

## **The New Indian Express**

### **'Public-sector banks' poor show in job creation**

MUMBAI: Public-sector banks added a modest 4,775 jobs in 20 years, against private lenders' incremental manpower addition of 2.6 lakh during the same period, shows an Express analysis.

According to RBI data, nationalised banks had 5,74,591 employees as of FY15, just 4,775 more than what they together employed in FY96 at 5,69,816. During this period, hiring growth was 0.84 per cent, translating to just about one in every 10 jobs added during the period.

On the other hand, private lenders' hiring shot up from 57,967 during 1995-96 to 3,19,050 employees, or more than a four-fold increase in 20 years.

The overall sector's manpower growth grew 27 per cent between FY96 and FY15, but much of this was led by private, foreign and regional rural banks, as state-run lenders struggled against their size and hired fewer employees. The period between FY99 and FY09 was particularly alarming, as nationalised banks witnessed decline in nine out of 10 years, in contrast to their private counterparts, whose hiring touched healthy double digits.

According to RBI's Financial Stability Report, around 2000-01, the sector was battling surplus manpower, forcing several public-sector banks to introduce VRS as a cost-reduction measure. It said three weak public-sector banks implemented VRS to trim excess staff, rationalise branch network and abolish zonal offices. Efforts were on to reduce NPAs, lower cost of deposits, and raise productivity.

“Besides VRS, there was regular retirement and that was also a phase when banks were adopting computerisation,” said Karthik Srinivasan, financial sector ratings head at ICRA Ltd.

While state-owned banks have 70 per cent market share, they have been inactive on the hiring front. With the NPA issues haunting state-run banks, experts fear the sector is headed for a jobless growth. This time, private lenders are unlikely to hold the fort, with players like HDFC trimming staff by 6,000 in FY17.

There also exists a gender gap with the sector predominantly employing men, despite the conducive working environment it offers to women. As of FY15, of the 12.9 lakh Indian banks employ, just 22 per cent or roughly 2.8 lakh are women.