

## Nearly 4 lakh public sector bank AGMs, DGMs to retire in 4 years

By: [Geeta Nair](#) | Pune | April 15, 2015 1:02 am

In three to four years, most AGMs and DGMs in the country's public sector banks will retire and there will be a vacuum at the senior level. The banks are still not able to make room for specialists and lateral entry for talent is a problem, says Achintan Bhattacharya, director, National Institute of Bank Management (NIBM). Recruitment of probationary officers is restricting banks from taking specialists directly and this needs to change, he says.

If the banks depend on PO level recruitment, there will be a vacuum for 20 years as there has been no recruitment since the 1980s and there won't be enough talent available as it takes around 20 years to bring up people up to that level, says the NIBM director. Around 4,00,000 officer-level retirements are expected in three to four years with all of them in the 55-plus age group. GM levels posts are lying vacant in banks, says Bhattacharya.

Banks have failed to get talent from the market as these professionals are used to working in an environment where they are not chained by corporate governance norms which public sector institutions demand, there are no incentives for performance and the salary levels at the senior level at PSU banks are much lower compared to private sector bank, points out Bhattacharya. Banks also do not have the option of going down the ladder, he adds.

It was the human resource crunch in the PSU banks that led to the NIBM starting its post graduate programme in banking and finance in 2003-04 later rechristened as Post Graduate Diploma in Management Banking and Financial Services. But they too are not getting the compensation they deserve and it takes 10 years to move to levels up. After graduating from NIBM, students enter at Grade II levels of PSU banks but they should get much better rewards, says Bhattacharya. This year 54 students graduated and there has been 100% placement record with some opting for the private sector. NIBM is doing its bit to expand the talent pool for banks. Bhattacharya said NIBM is planning to increase the intake of students. It is a building a 240-room hostel for the PGDM course as it is run as a residential programme and needs room to accommodate additional students. The institute has started work on creating additional infrastructure at the NIBM campus with investments of around Rs 60 crore to Rs 70 crore, Bhattacharya said.

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