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What did we turn the public sector banker into?

Three decades ago, a public sector bank job was an assurance to a better life.

Srinath Sridharan
Anand Venkatanarayanan

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The proposed three-day bank strike has been deferred after the Indian Banks' Association and the United Forum of Bank Unions agreed to constitute a high-level committee to examine the demand for holidays on the remaining Saturdays. The immediate industrial dispute can now be moved into negotiation. That pause should also allow us to step back from the familiar argument over working days and ask a much larger question: *what exactly have we turned the public banking industry into?*

Three decades ago, a public sector bank job was an assurance to a better life. It promised fixed hours, a decent salary, relatively stress-free work, a decent pension, and a stepping-stone for the next generation to aspire for a better life.

Over the past decade, however, the assurance has been broken. The person sitting behind a public sector bank counter is increasingly expected to implement government schemes, facilitate welfare transfers, pursue credit targets, enforce regulatory requirements, complete KYC, promote digital adoption, respond to cyber fraud, promote UPI, participate in CBDC trials, recover loans, and satisfy customers, while continuing to perform the conventional functions of a banker. Each responsibility has a legitimate institutional purpose. The problem lies in their accumulation, and in the absence of any serious conversation about what that accumulation has done to the job.

The turning point was the DBT era.

The State Level Bankers' Committee meetings offer a revealing record. Across states, both public and private sector banks sit with government departments, state finance ministers, district administrations, the RBI, and NABARD to discuss credit plans, government schemes, recovery, NPAs,

financial inclusion, and priority-sector lending. The language of banking and the language of administration frequently converge. In some instances, discussions around loan targets and priority lending sectors have also involved police complaints and FIRs.

This raises an uncomfortable institutional question. *Has the banking industry bank become a government department through which the State implements policy?*

The public interest behind such interventions is understandable. Public money cannot be allowed to disappear and credit meant for agriculture, MSMEs or other priority sectors has a developmental purpose. Yet the individual banker faces a difficult asymmetry. There can be pressure to lend in pursuit of a public objective, followed by scrutiny of the same decision when the loan becomes an NPA. The system, therefore, needs the banker to exercise judgement while also making that judgement feel personally risky.

The regulatory burden of broken KYC compounds it. Every requirement eventually reaches a customer through a person at a branch, who must defend the process when the customer is unhappy. The regulator sees compliance. The bank sees risk management. The customer sees inconvenience. The employee stands between all three.

Digital payments have added another dimension, where digital usage itself can become a target. A banker can, therefore, be asked to promote transactions through a platform whose purpose is to reduce dependence on the branch, while simultaneously carrying out the operational consequences when those transactions fail or go wrong.

The CBDC experience illustrates how quickly the definition of banking work can expand. When employees are pushed to register for and use digital-rupee wallets, the banker becomes a participant in new financial technology and potentially an adoption channel for it. The same employee who must explain a new digital product to customers may also have a target attached to its usage. The institution's technology agenda, thereby, becomes part of an individual's performance agenda.

Then comes the ordinary business targets such as deposits, loans, recoveries, insurance, investments, and customer acquisition. None is unreasonable in isolation. The strain comes from asking the same employee to do all this and keep an increasingly impatient customer satisfied.

At some point, this stops being a discussion about workload and becomes a question about the nature of the job itself. The public sector banker has acquired responsibilities from several different institutional worlds, but those worlds have not necessarily been reconciled in the design of the job. The employee is where all these expectations meet.

In 2025, the finance ministry asked public sector banks to address employee stress, work pressure, unrealistic targets and staffing concerns, with corrective measures brought into the EASE reform agenda. In 2026, the ministry also pushed for more regular dialogue between the PSBs and employee organisations. These steps deserve recognition because they acknowledge that employee pressure has become an institutional issue.

Yet India has largely had this conversation through industrial action. When employees strike, we debate working days, wages, pensions, and inconvenience to customers. When the

strike is deferred, the underlying conversation disappears. We rarely ask what the job has become.

That conversation should not be postponed until the next strike. The answer cannot be to weaken regulation, dilute accountability, or excuse poor performance. It should be examined whether the authority, training, staffing, technology, risk-sharing, and accountability attached to the job have kept pace with the responsibilities and compensation we have placed upon it.

Public sector banks remain vital institutions. Their ability to combine commercial banking with public purpose has helped build India's financial architecture and extend the State's reach in ways few other institutions could have managed. Precisely because we ask so much of them, we should be more curious about the people through whom that mandate is delivered.

Perhaps the question after this week's deferred strike should be larger than whether bankers work five days or six. We should ask what we have asked the public sector banker to become, and whether we can re-make their jobs the institutional design it now requires.

Srinath Sridharan is a corporate adviser and independent director on corporate boards. Anand Venkatanarayanan is a strategic security and digital policy researcher

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