

Competition gets tougher for top jobs in PSBs

K RAM KUMAR

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SBI, associate banks merger leads to rise in number of applicants for board-level positions



Mumbai, May 4:

Appointments at the top deck in public sector banks are likely to get more competitive following the merger of five associate banks with parent State Bank of India (SBI), feel bankers.

While there is an increase in the number of veteran bankers in the wake of the merger, there is only limited space at the top in SBI. Hence, senior officers in the Chief General Manager (CGM) rank are seen vying for board-level (Executive Director) positions in other public sector banks.

In fact, even as the merger move was in the air, five CGMs from erstwhile associate banks were picked by the Banks' Board Bureau as Executive Directors of various public sector banks.

With CGMs from State Bank expected to increasingly throw their hat into the ring for board-level positions, the race to the

top has just got tougher for the current General Managers of public sector banks.

Depending on the business size, each public sector bank has two to three EDs. There are 21 public sector (or State-owned) banks in the country.

EDs of five public sector banks — Papiya Sengupta (Bank of Baroda), S Harisankar (Allahabad Bank), Alekh C Rout (Bank of Maharashtra), MK Bhattacharya (Indian Bank), and Ashok Kumar Pradhan (Indian Bank) — were CGMs with erstwhile associate banks of State Bank of India.

A senior SBI official said, "Consolidation will definitely lead to crowding out of positions at the senior level in the banking sector. For example, the merger of five associate banks with SBI has cut down on five MD positions. So, experienced bankers from SBI may explore opportunities in other public sector banks."

He reasoned that the new line of thinking in the government seems to be that having 21 public sector banks in the same line of business is resulting in inefficient deployment of capital. Hence, the move towards consolidation.

In SBI, a general manager has two more levels — CGM and Deputy Managing Director — to climb in his career ladder before he can get a board-level position. However, if selected, general managers in other public sector banks get elevated directly to the board level.

Explained a former general manager at Union Bank of India: "The people who are currently in the rank of general manager in public sector banks either have short residual service or are too junior to be elevated as EDs. Moreover, those who have become GMs in the recent past are not all-rounders in the banking space but (come) from specialist cadres — IT, legal, secretarial, etc.

"Now that the amalgamation of associate banks with the SBI has happened, the Banks' Board Bureau will have a larger pool of senior officers with wide-ranging experience in general banking to pick from."

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