

**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 02/2026

READ AND CIRCULATE

Dated 26-05-2026

Dear Members,

**OUR SERIOUS CONCERNS AND STRONG OPPOSITION TO LATERAL RECRUITMENT OF EXECUTIVES ON CONTRACT BASIS AND OVERLOOKING INTERNAL TALENTS**

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Members are aware that recently our Bank has appointed a new “**Executive Director**” from outside through lateral recruitment, **overlooking experienced and capable internal candidates who have served the institution with dedication for several decades.**

Both the Unions strongly feel that such lateral recruitment at senior management and executive levels is **not in the long-term interest of the Bank, particularly when the institution has a strong pool of experienced officers with deep knowledge of the Bank’s culture, systems, customer base, operational framework, and organisational values.**

It is pertinent to mention that similar experiments and models of lateral recruitment attempted earlier **did not yield the expected results** and, in certain instances, **adversely affected the Bank’s image, internal morale, business prospects, and financial interests.** The experience clearly demonstrates that **importing external leadership models without understanding the unique culture and operational structure of our institution may create organisational imbalance and weaken internal confidence.** Further, employees who have dedicated their entire career to the growth and development of the Bank naturally expect fair opportunities for advancement to leadership positions. **Ignoring internal talent and institutional experience may create dissatisfaction among employees and adversely affect organisational commitment.**

**Our Organisations firmly believe that leadership positions in the Bank should primarily be filled by grooming and promoting internal talent through a transparent and merit-based career progression system, which has been the long-standing tradition and strength of our institution.**

As responsible stakeholders and partners in the progress of the Bank, both the Organisations have jointly conveyed our serious concerns and strong opposition to such lateral recruitment practices to **the Chairman and Board of Directors. We have urged the Management to strengthen internal talent development, leadership grooming, succession planning, and transparent promotional opportunities in the larger interest of our beloved Bank.**

We furnish below the text of our Joint Letter OR No. 93/2026 dated 25-05-2026 for the information of all members.

To  
The Chairman,  
Karnataka Bank Ltd.,  
HO, Mangaluru.

The Board of Directors,  
Karnataka Bank Ltd.,  
HO, Mangaluru.

Dear Sirs,

**Sub: Serious concerns and strong opposition to lateral recruitment of Executives on contract basis and overlooking internal talents.**

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We, **AIKBEA** and **KBOO** the recognised Trade Unions of the Bank, being important stakeholders and partners in the progress of the Bank, wish to place on record **our serious concerns and strong opposition to the continued practice of lateral recruitment of Executives on contract basis**, which, in our considered opinion, has not yielded the intended results and has instead **adversely impacted the business growth, institutional culture, morale of the workforce, and leadership continuity in the Bank.**

Over the last two years, several senior Executives were recruited laterally from outside the Bank on **substantial compensation packages with considerable publicity and expectations** that they would transform the Bank's business model and elevate the institution to greater heights under the slogan of making our Bank "**Bharat Ka Karnataka Bank.**" The details of some of the major recruitments and resignations are as follows:

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1	Srikrishnan H	MD & CEO
2	Sekhar Rao	ED
3	Pankaj Gupta	CD & MO
4	Abhishek Sankar Bagchi	CFO
5	Ramachandra K Gurusurthy	GM – Treasury
6	Ramaswamy Subramanian	CPO
7	Venkat Krishnan V	GM & CTO
8	Giridhar Rajaram	GM - LARGE & MID CORPORATE MARKETING
9	Niranjan Kumar R	GM - HR & IR
10	Sreenivas M	GM - RETAIL, MSME & AGRI MARKETING
11	Venkateswarlu Mallineni	GM – CASA
12	Jaypal M	DGM- Asset Products
13	Jaypal M	AGM- Asset Products
14	Geetu Sehgal	Zonal Head
15	Soham Roy	Investor Relation
16	Kiran Iyer	EA to MD

**However, the actual outcome of this experiment has been far from satisfactory and totally failed.** Our beloved Bank has been built brick by brick over the last hundred years through **the sacrifice, commitment, integrity, and relentless hard work of visionary founders, generations of Employees, Officers and Executives.** The Bank has earned the unique distinction of maintaining continuous net profits over a century and expanding its footprint from the **small town of Mangaluru to a strong pan-India presence.** This glorious legacy was not

built **through short-term contractual leadership models**, but through **committed institutional leadership nurtured internally over decades**.

Unfortunately, the laterally recruited Executives **failed to adequately understand and appreciate the Bank's century-old traditions, customer relationship model, organisational culture, and the emotional connect shared by the workforce and loyal customers with the institution**. During the last couple of years, we have witnessed instances where long-standing customers and well-wishers of the Bank felt alienated due to the failure to recognise and preserve the relationship-based banking culture that has traditionally been the strength of our Bank.

At the same time, **the contribution, experience, and commitment of the existing workforce and internal Executives were often overlooked and undermined**. This led to widespread dissatisfaction, demoralisation, and erosion of confidence among employees across cadres.

It is also deeply painful to note that during this period, our **young General Manager and Chief Compliance Officer, Shri K. A. Vadiraj, tragically passed away amidst allegations of undue work pressure and humiliation**. Such developments caused immense emotional distress among the workforce and raised serious concerns regarding the prevailing management approach during that period.

Further, during the Centenary Year celebrations, **when the workforce expected recognition and goodwill through timely submission of the mandate to IBA for Bipartite Settlement, the Bank unfortunately became the last among the banking industry to submit the mandate to IBA on 08.12.2023**, that too after the signing of the preliminary MOU between IBA and UFBU on 07.12.2023. This deeply disappointed the employees and officers who have dedicated themselves to the Bank's centenary celebrations and growth initiatives.

Thus, the **laterally recruited leadership failed to properly understand the pulse, sentiments, and expectations of the Bank's customers, workforce, and well-wishers**, which are essential for carrying forward the Bank's rich legacy.

Apart from the above concerns, certain recruitments also raised serious questions regarding transparency, fairness, and adherence to established recruitment procedures of the Bank. In one instance, **a DGM-level recruit resigned and was subsequently reappointed in AGM cadre for the same role**, which, in our opinion, was highly irregular and contrary to established recruitment norms and governance standards. Further, **recruitment of Zonal Head at Pune and EA to MD in Chief Manager Cadre at BTR Office, Bengaluru are classic cases of favouritism**. Such actions create unhealthy precedents and adversely affect the morale of deserving internal candidates.

From a **business perspective as well**, the effectiveness of such high-cost lateral recruitment has not been convincingly demonstrated. The financial results of **FY 2024-25** and the business performance during **Q1 and Q2 of FY 2025-26** exposed the cosmetic business growth shown during the previous FY 2024-25 and its unsustainability during the **FY 2025-26**. **However, after the exit of several such external Executives, the same internal workforce and existing Executives worked with renewed commitment and succeeded in improving the Bank's performance during Q3 and Q4 of FY 2025-26, resulting in respectable business growth across several parameters as reflected in the declared financial results of FY 2025-26**.

**This clearly demonstrates that the Bank possesses capable, experienced, committed, and result-oriented internal leadership talent fully capable of steering the institution successfully.**

Therefore, **it is disappointing that despite the unsatisfactory outcome of the earlier experiment, the Bank has once again opted for appointment of an outsider to the post of Executive Director. We respectfully submit that such repeated dependence on external**

**appointments sends a discouraging message to the existing Executives, Officers and Employees of the Bank who have dedicated their entire careers to the institution.**

In contrast, repeated external recruitment at senior levels in our Bank creates an impression that internal Executives / Officers are not considered competent or worthy for higher leadership roles. **This perception is deeply demoralising for employees who have served the institution with loyalty, dedication, and resilience during challenging periods.**

We firmly believe that providing opportunities for internal career progression based on merit, experience, institutional knowledge, and commitment is essential for **sustaining employee morale, strengthening institutional loyalty, ensuring continuity in leadership, preserving organisational culture, and creating future leadership within the Bank.**

In view of the above facts and circumstances, we, the recognised Trade Unions of the Bank, strongly urge the Board of Directors to reconsider and discontinue the policy of lateral recruitment in **all cadres, including in Executive and Senior Management positions.**

We further request the Board to **evolve a robust internal leadership development and succession planning mechanism to identify, train, mentor, and promote deserving internal talent for higher responsibilities in the best interest of the Bank and its long-term institutional stability.**

We sincerely hope that the Board will give due consideration to the sentiments and concerns of the workforce and take corrective steps to **preserve the Bank's proud legacy, institutional values, and employee confidence.**

Yours faithfully,

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

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


The developments in this regard will be informed to members in due course.

**Let us remain vigilant, united, and committed towards protecting institutional values, internal career growth opportunities, and the dignity of employees.**

**“PROTECT INTERNAL TALENT – PROTECT INSTITUTIONAL STRENGTH”**

With warm greetings,

Yours comradely,

  
**(Paneendra K G)**  
**GENERAL SECRETARY, AIKBEA**

  
**(Suresha Hegde S)**  
**GENERAL SECRETARY, KBOO**

<b>A I B E A &amp; A I B O A</b>	...	...	...	<b>ZINDABAD</b>
<b>AII INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION</b>	...	...	...	<b>ZINDABAD</b>
<b>KARNATAKA BANK OFFICERS' ORGANISATION</b>	...	...	...	<b>ZINDABAD</b>
<b>OFFICERS - WORKMEN UNITY</b>	...	...	...	<b>ZINDABAD</b>