

## Public Sector Banks & RRBs – At the Crossroads of Service and Survival | Editorial

Rupam Roy



Public Sector Banks (PSBs) and Regional Rural Banks (RRBs) in India have long stood as pillars of economic stability and social equity. They are not mere commercial entities chasing quarterly profits; they are national institutions tasked with delivering developmental banking to the remotest corners of the country. PSBs are considered as the mirror of the economy. Yet, today, these institutions face a complex crisis of manpower, morale, and mission clarity.

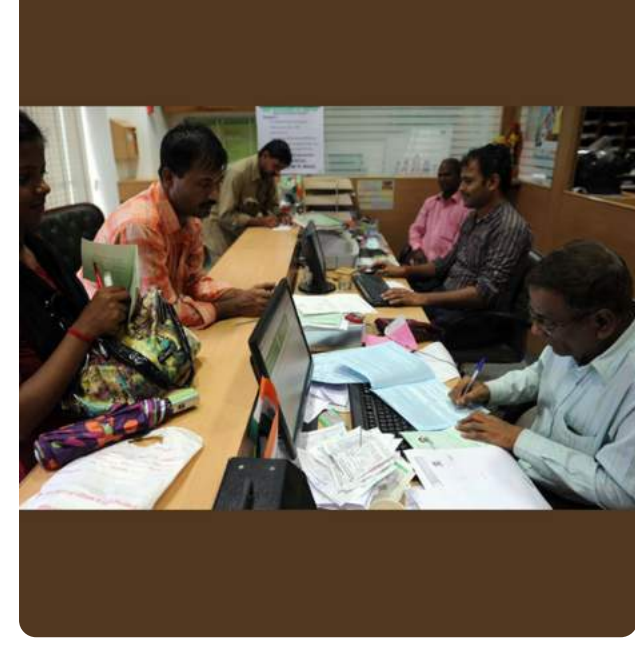
Compared to private banks, PSBs and RRBs are reeling under acute staff shortages. At the close of FY 2024–25, the total business of Public Sector Banks (PSBs) alone stood at ₹251 lakh crore. Collectively, they operate over 1,07,000 branches, 1.2 lakh ATMs, and a large network of Business Correspondent outlets. SBI alone has more than 85,000. The State Bank of India serves around 51 crore account holders, while Regional Rural Banks (RRBs) account for another 35 crore customers. The remaining 11 PSBs together are estimated to serve an additional 50 crore customers. The per-employee customer ratio is heavily skewed, forcing officers to shoulder workloads far beyond sustainable levels. Over the past decade, clerical staff strength in PSBs has declined sharply from 398,801 in 2013 to just 251,908. Today, the average PSB employee is responsible for around 2,000 customers, compared to just 400–500 per employee in private banks. Increasingly, PSBs are relying on outsourced manpower, with over 101,000 contract workers currently on the rolls, SBI alone employing nearly 65,000, indicating a clear move away from permanent staffing. The vacancy figures disclosed in Parliament do not reflect the actual shortfall. A comparison with private banks shows that PSBs operate with barely one-fourth the workforce, underscoring our long-standing demand for urgent, adequate recruitment. In rural and semi-urban branches, a handful of officers manage thousands of customers, government scheme disbursements, compliance work, and regulatory reporting. The human cost of this overburden is tragic, there are increasing reports of workplace depression, health breakdowns and even suicides. The atmosphere in many branches has become toxic, fuelled by unrelenting targets, unrealistic timelines and growing incidents of misbehaviour towards staff from frustrated customers and sometimes even superiors. [Read More.](#)



### Outsourcing in banks–The risk of defying a trust-based relationship

TR Bhat

On August 4, 2025, replying to a question, the union government informed the Parliament that as of the end of June 2025, 12 public sector banks (PSBs) had engaged over 1 lakh contractual and outsourced employees. As of March 2025, these banks had a staff count of 7.58 lakhs. [Read More](#)



### Staff are the best Consultants for any Organisation

Thomas Franco

The country and its Banks are using multinational Consultants who charge heavily but offer solutions without understanding the Indian reality. McKinsey, BCG, Deloitte, Ernst and Young, Price Waterhouse, and others are closely associated with the World Bank, IMF, and World Economic Forum and offer solutions based on the ideology of these Institutions. [Read More](#)



### RBI Watch

The RBI has come out with its final rules on co-lending arrangements. There are a few changes from the earlier draft. Like now both sides are required to retain a minimum 10% of the individual loans in its books. And now even two NBFCs and two banks can get into co-lending arrangements. [Read More.](#)



### Echoes of the past: Excerpts from RK Hazari on the need to nationalise banks

Here is an excerpt from the report titled “Industrial Planning and Licensing Policy” of the Planning Commission published in 1967, authored by the legendary RK Hazari, one of the strongest advocates of bank nationalisation. [Read More.](#)



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