

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED NO. 1246

TO BE ANSWERED ON 10.2.2020 (MONDAY) / MAGHA 21, 1941(SAKA)
Bank HR Policies

1246. SHRI P. RAVEENDRANATH KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks (PSBs) are lagging behind the Private Sector Banks as far as their Human Resource (HR) Policies are concerned, after recent policy decision taken by the Central Government to amalgamate the public sector banks, during the year 2019;

(b) if so, the details thereof and the reasons therefor;

(c) whether all the recommendations of “Dr. A.K. Khandelwal’s Committee” for improvement of HR related issues in public sector banks, are being implemented by the management of the existing public sector banks; and

(d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) and (b):No, sir. PSBs as well as 11 private sector banks have the same HR remuneration structure for workmen as well as officers up to scale-III.

Unlike private sector banks whose objectives are purely commercial with HR policies accordingly designed, PSBs are committed as per the preambles to the Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 and the State Bank of India Act, 1955 to development in conformity with national policy and objectives, banking facilities in underserved areas, and other public purposes. PSBs accordingly require HR policies for securing employees who are not only skilful, but are well-rounded and oriented to serve the public and advance the cause of national development, including in underserved areas. For this, PSBs broadly have an HR approach of recruiting talent from across the country through an inclusive and transparent common recruitment process, and offering regular employment with stability, good service conditions and diverse career opportunities, including rotation for ensuring experience in rural and underserved areas. HR policies in PSBs also help their employees gather wide exposure through diverse banking experience over the course of their service, while ensuring employee retention through a stable career-track and periodic wage revision.

The efficacy of these approaches is reflected in the high numbers of candidates appearing in PSB recruitment examinations, and the high level of retention of PSB employees as compared to private sector bank employees.

To institute adoption of best practices from across the industry, as part of the Reforms Agenda adopted by PSBs since 2018, PSBs have also undertaken continuous skill development through online training, lateral market recruitment for specialised positions like risk management and analytics, initiated formulation of individual development plans and succession planning for top executive positions, increased objectivity and digitalisation in the appraisal process, and enabled specialisation through creation of job families.

(c) and (d): Government had conveyed on 21.10.2011 to PSBs the 56 recommendations accepted/referred by it out of a total of 105 recommendations made by the Dr A. K. Khandelwal Committee, requesting the banks to draw up Board-approved HR plans in respect of the same. Accordingly, PSBs have taken action in respect of the accepted recommendations as per their respective Board-approved HR plans. Key recommendations implemented by PSBs include, *inter alia*, constitution of an HR Committee of the Board, upgrade of HR training colleges, and carrying out an annual manpower planning exercise.
