judicial decisions have further strengthened the legal foundation of trade unionism by recognising the importance of collective representation and labour-management dialogue.

VII. CRITICAL APPRAISAL OF TRADE UNIONISM IN THE INDIAN BANKING SECTOR

A. Achievements of Banking Trade Unions

Trade unions in the Indian banking sector have made a substantial contribution to the protection of employee rights and the promotion of industrial peace. Through sustained collective action and negotiations, banking unions have secured improvements in wages, allowances, pension schemes, medical benefits, leave facilities, and working conditions. These achievements have enhanced the economic and social security of employees and have contributed to the development of a stable workforce.⁴¹

One of the most significant accomplishments of banking unions has been the institutionalisation of collective bargaining through bipartite settlements. Unlike many sectors where labour disputes frequently result in strikes or litigation, the banking industry has largely relied upon negotiations and dialogue. This has reduced industrial conflict and encouraged constructive labour-management relations.⁴²

Trade unions have also served as an important mechanism for employee participation in organisational decision-making. By representing employee concerns before management, unions have strengthened workplace democracy and accountability. Their presence has ensured that employment policies are subjected to greater scrutiny and fairness.⁴³

B. Limitations of Banking Trade Unionism

Despite their achievements, banking trade unions have faced several criticisms. One of the major concerns relates to the multiplicity of unions operating within the same institution. The existence of numerous unions with differing political affiliations often results in inter-union rivalry and fragmentation of employee representation. Such divisions may weaken collective

⁴¹ P.K. Padhi, *Labour and Industrial Laws* 302 (PHI Learning, 2022).

⁴² S.C. Srivastava, *Industrial Relations and Labour Laws* 472 (Vikas Publishing House, 2021).

⁴³ B.D. Singh, *Industrial Relations and Labour Laws* 339 (Excel Books, 2019).

bargaining strength and create difficulties in reaching consensus.⁴⁴

Another criticism concerns the increasing gap between traditional trade union strategies and contemporary workplace realities. Many unions continue to focus primarily on wage-related issues while paying comparatively less attention to emerging concerns such as digital transformation, skill development, cyber-security responsibilities, and performance-linked employment systems.⁴⁵

Furthermore, declining membership among younger employees poses a challenge for trade unions. Many newly recruited banking professionals view career advancement and professional development as priorities and may not actively participate in union activities. This trend could reduce the influence of trade unions in future industrial relations.⁴⁶

VIII. IMPACT OF ECONOMIC LIBERALISATION AND GLOBALISATION

A. Transformation of the Banking Industry

The economic reforms introduced in 1991 significantly altered the structure and functioning of the Indian banking sector. Liberalisation encouraged competition, increased private sector participation, and promoted efficiency-oriented management practices. These developments affected traditional industrial relations models and created new challenges for trade unions.⁴⁷

Banks began focusing on profitability, productivity, technological innovation, and customer service quality. As a result, management increasingly adopted performance-based systems and business-oriented employment practices. Trade unions were compelled to adapt to these changes while continuing to protect employee interests.⁴⁸

Globalisation further intensified competition by exposing Indian banks to international banking standards and practices. Consequently, labour relations became influenced by concerns relating to competitiveness, operational flexibility, and workforce efficiency.⁴⁹

⁴⁴ V.G. Goswami, *Labour and Industrial Laws* 239 (Central Law Agency, 2021).

⁴⁵ K.D. Srivastava, *Law Relating to Trade Unions and Unfair Labour Practices* 137 (Eastern Book Company, 2021).

⁴⁶ C.B. Mamoria & S. Mamoria, *Dynamics of Industrial Relations* 348 (Himalaya Publishing House, 2020).

⁴⁷ P.L. Malik, *Industrial Law* 186 (Eastern Book Company, 2022).

⁴⁸ S.N. Mishra, *Labour and Industrial Laws* 402 (Central Law Publications, 2020).

⁴⁹ P.K. Padhi, *Labour and Industrial Laws* 309 (PHI Learning, 2022).

B. Challenges to Traditional Collective Bargaining

Economic liberalisation has reduced the effectiveness of traditional collective bargaining methods in certain respects. Negotiations that previously concentrated on wages and service conditions must now address productivity targets, technological adaptation, workforce restructuring, and customer-centric performance measures.⁵⁰

Management often seeks greater flexibility in recruitment, transfers, and deployment of employees. Trade unions, on the other hand, emphasise employment security and fair treatment. Balancing these competing interests has become increasingly complex in the contemporary banking environment.⁵¹

Moreover, private sector banks generally exhibit lower levels of unionisation compared to public sector banks. This disparity creates variations in bargaining power and limits the uniform application of industry-wide collective agreements.⁵²

IX. TECHNOLOGICAL ADVANCEMENTS AND THEIR IMPACT ON TRADE UNIONISM

A. Digital Banking and Workforce Transformation

Technological innovation has revolutionised banking operations. Internet banking, mobile banking, artificial intelligence, cloud computing, and digital payment systems have significantly altered the nature of banking services. While these developments have improved efficiency and customer convenience, they have also affected employment patterns within banks.⁵³

Automation has reduced the need for certain routine clerical functions traditionally performed by employees. Consequently, trade unions have expressed concerns regarding job displacement, workforce reduction, and redeployment of staff. The challenge lies in ensuring that technological progress does not undermine employee welfare.⁵⁴

⁵⁰ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 201 (Universal Law Publishing, 2020).

⁵¹ B.D. Singh, *Industrial Relations and Labour Laws* 347 (Excel Books, 2019).

⁵² S.C. Srivastava, *Industrial Relations and Labour Laws* 485 (Vikas Publishing House, 2021).

⁵³ P.K. Padhi, *Labour and Industrial Laws* 315 (PHI Learning, 2022).

⁵⁴ V.G. Goswami, *Labour and Industrial Laws* 247 (Central Law Agency, 2021).

Trade unions increasingly advocate retraining and skill development programmes to enable employees to adapt to changing workplace requirements. Such initiatives reflect a shift from resistance to technological change towards constructive engagement with innovation.⁵⁵

B. Work-from-Home and Emerging Labour Issues

The growing use of digital technologies has also introduced new employment arrangements, including remote working and hybrid work models. Although such arrangements offer flexibility, they raise concerns regarding working hours, performance monitoring, employee privacy, and occupational stress.⁵⁶

Trade unions are increasingly required to address these issues through collective bargaining. Traditional labour agreements often do not adequately regulate digital work environments. Therefore, modern collective bargaining frameworks must evolve to accommodate changing employment realities.⁵⁷

The emergence of technology-driven banking highlights the need for unions to broaden their focus beyond conventional employment concerns and engage actively with issues of digital governance and workplace innovation.⁵⁸

X. COMPARATIVE PERSPECTIVE: INTERNATIONAL LABOUR STANDARDS

The principles of trade unionism and collective bargaining are recognised internationally through instruments adopted by the International Labour Organization (ILO). Freedom of association and collective bargaining are regarded as fundamental labour rights essential to social justice and democratic governance.⁵⁹

ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Organise and ILO Convention No. 98 concerning the Right to Organise and Collective Bargaining have influenced labour law developments worldwide. Although India has not ratified all relevant conventions, Indian labour jurisprudence generally supports the principles

⁵⁵ S.N. Mishra, *Labour and Industrial Laws* 409 (Central Law Publications, 2020).

⁵⁶ K.D. Srivastava, *Law Relating to Trade Unions and Unfair Labour Practices* 149 (Eastern Book Company, 2021).

⁵⁷ P.L. Malik, *Industrial Law* 193 (Eastern Book Company, 2022).

⁵⁸ B.D. Singh, *Industrial Relations and Labour Laws* 354 (Excel Books, 2019).

⁵⁹ International Labour Organization, *Freedom of Association: Compilation of Decisions of the Committee on Freedom of Association* (6th ed. 2018).

underlying collective representation and social dialogue.⁶⁰

Compared to several developing economies, the Indian banking sector possesses a relatively advanced collective bargaining framework. However, increasing privatisation and technological transformation require continuous adaptation to maintain compliance with international best practices in labour relations.⁶¹

Summary

Trade unionism in the Indian banking sector has achieved considerable success in protecting employee interests and promoting industrial stability. Nevertheless, liberalisation, privatisation, technological innovation, changing workforce expectations, and global competition have created significant challenges. The future effectiveness of trade unions will depend upon their ability to modernise strategies, address emerging workplace issues, and engage constructively with technological and organisational transformation.

XI. RECENT DEVELOPMENTS AFFECTING TRADE UNIONISM AND COLLECTIVE BARGAINING

A. Labour Law Reforms and the Industrial Relations Code, 2020

The Indian labour law framework has undergone substantial reform through the enactment of the labour codes. Among these reforms, the Industrial Relations Code, 2020 seeks to consolidate and modernise laws relating to trade unions, industrial disputes, and collective bargaining.⁶² The Code replaces several earlier labour legislations and attempts to create a more streamlined industrial relations system.

One of the significant features of the Code is the recognition of the concept of a negotiating union or negotiating council. This provision aims to reduce inter-union rivalry and facilitate effective collective bargaining. In sectors such as banking, where multiple unions often operate simultaneously, the establishment of a recognised negotiating body may strengthen labour-management dialogue and improve the efficiency of collective negotiations.⁶³

⁶⁰ International Labour Organization, Convention No. 87 (1948); Convention No. 98 (1949).

⁶¹ S.C. Srivastava, *Industrial Relations and Labour Laws* 492 (Vikas Publishing House, 2021).

⁶² Industrial Relations Code, No. 35 of 2020 (India).

⁶³ *Id.* §§ 14–16.

The Industrial Relations Code also seeks to balance the interests of employers and employees by promoting industrial peace while ensuring flexibility for enterprises. However, trade unions have expressed concerns regarding certain provisions that may potentially reduce collective bargaining strength and increase managerial discretion.⁶⁴

B. Growing Importance of Skill Development

The banking sector is increasingly influenced by digital technologies, data analytics, artificial intelligence, and financial innovation. Consequently, employee skills require continuous updating. Modern trade unions are beginning to recognise that protecting employment does not merely involve securing wages and benefits; it also involves promoting employability through training and skill enhancement.⁶⁵

Collective bargaining agreements may therefore include provisions relating to professional development, technological training, and career advancement opportunities. Such measures can benefit both employees and employers by improving workforce adaptability and organisational efficiency.⁶⁶

XII. FINDINGS OF THE STUDY

The study reveals that trade unionism has played a decisive role in shaping employment relations in the Indian banking sector. Trade unions have significantly contributed to improving wages, working conditions, retirement benefits, and employee welfare. Through collective bargaining, employees have been able to participate in decisions affecting their professional lives.⁶⁷

The study also demonstrates that the banking sector has developed one of the most structured collective bargaining systems in India through the mechanism of bipartite settlements. This framework has contributed to industrial stability and minimised workplace conflicts.⁶⁸

At the same time, the study identifies several challenges. Economic liberalisation, technological advancement, workforce diversification, and changing organisational priorities

⁶⁴ P.K. Padhi, *Labour and Industrial Laws* 321 (PHI Learning, 2022).

⁶⁵ S.N. Mishra, *Labour and Industrial Laws* 417 (Central Law Publications, 2020).

⁶⁶ V.G. Goswami, *Labour and Industrial Laws* 253 (Central Law Agency, 2021).

⁶⁷ S.C. Srivastava, *Industrial Relations and Labour Laws* 501 (Vikas Publishing House, 2021).

⁶⁸ O.P. Malhotra, *The Law of Industrial Disputes* vol. 1, 229 (Universal Law Publishing, 2020).

have altered traditional industrial relations dynamics. Existing trade union structures may not always be adequately equipped to address these emerging concerns.⁶⁹

Another important finding is that younger employees often demonstrate lower levels of union participation. This trend highlights the need for trade unions to modernise their strategies and engage with issues relevant to contemporary professionals.⁷⁰

XIII. SUGGESTIONS AND RECOMMENDATIONS

1. Strengthening Internal Union Democracy

Trade unions should promote transparency, accountability, and democratic decision-making. Greater member participation can improve organisational legitimacy and increase employee confidence in union leadership.⁷¹

2. Adapting to Technological Change

Trade unions should actively participate in discussions concerning automation, artificial intelligence, and digital banking. Rather than opposing technological innovation, unions should advocate retraining and redeployment measures that protect employee interests while supporting organisational development.⁷²

3. Encouraging Constructive Social Dialogue

Employers and unions should prioritise continuous communication and consultation. Regular dialogue can prevent misunderstandings, facilitate dispute resolution, and promote mutual trust.⁷³

4. Expanding the Scope of Collective Bargaining Modern collective bargaining should address emerging issues such as data privacy, cyber-security responsibilities, mental health, remote working conditions, work-life balance, and professional development opportunities.⁷⁴

⁶⁹ B.D. Singh, *Industrial Relations and Labour Laws* 361 (Excel Books, 2019).

⁷⁰ C.B. Mamoria & S. Mamoria, *Dynamics of Industrial Relations* 357 (Himalaya Publishing House, 2020).

⁷¹ P.L. Malik, *Industrial Law* 204 (Eastern Book Company, 2022).

⁷² P.K. Padhi, *Labour and Industrial Laws* 326 (PHI Learning, 2022).

⁷³ K.D. Srivastava, *Law Relating to Trade Unions and Unfair Labour Practices* 158 (Eastern Book Company, 2021).

⁷⁴ S.N. Mishra, *Labour and Industrial Laws* 423 (Central Law Publications, 2020).

5. Promoting Union Participation Among Young Employees

Trade unions should adopt innovative engagement strategies, including digital communication platforms and leadership development programmes, to attract younger professionals and ensure long-term organisational sustainability.⁷⁵

CONCLUSION

Trade unionism and collective bargaining remain integral components of industrial relations in the Indian banking sector. Over several decades, banking trade unions have contributed significantly to employee welfare, industrial peace, and workplace democracy. Through collective bargaining and bipartite settlements, employees have secured fair wages, improved service conditions, pension benefits, and greater participation in employment-related decision-making.

The legal framework established by the Constitution of India, the Trade Unions Act, 1926, the Industrial Disputes Act, 1947, and the Industrial Relations Code, 2020 provides the foundation for collective labour relations within the banking industry. Judicial decisions have further strengthened the legitimacy of trade unions and recognised the importance of collective representation in a democratic society.

However, the banking sector is undergoing rapid transformation. Technological innovation, digitalisation, economic liberalisation, and changing workforce expectations have created new challenges for traditional trade union structures. The future success of trade unionism will depend upon its ability to adapt to these developments while continuing to protect employee rights.

A balanced approach is necessary. Employers must recognise the value of employee participation and constructive dialogue, while trade unions must embrace innovation and broaden their focus beyond conventional employment concerns. If both parties cooperate in good faith, collective bargaining can continue to serve as an effective instrument for maintaining industrial harmony and promoting sustainable growth in the Indian banking sector.

⁷⁵ B.D. Singh, *Industrial Relations and Labour Laws* 368 (Excel Books, 2019).