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NEWS BULLETIN FROM ALL INDIA BANK EMPLOYEES' ASSOCIATION

Why it's time for Indian banks to finally adopt a five-day working week

Extending the Saturday holiday at banks is no longer just a union demand - it is a logical step for the well-being and operational efficiency of 1.8 million employees in a digitally driven economy



A five-day week can also make banking more attractive to young talent, supporting recruitment, retention, and employee morale | Image: Bloomberg

Tamal Bandyopadhyay
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At 7:45 every morning, banker Rajesh Sharma (name changed) leaves his home in a Mumbai suburb while his children are still at breakfast. His branch is in the heart of the city. There are customers to attend to, targets to review, loans to follow up on, suspicious transactions to examine, and compliance reports to submit. The cash in the vault must also tally before the branch can close.

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He has fixed working hours on paper, but the business of banking rarely follows the clock. By the time Sharma returns home, dinner is cold and his younger child is fast asleep. For years, his family life has been organised around his branch calendar. On the first, third and, sometimes, fifth Saturday of the month, he puts on the same formal shirt, picks up the same office bag, and leaves for the branch he manages.

A parent-teacher meeting is missed. A medical appointment is postponed. The professional qualification he wants to pursue remains bookmarked on his phone. Sunday is not quite a holiday; it is crowded with grocery shopping, family responsibilities, pending errands, and preparing for another demanding week.

Sharma is not alone. A 2024 peer-reviewed study of 282 bank employees in Kerala's Kollam district found moderate-to-high burnout among 82.2 per cent of participants. Long working days made a clear difference: Those working more than eight hours a day had 2.39 times the odds of a burnout and 3.37 times the odds of stress compared with colleagues who worked shorter hours.

All this is happening while India's banks lead one of the world's most remarkable digital transformations. Isn't it time for a five-day work calendar that recognises employee well-being? It should complement other HR measures, such as better compensation, bank-supported self-development programmes, and a transparent promotion and transfer policy. Customer service and financial efficiency need not come at the cost of employee well-being.

A five-day week would also bring bank employees on a par with those in other public institutions. Central government offices, along with the Reserve Bank of India (RBI), have followed a five-day week since June 1985. Financial sector regulators and stock exchanges also work five days a week. The Life Insurance Corporation of India moved to a five-day week in 2023, and the General Insurance Corporation follows the same schedule.

As I write this column, a proposal for five-day banking hangs in the balance, and a three-day nationwide bank strike – scheduled from September 28 to 30 – is staring at us. Besides five-day banking, the United Forum of Bank Unions is demanding the withdrawal of the performance-linked incentive scheme. A conciliation meeting on September 22 failed to break the deadlock. The government and the

Indian Banks' Association, the industry body of bank managements, have appealed for continued dialogue.

India's Unified Payments Interface (UPI) processed a record 24.51 billion transactions worth ₹29.82 trillion in August 2026. That was its highest monthly volume ever, translating into an average of about 791 million transactions a day, or roughly 9,150 every second. In FY26, UPI handled 241.62 billion transactions worth about ₹314 trillion, nearly 13,000 times the 178 million transactions it recorded in FY17, its first year of operation. Digital modes accounted for 99.8 per cent of the volume of India's payment transactions in the first half of FY25, and that share has likely risen since.

Of course, bank branches have not lost their relevance. There are 168,624 bank branches – of public, private, foreign, small finance, and regional rural banks – as of March 2026. Senior citizens, rural customers, small businesses, and people seeking loans, KYC updates, cash services, and help with documentation still need human support. But routine payments, fund transfers, balance inquiries, and many other services no longer depend on a physical branch counter.

UPI apart, ATMs, cash recyclers, business correspondents, call centres, mobile apps and internet banking can provide continuity on Saturdays when branches are closed. A cash recycler is a machine that counts, authenticates, stores, and re-dispenses – or recycles – cash.

Cheque processing, too, has become increasingly technology-driven. Under the RBI's continuous clearing framework, introduced in October 2025, cheque images are presented electronically throughout the day, and settlement follows once the drawee bank confirms them. According to RBI data, the number of cheques presented for clearing fell by about 8 per cent in both FY24 and FY25. Essential functions such as clearing, treasury, cybersecurity, data centres, and international operations can continue through specialised or rotational teams even when customer-facing branches are closed. Besides, the stock, money, and forex markets are all shut on Saturdays anyway.

Bank employees are responsible not only for loans, deposits, and cash withdrawals – they also handle fraud prevention, cybersecurity alerts, regulatory compliance, audits, financial-inclusion programmes, government-sponsored loan schemes, and loan recovery, while helping retail customers with savings, pensions, and debt.

They need to stay alert. A missed warning, an incorrect entry, or a rushed verification can have serious financial consequences and damage a bank's reputation. A two-day weekend would help employees recover physically and mentally. They would return better prepared for branch work that demands patience, judgment, and accuracy.

A five-day week can also make banking more attractive to young talent, supporting recruitment, retention, and employee morale. It would signal that the industry values productivity and accountability, while recognising that sustained performance requires rest.

Customer inconvenience is a genuine concern, but it can be addressed. Extended weekday hours should be uniform across banks, widely publicised, and used meaningfully, particularly for customers who cannot visit branches during regular working hours. Banks can open more counters for priority services, introduce better token systems, and offer dedicated assistance to senior citizens and persons with disabilities.

Branches in areas with low digital access should get additional business correspondent support, cash recyclers, and assistance with digital literacy. Banks should also study transaction patterns branch-by-branch rather than assume that metropolitan, semi-urban, and rural customers have identical needs. Critical functions will still need weekend cover, because fraud monitoring, cyber-incident response, network operations, data centres, treasury settlements, and emergency helplines cannot pause.

A five-day week would benefit banks in another way. Keeping all the branches and administrative offices open requires electricity, air conditioning, lighting, generators, official transport, housekeeping, security, printing, and other consumables.

Closing them on two additional Saturdays in most months – and three in a few – would not eliminate fixed expenses such as rent and salaries but could reduce variable operational costs. By a rough estimate, banks could save at least 8 per cent on electricity and fuel if offices stayed shut on the roughly 28 Saturdays a year they currently work. With crude oil prices climbing because of the US-Iran conflict, saving petrol and diesel would also help trim India's fuel import bill, even if by a fraction.

Savings on variable costs matter because banks' operating expenses are under pressure. In February, CareEdge reported that the cost-to-income ratio of 19 scheduled commercial banks rose to 47.7 per cent in the third

quarter of FY26, with operating expenses rising 9.5 per cent year-on-year to ₹0.81 trillion. A May 2026 report by consulting firm McKinsey, Indian Banks: Navigating through the Turbulence, notes that Indian banks' cost-to-assets ratio in FY25 remained nearly twice that of their global peers, while spending on technology and compliance continued to rise.

The change could begin with a six-month monitoring period to assess branch queues, complaint volumes, digital uptime, cheque processing, employee attendance, customer satisfaction, and actual cost savings. If certain regions face operational difficulties, staffing and correspondent networks can be strengthened accordingly.

At present, banks are closed on second and fourth Saturdays and open on the rest, an arrangement introduced back in September 2015. Eleven years have passed since then. Has any survey assessed its impact on customers? If the current arrangement has not caused noticeable hardship, extending the holiday to all Saturdays is the logical next step. This is not just about trade unions, it is about 1.8 million bank employees. Let all Saturdays be holidays, and extend working hours from Monday to Friday to compensate.

If that happens, Sharma can join his family at the breakfast table on Saturdays and Sundays. He can return to his branch on Monday well-rested, focused, and ready to serve. His customers, meanwhile, will still be able to transfer funds, withdraw cash, and make payments through a full range of 24/7 digital channels.

The writer is an author and senior advisor to Jana Small Finance Bank Ltd. His latest book: Roller Coaster: An Affair with Banking.

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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