

# **Hindustan Times**

## **Public banks not to hire pvt execs for top posts**

The government, which hired executives from the private sector to take charge of Canara Bank and Bank of Baroda last year, has decided not to pursue the policy for now.

Sources said the government has gone back to the age-old practice of appointing “homegrown” talent.

The Bank Board Bureau (BBB), headed by former CAG Vinod Rai, will eventually take a final call on appointments.

In 2015, for the first time, government chose two senior private executives to head Canara Bank and Bank of Baroda, signalling a major policy shift.

“For now, we have decided not to go ahead with the policy (hiring heads of state banks from the private sector). There is talent in the public sector too,” said an official source, seeking anonymity. He further said hiring the two senior executives was an experiment and they want to wait and see if it works.

Moreover, public banks are offering employees stock ownership plan (ESOP) and working out performance incentive scheme to retain talent.

Meanwhile, the banks have been engaging executives and specialists on a contract basis.

A senior official added the BBB could devise a more effective mechanism to evaluate performance of the top bank managements. The finance ministry and the bank board are also looking at innovative ways to increase the employees’ compensation.