

**ANATOMY OF HUMAN RESOURCES IN RESERVE BANK OF INDIA (RBI)****Voice of Research**  
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ISSN No. 2277-7733**M. M. Goel**Professor of Economics & Dean,  
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*The Reserve Bank of India (RBI) has the responsibility of handling assorted functions ranging from monetary policy, maintaining financial stability to regulating and supervising banks and non-banking financial companies. The quality of governance by RBI as banker's bank for the delivery of multi-dimensional tasks professionally, human resource development (HRD) and organization management is crucial. It is a established reality that human resources at RBI handled global financial crisis competently but there is a news that RBI has hired services of six external agencies to suggest measures for improving their quality meaning there by we need to do more on HRD as aspects in RBI. Therefore, there is a strong case for analyzing the strengths and weaknesses of human resources in RBI for future growth. We have analyzed the quantity and quality of human resources at the RBI including organizational structure whose quality plays vital role for good governance. Then we have highlighted current status as well as the structure of human resource at the RBI keeping in view its composition on various bases like departments, classes and categories and observed that it is a fair practice, gender sensitive and equal opportunity institution but at the same time suggested to explore the synergies of new department of HRM after combining the DAPM and HRDD.*

**Key Words:** RBI, HRM, HRD , Good Governance as SMART & SIMPLE

The functions of RBI have been changing over time with constantly diversifying financial system and it needs to innovate to meet the emerging requirements of the macro economy. Indian efforts of Central banking after independence which were geared towards mobilizing resources for planned economic development and ensuring price stability have gone well beyond to encompass a wide range of developmental pursuits including economic growth. RBI which was established with the objective of ensuring monetary stability and operating the currency and credit system of the country to its advantage began operations on April 01, 1935. Presently functions of RBI comprise monetary management, foreign exchange and reserves management, government debt management, financial regulation and supervision, apart from currency management and acting as banker to the banks and to the Government. In addition, from the beginning, the RBI has played an active developmental role, particularly for the agriculture and rural sectors and through these years functions have evolved in tandem with national and global developments. The core function of the Reserve Bank in the last 75 years has been the formulation and execution of monetary policy with the objectives of maintaining price stability and ensuring adequate flow of credit to productive sectors of the economy. Goal of maintaining financial stability is the latest addition which ranges from managing money, government securities, foreign exchange markets and

external account to oversight of banks and non-banking financial institutions.

Human Resources (HR) matter the most in creating and achieving excellence in any organization whether it is profit or non-profit organization including RBI. Due to increased complexities in the financial system in recent years, the changing roles and activities of central banks and financial regulatory agencies have brought to the fore issues relating to the human resource development (HRD) function like never before. In the Reserve Bank also, the human resource development function has been receiving high attention. This is reflected in the Reserve Bank's efforts in meeting the evolving requirements through review of the extant systems and processes. The changes are being done by systemic and case-specific innovations, constant up gradation of skills and technical expertise and instilling a high degree of professionalism among employees so as to enable them to take on the new and emerging challenges, on the one hand, and, to be able to balance life in the workplace and on the personal front on the other.

**Nature of Human Resources in RBI and its Organizational Structure**

Figure No. 1 shows the structural organization of human resources at RBI where top of pyramid reflects highest order in hierarchy and the bottom shows the lowest. The Central Board of Directors is at the top of the Reserve Bank's organizational structure. Appointed by the



Government under the provisions of the Reserve Bank of India Act, 1934, the Central Board has the primary power and liability for the oversight of the Reserve Bank. It delegates specific functions to the Local Boards and various committees. The Governor is the Reserve Bank's chief executive. The Governor supervises and directs the affairs and business of the RBI. The management team also includes Deputy Governors and Executive Directors. The Central Government nominates fourteen Directors on the Central Board, including one Director each from the four Local Boards. The other ten Directors represent different sectors of the economy, such as, agriculture, industry, trade, and professions. All these appointments are made for a period of four years. The Government also nominates one Government official as a Director representing the Government, who is usually the Finance Secretary to the Government of India and remains on the Board 'during the pleasure of the Central Government'. The Reserve Bank Governor and a maximum of four Deputy Governors are also ex officio Directors on the Central Board.



**Figure no. 1**

The RBI also has four Local Boards, constituted by the Central Government under the RBI Act, one each for the Western, Eastern, Northern and Southern areas of the country, which are located in Mumbai, Kolkata, New Delhi and Chennai. Each of these Boards has five members appointed by the Central Government for a term of four years. These Boards represent territorial and economic interests of their respective areas, and advise the Central Board on matters, such as, issues relating to local cooperative and indigenous banks. They also perform other functions that the Central Board may delegate to them.

The Reserve Bank has a network of offices and branches through which it discharges its responsibilities. The units operating in the four metros — Mumbai, Kolkata, Delhi and Chennai — are known as offices, while the units located at other cities and towns are called branches. Currently, the Reserve Bank has its offices, including branches, at 27 locations in India. It has 19 regional offices, most of them in state capitals and 9 Sub-offices.

The offices and larger branches are headed by a senior officer in the rank of Chief General Manager, designated as Regional Director while smaller branches are headed by a senior officer in the rank of General Manager.

Over the last 75 years, as the functions of the Reserve Bank kept evolving, the work areas were allocated among various departments. At times, the changing role of the Reserve Bank necessitated closing down of some departments and creation of new departments. Currently, the Bank's Central Office, located at Mumbai, has twenty-seven departments which are broadly categorized as Markets(5), Regulation(1), Supervision(5), Research(2), Services(4), Support (10) where figure in brackets show number of departments under each category. Human resources department falls under support category. These departments frame policies in their respective work areas. They are headed by senior officers in the rank of Chief General Manager.

The core functions of the Department of Administration and Personnel Management included implementing the Reserve Bank's policies about recruitment, placement, promotion, transfer and allotment of flats, overseeing the conduct of employees and administering disciplinary actions as well as attending to cases involving misconduct of senior officers, implementing guidelines regarding prevention and redressal of sexual harassment of women at workplaces, handling RTI matters.

The vision of the Human Resources Development Department is essentially to help the Bank carry out its central banking activities. The mission of the Department is to create a facilitating environment to enhance the efficiency of the Bank; to empower the staff so as to draw out the latent potential; and to create conditions for a more wholesome quality of life on the work as well as personal front. Its main functions include evolving HR policies relating to recruitment, performance and appraisal system, placement, promotion and career progression, industrial relations, deputation / secondment, compensation policy, retirement and voluntary vacation, training establishments, mobility (transfer / rotation), remuneration and reward mechanism. The Department also sees to staff welfare, internal communication, organizational development, training and skills up gradation (policy and implementation, both) and medical facilities, interface with other institutions on HRD issue, install and implement an effective counseling system. It also looks after career and succession plans, training functions, summer placement, annual Young Scholar Awards Scheme, publication of House Journal, 'Without Reserve'.

Consequent upon the amalgamation of the functions of the erstwhile Department of Administration and Personnel Management (DAPM) and Human Resources Development Department (HRDD), a new department



called Human Resource Management Department (HRMD) has been created in the Bank. Governor inaugurated the Department on August 3, 2011. With this merger, it is expected that there would be greater synergy between framing of human resource policies in Reserve Bank and their execution.

**There are few subsidiaries also of the RBI as under**

Deposit Insurance and Credit Guarantee Corporation (DICGC) July 15, 1978.

National Housing Bank (NHB) July 9, 1988

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) Feb, 1995

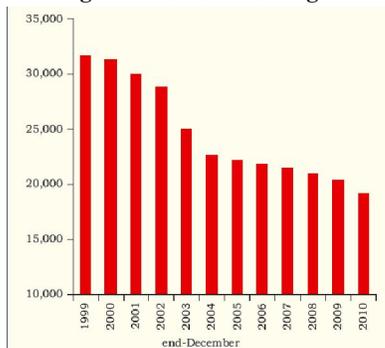
National Bank for Agriculture and Rural Development (NABARD)

**Extent of Human Resources at RBI**

**Staff Strength**

The total staff strength as on December 31, 2011 was 18,132 compared with 19,207 the year before. Of the total staff, 45.1 per cent belong to Class I, 18.6 per cent to Class III and the remaining 36.2 per cent to Class IV (table 2) The Mumbai centre (including the central office departments) continued to have the maximum staff (30.3 per cent), followed by Kolkata (8.9 per cent), Chennai (7.2 per cent) and New Delhi (6.8 per cent). While 17,351 staff members were attached to Regional Offices, 3,221 were attached to various Central Office departments. The total staff strength over the years as is clear from following figure.

**Fig 1—Total staff strength**



Source: RBI Annual Report 2010-11

As is clear from above figure the total staff strength is declining which probably is because of increased computerization.

Below table no. 1 highlights the fact that staff at middle level need to be recruited more while enough number is there at senior and lower level.

The total strength of ex-servicemen in the Reserve Bank as on December 31, 2010 stood at 216 in Class I, 113 in Class III and 728 in Class IV. The total number of physically handicapped employees in Class I, Class III and Class IV cadres in the Reserve Bank stood at 245, 81 and 136, respectively, as on December 31, 2010.

**Table 1—Officer Class wise staff strength**

Class	Actual Strength
1	2
<b>a. Class I</b>	<b>8,183</b>
1. Senior Officers in Grade F	90
2. Senior Officers in Grade E	233
3. Senior Officers in Grade D	374
4. Officers in Grade C	968
5. Officers in Grade B	1,400
6. Officers in Grade A	5,045
7. Treasurer	5
8. Deputy Treasurer	19
9. Assistant Treasurer	49
<b>b. Class III</b>	<b>3,381</b>
1. Senior Assistant	1,390
2. Assistant	617
3. Secretarial Assistant	88
4. Word Processor Assistant	355
5. Special Assistant (Teller)	467
6. Class III (Others)	464
<b>c. Class IV</b>	<b>6,568</b>
1. Maintenance Staff	1,427
2. Service Staff	4,223
3. Technical Staff	197
4. Other Staff	721
<b>Total Strength in the RBI (a+b+c)</b>	<b>18,132</b>

Source: RBI Annual Report 2011-12

If we take a look at participation of work force of different categories we find that SCs and STs are there at all levels of management.

**Table 2—Category wise staff strength**

Category	Category-wise strength						Percentage of total strength	
	Total strength		SC		ST		SC	ST
	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011
1	2	3	4	5	6	7	8	9
Class I	8,754	8,183	1,277	1,189	598	563	14.5	6.9
Class III	3,604	3,381	554	518	422	395	15.3	11.7
Class IV	6,849	6,568	2,200	2,121	688	660	32.3	10.0
<b>Total</b>	<b>19,207</b>	<b>18,132</b>	<b>4,031</b>	<b>3,828</b>	<b>1,708</b>	<b>1,618</b>	<b>21.1</b>	<b>8.9</b>

SC : Scheduled Caste, ST : Scheduled Tribe.

Source: RBI Annual Report 2011-12

**Quality Perspective of Human Resources in RBI**

The Reserve Bank attaches utmost importance to the development of human capital and skill up gradation in the Indian financial sector. For this purpose, it has, since long, put in place several institutional measures for ongoing training and development of the staff of the banking industry as well as its own staff.

**Training Establishments**

The Reserve Bank currently has two training colleges and four zonal training centres and is also setting up an advanced learning centre. The Reserve Bank Staff College (originally known as Staff Training College), set up in Chennai in 1963, offers residential training programmes, primarily to its junior and middle-level officers as well as to officers of other central banks, in various areas. The programmes offered can be placed in four broad categories: Broad Spectrum, Functional, Information Technology and Human Resources Management.

The College of Agricultural Banking set up in Pune in 1969, focuses on training the senior and middle level officers of rural and co-operative credit sectors. In recent years, it has diversified and expanded the training coverage into areas relating to non-banking financial companies, human resource management and information technology.

Both these colleges together conduct nearly 300 training



programmes every year, imparting training to over 7,500 staff. The Reserve Bank has also set up the Centre for Advanced Financial Learning (CAFL) replacing the Bankers' Training College, Mumbai.

In addition, the Reserve Bank also has four Zonal Training Centres (ZTCs), in Chennai, Kolkata, Mumbai (Belapur) and New Delhi, primarily for training its clerical and sub-staff. However, of late, the facilities at the ZTCs are also being leveraged for training the junior officers of the Reserve Bank. Following (table 3 and 4) is the information about various training programmes and number of employees trained.

**Table 3—Training Programmes**

Training Establishment	2009-10 (July-June)		2010-11 (July-June)		2011-12 (July-June)	
	No. of Pro-grammes	No. of Participants	No. of Pro-grammes	No. of Participants	No. of Pro-grammes	No. of Participants
1	2	3	4	5	6	7
RBSC, Chennai	143	2,960	147	2,904	125	2,492*
CAB, Pune	160	4,885	162	4,951	190	5,647*
ZTCs (Class I)	47	1,066	57	1,140	116	2,098
ZTCs (Class III)	112	1,826	87	1,310	35	639
ZTCs (Class IV)	63	1,214	70	1,422	65	1,237

\* : Includes 20 concurrent auditors, 32 NABARD officers, 13 trainee IES officers and 15 foreign participants.  
@ : Includes 24 foreign participants.

Source: RBI Annual Report 2011-12

**Table 4—Number of officers trained**

Year	No. of officers trained in India (external institutions)	No. of officers trained abroad
1	2	3
2009-10	1,104	553
2010-11	1,090	578
2011-12	1,072	511

Source: RBI Annual Report 2011-12

### Academic Institutions

The Reserve Bank has also set up autonomous institutions, such as, National Institute of Bank Management (NIBM), Pune; Indira Gandhi Institute for Development Research (IGIDR), Mumbai; and the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.

National Institute of Bank Management (NIBM) was established as an autonomous apex institution with a mandate of playing a pro-active role of a 'think-tank' of the banking system. The Institute is engaged in research (policy and operations), education and training of senior bankers and development finance administrators, and consultancy to the banking and financial sectors. Publication of books and journals is also integral to its objectives.

International Monetary Fund (IMF), in collaboration with Australian Government Overseas Aid Programme (AUS-AID) and the Reserve Bank, has set-up its seventh international centre, the Joint India-IMF Training Programme (ITP) in NIBM for South Asia and Eastern Africa regions.

The Indira Gandhi Institute of Development Research (IGIDR) is an advanced research institute for carrying out research on development issues. Starting as a purely research institution, it quickly grew into a full-fledged teaching cum research organization when in 1990 it launched a Ph.D. programme in the field of development studies. The objective of the Ph.D. programme is to produce analysts with diverse disciplinary background who can address issues of economics, energy and environment policies. In 1995 an M. Phil programme was also started. The institute is fully funded by the Reserve Bank.

IDRBT was established in 1996 as an Autonomous Centre for Development and Research in Banking Technology. The research and development activities of the Institute are aimed at improving banking technology in the country. While addressing the immediate concerns of the banking sector, research at the Institute is focused towards anticipating the future needs and requirements of the sector and developing technologies to address them. The current focal areas of research in the Institute are: Financial Networks and Applications, Electronic Payments and Settlement Systems, Security Technologies for the Financial Sector, Technology Based Education, Training and Development, Financial Information Systems and Business Intelligence. The Institute is also actively involved in the development of various standards and systems for banking technology, in coordination with the Reserve Bank of India, Indian Banks' Association, Ministry of Communication and Information Technology, Government of India, and the various high-level committees constituted at the industry and national levels. The Reserve Bank has several HR systems and policies designed to enhance and harness the potential of its human capital. The Bank recently decided to undertake an HR audit in order to further improve the HR processes and evolve the HR function accordingly. This audit, while analyzing the existing HR processes, will help identify areas for further improvement. The HR audit will be employed in some critical HR areas like Performance Appraisal, Recruitment Policies and Practices, Transfers and Rotations, Promotions, Training and Development and Compensation Policy.

### Conclusion and policy implications

The major findings of the study are as under:

We have observed that RBI is equal opportunity providing institution for different categories of people including SCs, STs, ex servicemen, physically challenged etc) is getting enough representation.

An organizational climate survey conducted in January 2006 (earlier conducted in 2003, 1998, 1996) amongst the staff in Class I and Class III to gauge the impact of the policy initiatives and welfare measures undertaken by the RBI is showing more participation in the process and the results on various parameters included in study show higher satisfaction levels.

We have noted that the new appraisal system has been received favorably by the employees. It is a step forward towards a fairer and more objective system of employee appraisal.

It has been observed that at the RBI the training programmes, study leaves for skill enhancement are always encouraged.

To improve the functioning of the RBI, we propose the following measures:

To maintain a balance in Physical Quality of Working Life Index (PQWLI) with happiness in family, the RBI move for flexible working time for its officers is necessary particularly for women but not the sufficient. To make the effort sufficient we certainly need to supplement with changed mind set of mind set of manpower from top to bottom with responsible behaviour of honesty, hard work and sincerity with ethics of working life.

To set the tone, tenor and temper (3T) right in RBI, we need to develop our emotional Quotient (EQ) which is phenomenon of heart with patience, motivation and empathizing with others around us.

For enhancing returns on training investments, we need to provide level-playing field with work culture through good governance.

Data of employees should also be disbursed on the basis of gender.

Synergies from amalgamation of two departments to make new department of human resource management in 2011 are yet to be seen and should be tracked regularly and carefully.

The selection of people trained should be more transparent and rotational

It is a known reality that the global financial crisis has occurred because of greed and irresponsible behavior of some in banking sector in USA (Lehman Brothers) as observed by President Obama in his speech on Jan.20.2009. To replace irresponsible behaviour of manpower in RBI we need to ensure good governance which means SMART (Simple, Moral, Accountable, Responsive and Transparent) administration with SIMPLE attributes of human development consisting of six activities such as Spiritual quotient (SQ) development, Intuition development, Mental level development, Love yourself attitude development and Emotional quotient (EQ) development. The synergy of these six aspects is

essential requirement of the desirable human resources in corporate governance for facing the challenges caused by the so called global financial crisis.

In brief, RBI can discharge its duties successfully and efficiently depending on the expertise, experience and opinion of its staff. The recent global crisis exposed that a central bank can ill-afford to allow skill gaps in any important area falling in the domain of its core functions and responsibilities, since skill gap in it could be a potential source of vulnerability to crisis. Recognizing the significance of human resources in a skill-intensive organization, the RBI has been constantly striving to upgrade the skills and quality of its human resources.

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