AIBEA's Banking News

NEWS BULLETIN FROM ALL INDIA BANK EMPLOYEES' ASSOCIATION

Five-day work week: The larger productivity debate



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Dear Readers,

Do you work five days a week or six days a week? This may sound like a common question, but it is a frequent discussion across workplaces. In fact, when you meet a new professional, this is often one of the first questions. But for PSU bank employees, this is a far bigger issue, as they have been demanding a five-day work week for many years. Bank unions and federations have proposed a nationwide strike from September 28 to 30. Currently, the second and fourth Saturdays are holidays, while the remaining Saturdays are working days. I wrote an in-depth editorial two years ago when a similar strike was proposed, which shows how old this issue is.

Broadly, I think we should look beyond just the five-day week or working on Saturdays and focus on productivity, employee efficiency and retention, and how Indian companies measure work.

PSU bank workforce

PSU banks are the flag bearers of the nation, with a workforce running into several lakh employees across 12 banks. Over the years, the entire banking structure has changed, moving from core banking to many other segments, including selling insurance, mutual funds and several third-party products, implementing government social schemes, migrating customers to mobile apps and digital banking, and offering a number of services.

I believe there is too much work at bank branches. Incidentally, competition has also increased. The question that often comes to my mind is: what is missing between global banks and Indian banks? Why is there such a difference in perks, facilities and work structures?

The balance sheets of Indian banks show the business generated by each employee. Then the question is: should we look at productivity, or merely at the number of working days?

The numbers themselves make the question interesting. SBI's business per employee rose to Rs 50.6 crore in FY26 from Rs 45.9 crore a year earlier. Bank of Baroda's rose to Rs 38.42 crore, while Indian Bank reported Rs 33.36 crore. Axis Bank's business per employee stood at Rs 24.48 crore in FY26. For comparison, HDFC Bank's FY25 figure was Rs 23.62 crore and ICICI Bank's FY25 figure was around Rs 20 crore. The figures come from banks' disclosures and industry data, and the reporting periods are therefore not identical.

The figures should not be treated as a perfect like-for-like comparison because banks differ in business mix, employee structures and reporting periods. But they show the scale of business being handled by employees. More importantly, they show why the number of working days alone cannot be a measure of productivity.

There is another interesting data point. An Economic Advisory Council to the Prime Minister study found that PSU banks had a technical efficiency score of 93.12% in FY26, compared with 86.02% for private banks. Over FY15-FY26, the average technical efficiency score for PSU banks was 88.53%, compared with 85.62% for private banks.

The finding challenges the conventional assumption that private banks are automatically more efficient than public sector banks. It does not mean every PSU bank is more efficient than every private bank, since the study uses a specific methodology to measure relative efficiency. In fact, over FY15-FY26, HDFC Bank's average efficiency score was 97.54%, marginally ahead of SBI at 97.49%. The point is that the productivity debate is more complicated than simply comparing public and private banks.

Let me share one more data point. SBI's profit per employee was around Rs 30 lakh in FY25, while Bank of Baroda's was around Rs 26 lakh in FY26. Bank of Maharashtra's profit per employee rose to Rs 45 lakh in FY26. So a five-day week is a fair ask, but the question is: how?



The bigger India Inc picture

Let us look at India Inc as a whole, and not just PSU banks. While many private banks and private companies follow a five-day week, the challenge is that work is often dragged into weekends, which also impacts work-life balance. There are many reasons for this. First, many companies do not understand its value; even if they do, external factors are not very supportive. Traffic, poor transport and last-mile connectivity are major issues, which actually make work-life balance hazardous for people.

In metros like Mumbai, people are seen rushing to offices outside stations to punch in on time and avoid late marking. Due to lack of last-mile connectivity and exorbitant living costs in the city, many live on the outskirts. Hence, the workday does not just begin when an employee reaches the office; it begins at least a few hours earlier, racing to catch local trains, metros or buses.

The five-day week therefore cannot be viewed only as one fewer working day. It also gives employees additional time away from commuting, which can potentially improve family life, rest and retention.

But there is an important caveat. A five-day week should not become six days of work compressed into five. Emails, calls, targets and meetings often spill into weekends in companies that formally operate five days a week. If that happens, the benefit of the five-day week disappears.



The customer cannot be forgotten

Banking is different from many other industries because branches continue to provide an essential service to customers. Senior citizens, small businesses and customers who are uncomfortable with digital banking may still need physical access to branches.

The answer, therefore, cannot simply be to shut every branch on Saturday. Banks need to examine customer footfall and redesign operations. A high-volume urban branch may need a different model from a rural branch. Some services can move completely online, while others may require physical access. A rotational system could ensure that customers continue to have access to selected branches without requiring the entire workforce to work every Saturday.

Digital banking gives banks an opportunity to do exactly this. UPI, mobile banking, internet banking and ATMs have already reduced the need for customers to visit branches for routine transactions. The next step should be to use technology to redesign jobs rather than simply add more digital targets to existing workloads.

What should banks measure?

The real debate should be about productivity per hour rather than hours per week. Banks should measure business generated per employee, business per branch, profit per employee, cost-to-income ratios, transactions handled per employee, customer turnaround time, digital adoption, complaints and resolution time, employee attrition and work performed outside official working hours.

This would give us a far better picture of productivity than simply counting the number of Saturdays on which a branch is open.

The EAC-PM findings reinforce this point. If PSU banks can record higher measured efficiency than private banks, the discussion should move towards understanding what is driving that improvement and how it can be sustained. Technology,

branch rationalisation, employee skills, better processes and management practices all matter.

Productivity cannot be demanded only from employees. Management also has to improve processes, technology, staffing and decision-making. An employee spending hours on paperwork because a system has not been automated is not necessarily an inefficient employee.

The future of jobs

I believe companies will have to debate productivity, utilisation and efficiency versus the number of hours. The new generation is very vocal about work structures. They want fair remuneration and work-life balance. Companies should take corrective measures, or else it will impact their growth sooner rather than later.



If a skilled employee leaves the company, it creates a vacuum. Recruitment and training also carry a cost, while institutional knowledge is lost. This makes retention an important part of the productivity equation.

Work-life balance is particularly important for women, who may face additional constraints involving commuting, childcare and family responsibilities. Companies that ignore these pressures

risk losing experienced employees even when salaries remain competitive.

The same applies to banks. If employees are given Saturdays off but are expected to remain available on phones and email, the purpose of the change is defeated.

The solution

So, I think the five-day week should not be treated as simply a demand for one more holiday. It should become an opportunity to redesign the way banks work.

Banks could combine a five-day employee work week with rotational branch operations, greater digital adoption, flexible staffing, better workforce planning and productivity-linked measurement. Branches where Saturday demand is genuinely high could operate with a smaller or rotational workforce, while employees could receive the benefit of a predictable five-day schedule.

This would also force banks to answer a larger question: what exactly should a modern bank measure as work?

If the answer remains the number of days an employee sits in a branch, we will miss the larger productivity opportunity. If the answer becomes customer service, output, efficiency, technology and employee retention, the five-day week could become part of a much larger transformation of the Indian workplace.

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ALL INDIA BANK EMPLOYEES' ASSOCIATION

Central Office: PRABHAT NIVAS

Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001

Phone: 2535 1522 Mobile : 98400 89920

e mail ~ chv.aibea@gmail.com Web: www.aibea.in