

**Name of the Book:** Banker by Chance, Leader by Choice  
**Author:** Mr. Shiv B. Singh, Executive Director, Indian Bank.  
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**Reviewed by: Mr. Sugata K. Datta, Former Chief General Manager,  
Bank of India.**

Regional Rural Banks (RRBs) were set up in 1975, as a fallout of the process of Nationalisation of Banks that first took place in 1969. Fourteen of the largest banks in the country were nationalised because it was felt by the Government that resources mobilized by banks were not being channeled into sectors that required institutional finance, like the rural population, agriculture, the poor and the small enterprises. RRBs were visualized as the abridged versions of nationalised banks, i.e. giving thrust to the unserved sectors, penetrating deep into the Indian countryside, with a complement of human assets whose pay was more or less on par with that prevalent in the Government sector. Although this was the vision at the beginning and many RRBs started functioning and growing, they soon started to chalk up significant losses. In order to rediscover themselves, their functions and employee benefits evolved into aping those of the nationalised banks that sponsored them and they started to lose their initial focus on the rural/weak/down trodden sectors that were intended to be their area of operations.

What followed was a series of restructuring and amalgamation of the RRBs, over a period of 15 years and their number was reduced from a high of 196 to just 43, as of March 2022. The story of RRBs can, therefore, form an excellent subject of a Case Study, on how niche sector small banks, with focus on rural areas, can get affected in a country which is making large strides in economic development and what solutions are available to them for making mid-course corrections.

The subject of the book under review, "Banker by Chance, Leader by Choice" written by Mr. Shiv B. Singh, is precisely this. Added to this, is the fact that following nationalisation of banks in 1969 and 1980, nationalised banks expanded explosively, both in business as well in branches. Resultantly, the requirement for staff of all cadres shot up and this drew many bright youngsters who were well educated and who suddenly found an attractive employment avenue in nationalised banks. Employment that promised good remunerations, good social status and good opportunities for them to develop and rise in the bank and in future, even lead the banks. Hence, many such youth became "Bankers by Chance".

Mr. Shiv Singh's story, that unravels in the book follows the above pattern, with one difference. With RRBs in the fray, an Officer did not have to wait till he or she climbed the entire corporate ladder to lead a bank. Nationalised banks deputed Officers, in their Senior Management Grades, to RRBs as the CEO (Chairman) of the RRB. While one may argue that, after all, an RRB is a small

entity and becoming Chairman of an RRB is no big deal, being a Chairman (CEO) is being a CEO. Even if the organisation is small, responsibilities and duties of the Chairman closely resonate with those of a large bank. The Chairman of an RRB has to lead its Board of Directors, strategise the Bank's growth and development and resolve all problems that come up to his or her level. Over and above that, the Chairman has to interact with the Government, Regulators, Law Enforcing Agencies, etc.

Hence, Mr. Singh's experience as Chairman of an RRB was one of the opportunities to learn and flourish. His ability to capture in great detail, the various steps, strategies and avenues he chose to lead the Bank, will be of interest to young Officers (especially in nationalised banks), who look to develop their own careers. The book spells out how, a young lad from humble rural background and sound academic base could enter one of the leading banks of the country, rise in its echelons, be rewarded for his performance by posting in the Bank's office in USA and then move on to lead one of the largest RRBs in the country - in difficult times and turn it around.

The first two chapters of the book traces the early upbringing and education of Mr. Singh and his experiences in his parent bank (which was the sponsor of the RRB where he was deputed later) as he rose from a Junior Management Officer in Scale I to a Deputy General Manager in Scale VI.

Among the various learning lessons that he describes, probably one which would be of critical use for aspiring leaders is, "Never to play with the system" as sometimes a person fiddling with banking systems cannot predict the total adverse impact it can have in the long run. The third chapter deals with Mr. Singh's deputation as Chairman of the RRB, one of the largest in the country and basic details of the roles and administrative structure of an RRB.

Chapter 4 "Restructuring for Success" describes the organizational responses that had to be developed prior to and immediately after the amalgamation of two RRBs that led to formation of the RRB under discussion, on 1<sup>st</sup> April 2019. These included steps like identity and visibility of the newly formed bank, integration of various policies, integration of human resources and integration of the IT platforms.

The next Chapter "Building Blocks of Business" deals at length with the Human Resources aspect of the RRBs and what steps were taken to improve this aspect and thereby, raise the level of motivation and dedication of the staff of the Bank. After all, a Bank is in the services industry where the only real assets are human beings. As has been appropriately brought out "*human resources are the active factors of production, whereas, all others are passive factors of production, requiring energizing and activation from human resources.*" The chapter covers areas of recruitment, promotions, transfers, training, incentives and finally, pensions.

Chapter 6, "Value of Change" dwells on aspects of Trade Unionism in the bank. It enumerates the reasons why the effectiveness of Trade Unions is on the decline in Banks, but recognizes the importance of Trade Unions as "*they can play a very constructive role in individual, organizational*

and institutional development if they follow healthy traditions of trade unionism and maintain an arm's length from the management.....". The flash point of trade union activity is often related to transfers and placements and in this chapter, Mr. Singh elaborates how he was able to overcome the hurdles, especially after the amalgamation in April 2019. Earlier, in 2018, the RRB set up a platform for participative management, "Manthan" and joint brainstorming with Trade Union leaders led to improvement in business parameters which have been tabulated in this section.

Chapter 7, "Laws of Sustained Growth" describes measures taken to improve the performance of the Bank. Growth, to be meaningful, needs to be sustainable, which means that growth should continue over a period of time, without depending overly on external factors. Examples are available where in the banking sector, periods of rapid growth have been succeeded by periods of high NPAs and serious profitability issues. The tenure of Mr. Singh, at the RRB, commenced with the aftermath of the demonetization of 2016 and his tenure was accompanied by the rampage of COVID-19 from 2020 to early 2022. The Bank was categorised as "RRB in Focus" in March 2017, but it was able to come out of the category during the coming year. The RRB launched its proprietary strategy called "Aryavart Star Mission" with the noble objective of doubling the income of 1,25,000 rural families by 2020.

However, the mega-amalgamation that took place on 1<sup>st</sup> April 2019, again pushed the Bank into Prompt Corrective Action (PCA) and "RRB in Focus" category in 2019-2020. Challenges to growth were, therefore, plentiful.

One of the steps taken, which was quite an example of lateral thinking, was the setting up of a Treasury Department in the RRB in 2019. Post amalgamation, the RRB had a balance sheet size of about Rs. 50,000 crore, and the opportunity was seen (and seized) to efficiently manage the funds of the bank. Setting up of a Treasury vertical necessitated establishing a Risk Management vertical, as well, and on both counts the Bank was a first mover in the RRB sector. Mr. Singh's first-hand experience and expertise in Treasury of the sponsor bank both in India and overseas was, thus, adequately leveraged for the benefit of the RRB.

Chapter 8 "In Pursuit of a Fantastic Future" goes to the steps needed for going beyond developing growth. They are strategies to be adopted to counter forces that drag a bank back Non-Performing Assets (NPAs) and also strategies to rationalize various products, policies and procedures that had arisen as a result of the Bank emerging from multiple amalgamations in the past.

NPA management, recovery and reduction is described in the Chapter and various strategies that were adopted are enumerated. They can form a checklist for any bank plagued by high NPAs.

The other aspect dealt with in the chapter is about streamlining the policies and procedures of the Bank. The lineage of this RRB consisted of 13 individual RRBs that were merged and amalgamated between 2006 and 2019. Accordingly, practically all aspects of the RRB were complexly hybrid – including the products, policies and procedures. It was, therefore, necessary to bring all things

to common platforms by rationalizing the divergent products, policies and procedures. This mammoth task was undertaken by formation of various coordination forums, across the entities concerned, in order to complete the exercise by April 2019, when the newly amalgamated bank started its operations.

The next Chapter, "Branding it Right" focusses on measures that were taken to improve the visibility of the Bank and how to dispel any wrong impression that the customers and other stakeholders of RRBs may have about such Banks. The general impression of RRBs being meant "*only financing agriculture and related activities in rural areas*" had to be removed and it was necessary to build an image that these were empowered financial institutions which were instrumental in inclusive growth in the country.

Measures taken by Mr. Singh are detailed in this Chapter include interactions with media, inviting dignitaries to bank functions, interactions with society and participation in inter-industry and academic fora.

In the final Chapter "Reflections on an Eventful Journey", Mr. Singh sums up the qualities he has been able to develop by leading the Bank and the learnings he has taken away from his multifaceted experience. The qualities, as enumerated in this section, required for becoming "A Leader by Choice" to readers who are "Bankers by Chance", can serve as a handy guide.

In conclusion, the Book is one which any progressive-minded Officer in a Bank, especially Officers in the Junior and Middle Management Grade in nationalised banks, should seek out. The book contains details of the host of challenges and opportunities that CEOs of such Banks can face and the strategies that have been spelt will be useful to the readers for taking up leadership roles.