

ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION (REGD.)

(Affiliated to A.I.B.E.A.)



AND

KARNATAKA BANK OFFICERS' ORGANISATION (REGD.)

(Affiliated to A.I.B.O.A.)



Circular 03/2026

READ AND CIRCULATE

Dated 26-05-2026

Dear Members,

**DEMAND FOR ADEQUATE RECRUITMENT OF STAFF IN ALL CADRES
ON REGULAR BASIS IN IBA SCALE**

Members are aware that branches and offices across our Bank are functioning under acute shortage of staff for the past several years. **Employees at all levels are facing tremendous work pressure due to inadequate manpower, which is adversely affecting customer service, business development, compliance functions, housekeeping activities, and work-life balance of staff members.**

Our members have been repeatedly bringing these issues to the notice of both the Organisations and expressing serious concern over the growing workload and shortage of staff in branches and offices. The issue has also been discussed in various meetings and forums, wherein members have strongly urged for immediate recruitment of adequate staff in all cadres on regular basis on IBA Scales.

After carefully analysing the Bank's **substantial business growth, branch expansion, staff position, and the prevailing shortage of manpower in branches and offices**, our Organisations have jointly addressed a detailed letter to **the Managing Director & CEO** of the Bank yesterday demanding **immediate recruitment of adequate staff in all cadres on regular employment basis, in line with the long-standing tradition and practice followed in the Bank.**

We furnish below the text of our Joint Letter OR No. 94/2026 dated 25-05-2026 for the information of all members.

To

**The Managing Director & CEO
Karnataka Bank Ltd.
Head Office, Mangaluru – 575002**

Dear Sir,

Sub: Demand for Adequate Recruitment of Staff in All Cadres on Regular Basis.

We draw your kind attention to the recently declared audited financial results of the Bank for the **FY 2025-26**. On analysing the performance and growth parameters of the Bank over the last three financial years, **it is observed that the business volume of the Bank has increased substantially, whereas the increase in staff strength has been highly inadequate and disproportionate to the growth achieved.**

The comparative position of business growth vis-à-vis staff strength is furnished below for better understanding:

Particulars	FY 2022-23	FY 2025-26	Remarks
Deposits	Rs.87368 Crore	Rs.108779 Crore	Rs. 21411 Crore (24.51%) Increased in 3 years
Advances	Rs.59952 Crore	Rs.83340 Crore	Rs.23388 Crore (39.01%) Increased in 3 years
Total Business turnover	Rs.147320 Crore	Rs.192119 Crore	Rs. 44799 Crore (30.41%) Increased in 3 years
CASA %	28807 (32.97%)	36560 (33.61%)	Rs. 7753 Crore – additional CASA mobilized in 3 years which amounts to 36.21% of total incremental deposits growth in 3 years
Gross NPA	3.74%	2.78%	(-) 0.96% Gross NPA decreased – Recovery improved
Net NPA	1.70%	0.98%	(-) 0.72% Net NPA decreased – recovery improved
No. of Branches	901	975	74 new Branches opened
No. of Staffs	8652	9047	Net Addition of total staff increased is 395 (4.57%)

The above figures clearly establish that, despite remarkable and sustained growth in business over the last three years, the overall increase in staff strength has been **only 395 employees, which is grossly inadequate when compared to the growth in business turnover, branch expansion, compliance requirements, customer expectations, and operational workload and future business growth and branch expansion.**

It is pertinent to mention that no recruitment has been made in the Office Assistant and Housekeeping cadres on regular basis since 2017. Further, recruitment in the Customer Service Associate (CSA) and Officer cadres has also not been commensurate with the actual manpower requirements of the branches and offices. **Consequently, branches and administrative offices are facing acute shortage of staff, adversely affecting customer service, business mobilisation, housekeeping, compliance functions, and operational efficiency.**

We are continuously receiving grievances and representations from Branch Managers, ABMs, Officers, and Workmen staff, regarding severe staff shortage and mounting work pressure. **The issue has already been brought to the notice of the top management on several occasions by both the Organisations, demanding immediate recruitment of adequate staff in all cadres on regular basis. However, the recruitment carried out so far has not addressed the actual requirement at the ground level.**

Due to the shortage of manpower, branches and offices are facing the following **serious difficulties:**

1. In many branches and offices, CSAs are working under severe shortage conditions. Existing staff are unable to complete day-to-day operations within office hours and **are frequently compelled to work late in the evening, often up to 8.00 PM and beyond**, to complete operational and compliance-related work. In some cases, employees are allegedly subjected to undue pressure and threats of transfer for not sitting late and completing work within unrealistic timelines.

2. Since Office Assistants and Housekeeping staff have not been recruited on regular basis since 2017, many branches are depending on daily wagers and temporary personnel for prolonged periods. **As a result, filing work, maintenance of records, preservation of vouchers, and bundling of slips are getting delayed and not carried out as per laid down guidelines. Sensitive operational**

activities involving documents, security items, and even cash handling are indirectly exposed to temporary personnel, creating serious operational, security, financial, and reputational risks for the Bank.

3. The prolonged dependence on temporary and casual workers for essential activities has become a highly risk-prone area. **The Branch Managers and officials may face accountability issues arising out of operational lapses, missing records, frauds, or irregularities caused due to inadequate permanent manpower support.**

4. The staff composition in many branches is also not balanced. **There exists a significant knowledge and experience gap due to shortage of experienced personnel. In several cases, promoted CSAs are directly posted as Assistant Branch Managers** without adequate exposure to officer-level responsibilities. Similarly, officers with less than 1 year / 2 years of service are posted as Branch Managers in some branches. Further, newly opened branches are functioning without adequate CSAs, compelling officers to perform clerical duties in addition to their regular responsibilities.

5. Due to staff shortage, employees from various branches and regions are **regularly deputed to other branches on temporary basis merely to manage minimum operational requirements.** In one region, Office Assistants are deployed in one branch during morning hours and another branch in the afternoon on a regular basis. In several instances, employees are deputed to other branches for periods ranging from **one week to several months.** This clearly reflects the alarming shortage of manpower prevailing across the Bank.

6. Owing to decentralisation of transfer powers within the regions, **Regional Heads are spending substantial time managing temporary staff adjustments and transfers instead of focusing on business development and growth initiatives.**

7. Earlier, several major branches with substantial business volumes were headed by Chief Managers who significantly contributed to business growth and customer relationship management. However, presently many such branches are managed by Scale-II and Scale-III officers, while experienced Chief Managers are posted in controlling offices or as Cluster Head roles. **This has resulted in underutilisation of their expertise and leadership capabilities.**

8. Branches are the primary business-generating units of the Bank and serve as the direct interface between customers and the institution. **However, due to increasing operational risks, workload, and staff shortage in branches, many employees now prefer postings in controlling offices rather than branches.** Consequently, branches are increasingly staffed with inexperienced and junior employees in key positions such as Branch Manager and Assistant Branch Manager.

9. Due to inadequate staffing, employees are also **finding it extremely difficult to avail leave for personal, medical, and family purposes.** This has adversely affected employee morale, work-life balance, physical health, and mental well-being.

As per the recently declared financial results, the average customer-to-employee ratio in the Bank is approximately 1500:1, which is significantly higher than the approximate industry average of 400:1 prevailing in many new-generation private sector banks. This clearly demonstrates the excessive workload borne by our employees and the immense pressure under which they are functioning.

The employees of the Bank have played a vital role in the sustained business growth, improved recovery performance, CASA mobilisation, reduction in NPAs, and overall development of the institution. **However, continuous overburdening of employees without adequate manpower support is resulting in stress, burnout, operational fatigue, delay in customer service, and increasing chances of errors and customer complaints. Such an unhealthy work environment will ultimately affect customer service, business growth, operational efficiency, and the long-term interests of the Bank itself.**

Further, the Bank has **now set ambitious business targets** for the current financial year, including:

- **Aggregate Deposits of Rs. 1,25,000 Crore**
- **Gross Advances of Rs. 1,00,000 Crore**
- **Total Business Turnover of Rs. 2,25,000 Crore**
- **Expansion of branches beyond 1000**

We are fully confident that the employees at all levels will continue to contribute wholeheartedly towards achieving these targets. **However, these goals can be achieved effectively and sustainably only if adequate manpower is recruited immediately on regular basis in all cadres.**

Therefore, we strongly demand that the Management immediately undertake a comprehensive review of manpower requirements in the Bank by considering:

- Existing staff shortages
- Staff shortage due to Retirement, VRS, Resignations etc.
- Branch-wise workload and business volume
- Expansion plans and future growth projections
- Compliance and operational requirements
- Customer service expectations

Accordingly, **we demand immediate recruitment of adequate staff in all cadres, including Officers, CSAs, Office Assistants, and Housekeeping Staff, on regular employment on IBA scales at the earliest.** We further request your good selves to **invite our Organisations for a joint discussion in this matter** so as to arrive at an amicable and constructive resolution at the earliest. We sincerely hope and trust that the Management will appreciate the seriousness of the issue and take positive and timely steps in the larger interest of the Bank, employees, and customers.

Thanking you,

Yours faithfully,

Sd/-
(Paneendra K G)
GENERAL SECRETARY, AIKBEA

sd/-
(Suresha Hegde S)
GENERAL SECRETARY, KBOO


The developments in this regard and **further organisational programmes**, if any, will be informed to the members in due course.

Let us remain united and continue our collective efforts for protecting the interests of employees and strengthening our beloved institution.

“UNITY IS OUR STRENGTH – COLLECTIVE STRUGGLE IS OUR PATH”

With warm greetings,

Yours comradely,


(Paneendra K G)
GENERAL SECRETARY, AIKBEA


(Suresha Hegde S)
GENERAL SECRETARY, KBOO

A I B E A & A I B O A	...	...	...	ZINDABAD
AII INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION	...	...	...	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	...	...	...	ZINDABAD
OFFICERS - WORKMEN UNITY	...	...	...	ZINDABAD