CHAPTER – IV

ORGANIZATION STRUCTURE OF PUNJAB NATIONAL BANK
Meaning of organization structure:

It is group of people working together to attain the designed objectives. Peoples in an organization do not start working together automatically unless they are provided with some mechanism of co-ordination and control. One of the mechanism is the organization structure. It reveals who has authority over whom in the organization. It provides invisible framework to integrate all the people working together towards a common goal. Organization structure is essential for exercising leadership. Organization structure provides an indispensable sort of coordination in an organization. Peter Drucker suggests that the three ways to and the organizational structure are:

- Activity analysis – what activities are to be performed?
- Decision analysis – what types of decisions are required?
- Relation analysis – what type of relationship required at various levels?

An organization structure serves various functions of the business. It is designed to serve specific motives. There should also be efforts to match organization structure with changing needs. A good structure not only facilitates communication but also brings efficiency in different segments.
Optimum use of resources and job satisfaction are basic motive of organization structure.

4.2 Management Level in PNB:

The term ‘level’ involves persons arranged in series. Thus, levels of management suggest the arranged managerial position in an organization. In Punjab National Bank there are Four management levels or grades except Board of Directors. Directors are nominees of Government, RBI, Shareholders and workers or employees. Four management levels or grades are constituted from seven scales of managers. Scales of managers and their name in hierarchy of management is given below:

<table>
<thead>
<tr>
<th>Scales</th>
<th>Name in Hierarchy of Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale-I</td>
<td>Officer or Deputy manager</td>
</tr>
<tr>
<td>Scale-II</td>
<td>Manager or Branch manager</td>
</tr>
<tr>
<td>Scale-III</td>
<td>Senior Manager or Branch Manager</td>
</tr>
<tr>
<td>Scale-IV</td>
<td>Chief Manager or Regional Manager or Branch Manager</td>
</tr>
<tr>
<td>Scale-V</td>
<td>Assistant General Manager or Branch Manager</td>
</tr>
<tr>
<td>Scale-VI</td>
<td>Deputy General Manager or Zonal Manager</td>
</tr>
<tr>
<td>Scale-VII</td>
<td>General Manager or Zonal Manager</td>
</tr>
</tbody>
</table>
### 4.2.1 Organizational Control Centres:

#### Table - 4.2

<table>
<thead>
<tr>
<th>Grades / Centres</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T.E.G.</strong></td>
<td>Top Executive Grades (Chairman and Board of Directors, Scale – VII &amp; Scale-VI Managers)</td>
</tr>
<tr>
<td><strong>S.M.G.</strong></td>
<td>Senior Management Grade (Scale - V &amp; IV Managers)</td>
</tr>
<tr>
<td><strong>M.M.G.</strong></td>
<td>Middle Management Grade (Scale-III &amp; II Managers)</td>
</tr>
<tr>
<td><strong>J.M.G.</strong></td>
<td>Junior Management Grade (Scale-I Managers)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate goal and strategic control</td>
</tr>
<tr>
<td>Management control</td>
</tr>
<tr>
<td>Operational control</td>
</tr>
<tr>
<td>Supervisory function or control</td>
</tr>
</tbody>
</table>

#### A. Top Executive Grade:--

This is the policy-working group responsible for the overall direction and success of all banking activities. The principal responsibility is to establish operating policies and guide the organization’s interactions with its environment.

#### B. Senior Management Grade:--

Managers are also classified as Zonal Managers, Chief Managers and Senior Regional Managers. They are usually made responsible for only one organizational activity or area. Such as, credit, deposit, finance and zonal office on the basis of area. They manage an independent operating division. He (She) is
responsible for all activities of that unit – its credit, deposit, marketing, finance etc.

C. Middle Management Grade:—

Middle managers not only direct the activities of other managers but also those of operating employees. Their major responsibility is to direct the activities that will implement the broad operating policies of the organization. They have a high degree of responsibility for the individual initiative and judgment, acting under policies and directives of top management.

D. Junior Management Grade:—

It consists of officers of Deputy managers. They are responsible for the work of others. They supervise and control operating employees not managers. They are directly responsible to the middle management grade for final execution of policies by rank and file employees, and for attainment or objectives in assigned organizational units through practices and procedures approved and issued by Top or Middle management.

4.3 Organization Structure of PNB:

The organization structure of Punjab National Bank has its Head Office at the apex, controlling zonal offices, which in turn control Regional Offices, looking after domestic network of
branches. The foreign offices are directly controlled and supervised by the Head office of the bank. The Banks domestic operations are grouped into the different customers groups representing market segments to achieve a focused business thrust as the branch levels. Performance budgeting and review systems were introduced in the bank to provide for both resource and output budgets to determined as a result of a dialogue at different levels in the organizational on an annual basis. While the branches are organized in a market segment basis, the zonal offices and regional offices are structured on a market segment as well as functional basis and integration between functions is achieved through review meetings and structured forms like District Coordinator Offices. The banks international operations are organized along functional lines viz. credit, general banking and personal services.

Punjab National Bank has roped in services of International Consultant Boston Consultancy Group (USA) for management consultancy services and organizational restructuring. Boston Consultancy Group (BCG) has been provided with special cell at PNB's Head Office. It keeps on study the organizational structure of Bank. It provides its recommendation off and on to the executives of the bank. Punjab National Bank top
executives body accepts the recommendation of BCG on considering its merits.

Table -

**Organization Structure of PNB**

The Bank has four tier structure comprises of Head Office, Zonal offices, Regional offices and Branch offices. The delegation of powers is decentralized up to the branch level to facilitate quick decision-making.

4.4 **Head Office:-**

PNB's Head Office is located at 7, Bhikhaiji Cama Place, New Delhi – 110 066. Its e-mail address is **www.pnbindia.com**. Main functions at Head Office level are:-
- Business development
- Product and Service development
- Fixing targets for Zonal offices
- Planning for Information Technology
- Administration
- Profit planning
- Human Resource Development and Planning
ORGANIZATION STRUCTURE OF CORPORATE OFFICE

Table – 4.3

Chairman & Managing Director

Executive Director

Board of Directors

D I V I S I O N S

GM balance sheet and Special Asset

GM Treasury and International Banking

GM Organization Study decision

G.M. HRD

GM Priority Sector and Lead Bank

GM Vigilance decision

GM Retail Lending

GM Govt. Business

GM General Services and Admin. Services

GM Credit and Risk Management

GM Inspection and Auditing

GM Information Technology
JOB DIVISIONS AT HEAD OFFICE LEVEL

1. Board and secretariat Department
2. Co-ordination division
3. Information technology division
4. Credit policy and risk management division
5. Finance division
6. Head office Accounts and Taxation department
7. General services Administration division
8. Government business division
9. Inspection and Control division
10. International Banking division
11. Inter-office accounts departments
12. Treasury division
13. Law Division
14. Management Advisory services division
15. Retail Banking division
16. Merchant Banking division
17. Official language department
18. Organization study cell
19. Pension Fund department
20. Human Resource development division
21. Printing and Stationery department
22. Priority sector and lead bank division
23. Special asset management division
24. Provident Fund department
25. Public relation and Publicity division
26. Revenue audit cell
27. Security department
28. Share department
29. Vigilance cell
30. Credit card division

The above-cited jobs are grouped in various divisions at Head Office. Each division is headed by General Manager. He is the overall in charge of an independent operating department. Sometime, Assistant General Manager is also made head of a particular department or division taking into consideration the importance of jobs or activities being undertaken by that department. Every department is provided with functional managers, deputy managers and officers to execute the policies of top management grade. At present there are 18 departments executing the above cited 30 jobs.

BOARD OF DIRECTORS:

Corporate excellence inmates from good corporate Governance exercised by adopting high standard of transparency, accountability, professionalism, social responsiveness and ethical
business practices. With this in view, the bank has been making efforts for adopting the best practices. The bank's commitment towards corporate governance is to bestow greater transparency and openness in the management, and to ensure best performance by staff at all levels to maximize the operational efficiency. Adopting corporate governance as a work ethos, the bank is committed to enhancing the share holders values.

The Board of Directors is constituted in accordance with the provisions of banking companies (Acquisition and Transfer Undertaking) Act, 1974 and the listing agreement with the stock exchanges. More important decision have been taken in committees of Boards and number of committees have been constituted at Head Office for different purposes comprises Directors. Some of the more important committees are :-

a) **Audit committee of the Boards (ACB)**:-

Pursuant of the directions of Reserve Bank of India, the audit committee of the Board stands constituted by the bank functions:-

1. Providing directions over seeing the total audit function of the bank and follow upon the statutory / external audit of the bank and inspections of the RBI.
2. Obtaining and reviewing half yearly report from the compliance cell.

3. To interact statutorily auditors before finalization of annual / semi-annual / quarterly financial accounts and reports and also follow-up, on all the issues raised in the long form audit report.

4. To review the internal inspections / audit functions of the bank – systems, its quality and effectiveness in terms of follow up.

5. Review of inspections reports of specialized and extra large branches and all the branches with unsatisfactory rating.

6. To act as per the provision of the listing agreement and in line with the RBI guidelines.

b) **Management Committee**: -

Management committee has been constituted in terms of guidelines of Ministry of Finance, Government of India to exercise powers of sanctioning of credit proposal, loan compromise, write-off proposals, proposal for approval of Capital and Revenue expenditure, proposal relating to acquisition and hiring of premises, filing of suits, appeals defending them. Investments in Government and other approved securities, share and adventures of companies including under writing, donations
and any other matters referred by the board.

c) **Committee of Directors to review disciplinary action cases**: The committee reviews disposal of vigilance and non-vigilance disciplinary action cases on quarterly basis. This committee is headed by Chairman and Managing Director of the Bank, one executive director and two non-executive director are members of the committee.

d) **Information Technology Committee**: The committee was constituted by the Board to study various aspects of information, security and information technology, Initiatives and suggests appropriate measures to strengthen the same. Executive director is the Chairman of the committee and other five non-executive directors are members of the committee.

e) **Risk Management Committee**: This committee was constituted in the year 2003-04 first time. It is headed by Chairman & Managing Director of the Bank. Its major functions are – framing policies and guidelines for risk management, management and reporting in all the areas of the risk. It supervises banks risk management committees. Ensuring that risk management process (including peoples, system, operations, limits and controls) satisfy banks policy. Reviewing and approving risk limits also forms the function of this committee.
Ensuring the robustness of financial models and the effectiveness of all systems used to calculate risk.

f) **Special Committee of Boards**:-

For monitoring fraud cases, the special committee was constituted during the year 2003-04 for monitoring and follow up of fraud cases involving amount of Rs. One Crore.

g) **Power of Attorney Committee**:-

The committee was constituted to sanction / grant, Power of Attorney to officers / employees working in different offices of bank. It is headed by executive directors of bank and two non-executive directors are members of committee.

h) **Committee of Board (Appellate authority / Reviewing authority)**:-

This committee is constituted to act as appellate / reviewing authority in terms of PNB officers and employees (D&A) regulations, 1977. It is headed by Chairman and Managing Director of the Bank. One Executive Director and two non-executive directors are members of the committee.

i) **Share Transfer committee**:-

In accordance of the provision of Punjab National Bank (Share and Meetings) regulation 2000 amended by Punjab
National Bank General (Amendment) Regulation 2003 and published in Part-III, Section-IV of the Gazette of India dated 22/28 November, 2003, the share transfer committee hitherto consisting of executives of the bank was re-constituted as a Sub-Committee of the Board on 27.2.2004. The committee approves and monitor share transfers, issues of duplicate share certificate and matter relating thereto. It is headed by Executive Director of the Bank and two Non-Executive Directors are members of the committee.

j) **Share Holders / Investors Grievances committee**:-

The committee looks into the redressal of the share holders grievances. Non-executive directors is the Chairman of the committee. The company secretary is the nominated as the compliance officer in terms of clause 47 of the listing agreement. Bank received 3,349 complaints from the share holders during the year, all of these have been redressed by 31.3.2004. No share transfer requests received up to 31.3.2004 is pending.

k) **Other Committee**:-

During the year 2003-04 two committees of Directors viz. SSI Committee and NPA Committee formed for specific purpose ceased to exist on completion of the specific assignment. These committees are specific to purpose. Such types of
committees are constituted only when specific objective is to be achieved or strategic policies are to be executed.

4.5 **Zonal office:**

PNB has 18 zonal offices to control and supervise the 56 regional offices located at various parts of the country. The major function performed at zonal offices are:

- Business development
- Marketing of product and services
- Distribution of targets to regional offices
- Execution of Information Technology policy and planning
- Administration over Regional offices and exceptionally large branches, very large branches.
- Human resources planning and placement
- Profit planning

At the zonal office level, the offices headed by General Manager (GM) or Deputy General Manager (DGM) and a team of Assistant General Manager (AGM), Chief Managers (CM). All are responsible for operational control over Regional offices in their Zone. It fixes the targets to be achieved by the Regional offices. Zonal office is responsible for execution of Information Technology
Policy and Planning. Business development possibilities are studied and forwarded to the Head office for adoption. New products launched by the bank are dispatched to Regional offices for marketing and advisory campaign for the same is undertaken by zonal office. The organization structure Table No.4.4 shows the zonal office structure.
ORGANIZATION STRUCTURE
OF ZONAL OFFICE LEVEL

Table - 4.4

ZM
General Manager

DGM Credit and Risk Management

AGM HRD

Chief Manager Special Asset Management

Functional Managers MMG3

Private Secretary Senior Manager

Chief Manager Vigilance

Retail Landing
Mktg.
Law
HRD
Dev & Planning
Gen Admin.
Insp. & Admin.
4.6 **Regional Offices**:-

56 Regional offices are located at various parts of India. The main functions of the Regional offices are given below:-

- Business development
- Marketing of products and services
- Distribution of targets to branches (small, medium and large)
- Administration over branches (small, medium and large)
- Execution of IT Planning
- Profit planning
- Placement and training of personnel.
Organization Structure of Regional Office Level

Table – 4.5

Sr. Regional Manager (AGM)
Regional Manager (CCM)

Chief Manager/ Sr. Manager

Functional Manager, MMG-II

Dev. and Planning
Credit & Special Assess manager
HRD
General Admin. & IT
Inspection & Audit
Regional office is headed by Assistant General Manager (AGM) or Chief Manager (CM). A team of managers (MMG –III & II) is responsible to assist in operational control over the branches in their Region. They provide necessary support to the branches by prompt attendance to the financial needs of customers, which falls outside the purview of Branch Managers. Management of NPA has received focused attention by creation of position of a functional manager for specific asset management at Regional office. The organization structure Table 4.5 shows the Regional office organization structure.

4.7 **Branch Offices**

At the end of March 2004, the total number of branches of the Bank stood at 4,022 and 452 extension counters. The bank has 57 specialized branches, out of which 28 branches for small scale industries, 11 international banking branches, 2 large corporate offices, 7 mid corporate offices, 4 trade finance branches, 1 personal banking branch, 1 industrial finance branch, 1 Hi-tech agriculture finance branch, 1 Off-shore banking unit and 1
branch exclusively for non-resident Indian business. The objectives functions of branches are –

- Execution of policies and planning of Head offices, which have been directed through Zonal offices and Regional offices.
- Achievement of targets
- Customers satisfaction and counseling of customers
- Communication of customers’ needs and marketing opportunities to the superiors
- Maintenance of customer accounts.

Organization Structure Table 4.6 shows the Branch Office Structure.

**Organization Structure at Branch Office Level**

*Table – 4.6*

```
Branch Manager

Manager

DM Deposit  DM Govt. Business  DM Bills  DM Loan  DM Cash  DM IT

CLERKS AND STAFF
```
Now days, major focus at branch level is credit creation. The process of credit creation particular of medium and large proposals had developed in credit delivery systems. The new credit process for commercial advances involves three stages in each Part-A & B, with clear description of each stage and the associate responsibilities as follows:-

<table>
<thead>
<tr>
<th>Part – A</th>
<th>Part-B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre sanction process</td>
<td>Post sanction process</td>
</tr>
<tr>
<td>Stage-I: Appraisal and recommendation</td>
<td>I) Follow up</td>
</tr>
<tr>
<td>Stage-II: Assessment</td>
<td>II) Supervision</td>
</tr>
<tr>
<td>Stage-III: Sanction</td>
<td>III) Monitoring and Control.</td>
</tr>
</tbody>
</table>

**Part- A - Stage-I: Appraisal and Recommendation**

- A data collection and evaluation
- Doing comprehensive financial and industry analysis
- Preparing the proposal, analyzing the risks and making a recommendation

**Stage-II: Assessment**

- Reviewing the proposal
- Ensuring its applicability and future
- Comprehensive study of risks factors
- Assessing the securities
• Solving any query across the table with the client.
• Recommendation of proposal for final sanction

Stage-III: Sanction

• Reviewing critical risk factors and prices
• Exercising the credit judgment as to the accountability of the recommended proposal

Part-B (Stage-I): Follow-up

• Ensuring compliance with terms and conditions of sanctions on an on-going basis.
• Ensuring performance, safety and recoverability of assets.

Stage-II: Supervision

• Ensuring effective follow up to maintain asset quality.
• Looking out of early warning signals.

Stage-III: Monitoring & Control

• Ensuring effective supervision.
• Monitoring customer satisfaction.
• Ensuring quick response to early warning signals.

Branch Classification as adopted by PNB.

It is classified on the basis of business turnover.
<table>
<thead>
<tr>
<th>Branch Classification</th>
<th>Business turn over in Crores of Rupees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB</td>
<td>Small Branches</td>
</tr>
<tr>
<td>MB</td>
<td>Medium Branches</td>
</tr>
<tr>
<td>LB</td>
<td>Large Branches</td>
</tr>
<tr>
<td>VLB</td>
<td>Very Large Branches</td>
</tr>
<tr>
<td>ELB</td>
<td>Exceptionally Large Branches</td>
</tr>
</tbody>
</table>

4.8 **Customer Segmentation as adopted by PNB:**

Customers differ in many ways in their needs, resources, location, buying attitudes and buying practices. Because of these differences of the customers, different marketing strategies are required for different customers. Boston Consultancy Group (BCG) recommended the bank to adopt segmentation as given in Table No. 4.8 and adopt suitable structure and marketing strategies segment wise.
Customer Segments
Table No.4.8

Corporate
  - Large Corporate
  - Mid Corporate

Retail
  - Small Business
  - Others
    - Youth age (0-2 Years)
    - Regular age (25-60 Years)
    - Senior Citizens (Age More than 60 years)
      - Premium
      - Ordinary
Large Corporate: Those clients to whom fund based and non fund based facilities sanctioned by bank are over Rs.12 Crore or whose annual turn over is over Rs.100 Crore.

Mid Corporate: Those clients to whom banks credit exposure is between Rs.3.5 Crore and Rs.12 Crore.

Regular Premium: Average saving balance of more than Rs.10,000/- or average current account balance of more than Rs.50,000/-.  

Regular ordinary: Average saving balance of less than Rs.10,000/- or average current account balance of less than Rs.50,000/-.

4.9 PNB Profile in H.P.:  
As a part of organizational restructuring, a new Zone was created at Himachal Pradesh with zonal Head Quarter at Shimla., on 13th April, 2002. As on last day of March, 2004, it was comprised of total 214 branches and 23 extension centres. Out of which, 194 are rural branches and 21 semi-urban branches. There is Nil urban branches in the zone. PNB has lead districts out of 12 districts of HP zone. There are 6 lead district managers offices and
5 district co-ordinator offices in HP zone. Total numbers of employees working in the HP zone are 1877 as on March, 2004.
Spatial Organizational Structure of Zonal Office HP Zone, Shimla.

Table – 4.9

Zonal Office Shimla

Regional office at Shimla

Branch Offices

Shimla Distt.- 25
Solan Distt.- 6
Kinnaur Distt.- 4
Sirmour Distt. -5

Regional office at Mandi

Branch Offices

Mandi Distt.- 31
Bilaspur Distt.- 12
Kullu Distt.- 13

Regional office at Dharamshalla

Branch Offices

Kangra Distt.- 49
Chamba Distt.- 7

Regional office at Hamirour

Branch Offices

Hamipur Distt.- 30
Una Distt.- 23

Total: 50 56 56 53

214 Branch Offices
Deputy General Manager is the Head of Zonal Office, Shimla. The entire operational area of Zonal office Shimla is divided into 4 Administration Regions. Each under 1 Chief Manager (CM) known as Regional Manager. The Deputy General Manager is the Executive Head of all the 4 Regions and Shimla Mall branch. The DGM is assisted by the 2 Chief Managers for exercising control over the branches. Besides this, Mall Branch Shimla is under direct control of Chief Manager. The spatial organizational structure and line and staff organizational structure of zonal office, Shimla are given in the Table No.4.9 and 4.10.
Line & Staff Organization Structure of PNB, Zonal Office, Shimla

Table – 4.10

Zonal Manager (DGM)

Chief Manager (NPA, PA, Advances, Audit, Inspection, Accounts, Development etc.)

Chief Manager (HRD, Credit, IT, General Administration etc.)

Functional Managers (Head of Deptts.) (MMG-III & II)

- Financial
- HRD
- Inspection & Security
- Gen. Admin.
- IT
- Credit
- NPA
- Balance Sheet

Junior Managers

- - 124 -
HP Zone Progress at a Glance

Table 4.11

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 2002</th>
<th>March 2003</th>
<th>% increase or decrease</th>
<th>March 2004</th>
<th>% Increase or decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Branches</td>
<td>214</td>
<td>214</td>
<td>--</td>
<td>214</td>
<td>--</td>
</tr>
<tr>
<td>Rural</td>
<td>194</td>
<td>194</td>
<td>--</td>
<td>194</td>
<td>--</td>
</tr>
<tr>
<td>Semi-urban</td>
<td>20</td>
<td>20</td>
<td>--</td>
<td>20</td>
<td>--</td>
</tr>
<tr>
<td>Urban</td>
<td>0</td>
<td>0</td>
<td>--</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>No. of extension counters</td>
<td>19</td>
<td>19</td>
<td>--</td>
<td>23</td>
<td>21.05</td>
</tr>
<tr>
<td>No. of lead districts</td>
<td>6</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>--</td>
</tr>
<tr>
<td>No. of employees</td>
<td>1858</td>
<td>1857</td>
<td>(-) 0.05</td>
<td>1877</td>
<td>1.07</td>
</tr>
<tr>
<td>Aggregate deposits</td>
<td>2526.35</td>
<td>3002.37</td>
<td>18.85</td>
<td>3312.07</td>
<td>10.32</td>
</tr>
<tr>
<td>Gross credit</td>
<td>579.03</td>
<td>723.80</td>
<td>25.00</td>
<td>918.02</td>
<td>26.83</td>
</tr>
<tr>
<td>Credit-deposit ratio</td>
<td>22.92</td>
<td>24.11</td>
<td>15.19</td>
<td>27.72</td>
<td>14.97</td>
</tr>
</tbody>
</table>

Source: PNB Zonal office Shimla

HP Zone came into existence in the year 2002. Table No.4.11 shows the progress made by the Zonal office, Shimla in recent years. Total number of branches in HP Zone is 214.
comprising 194 rural, 20 semi-urban branches. Total numbers of extension counters are 23; while 4 extension counters came into existence during financial year 2003-04. Total number of employees in the zone are 1877 as on March, 2004, which is 1.07% higher than the March, 2003. In aggregate deposits, highest progress made during the year 2002-03, which is 18.85% over the last year. Highest progress in gross credit was performed in the year 2002-04, which is 26.83% higher than year 2002-03. Credit deposit ration of the zone is also satisfactory and in increasing trend still zone needs new opportunities to be harnessed.

**Computerization in HP Zone:** Computerization in HP zone and its growth is shown in the following table 4.12:-
## Computerization of Branches in HP Zone

### Table No.4.12

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 2002</th>
<th>March 2003</th>
<th>% increase or decrease</th>
<th>March 2004</th>
<th>% increase or decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of computerized branches</td>
<td>95</td>
<td>209</td>
<td>120</td>
<td>214</td>
<td>2.39</td>
</tr>
<tr>
<td>Number of ATMs</td>
<td>1</td>
<td>1</td>
<td>--</td>
<td>10</td>
<td>900</td>
</tr>
<tr>
<td>Tele-banking</td>
<td>1</td>
<td>1</td>
<td>--</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>Banc Mate branches</td>
<td>Nil</td>
<td>22</td>
<td>--</td>
<td>51</td>
<td>131.82</td>
</tr>
<tr>
<td>Core banking system (CBS) branches</td>
<td>Nil</td>
<td>1</td>
<td>--</td>
<td>6</td>
<td>500</td>
</tr>
</tbody>
</table>

**Total Branches : 214**

*Source: PNB zonal office Shimla*
Use of Information Technology in the bank is directed towards improving customers services, reducing transaction costs, proper utilization of man power, improved back office function and Management Information System (MIS) for effective decision making. Punjab National Bank in HP zone is step head in the field of employment information technology for up-gradation of customer services. Table No.4.12 shows that as on 31.3.2004, HP zone has installed 10 ATMs in various cities of HP. Bank mate branches have been increased in the zone to 51 in year 2003-04 from 22 in the year 2002-03, which is 131.82% increase. Core banking system (CBS) has been installed in 6 branches up to March 2004.

Region wise Performance in Deposits of PNB in H.P.
Table - 4.13

<table>
<thead>
<tr>
<th>Region</th>
<th>Deposits (Amounts in crores)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 03</td>
<td>% share</td>
<td>March 2004</td>
<td>% share</td>
</tr>
<tr>
<td>Shimla</td>
<td>798.37</td>
<td>26.59</td>
<td>935.48</td>
<td>28.24</td>
</tr>
<tr>
<td>Mandi</td>
<td>651.24</td>
<td>21.69</td>
<td>698.95</td>
<td>21.10</td>
</tr>
<tr>
<td>Hamirpur</td>
<td>687.31</td>
<td>22.89</td>
<td>755.10</td>
<td>22.80</td>
</tr>
<tr>
<td>Dharamshalla</td>
<td>865.45</td>
<td>28.83</td>
<td>922.54</td>
<td>27.86</td>
</tr>
<tr>
<td>Zone Total</td>
<td>3002.37</td>
<td>100.00</td>
<td>3312.07</td>
<td>100.00</td>
</tr>
</tbody>
</table>

| Annual Growth (%) |   |   |
|                  | 18.84 | 10.32 |

Source : PNB zonal office Shimla

Table No.4.13 shows the region wise performance data in respect of deposits for the year ending 2003 and 2004.
Data shows increasing trends in deposits, maximum share in deposits being of region, out of all 4 regions, region Shimla, which includes Solan, Sirmour, Kinnaure and Shimla District in the year 2003-04. Whereas in the year 2002-03, Dharmashalla region, which includes Kangra and Chamba district was leading in deposits. The share of Shimla region in deposits is 28.24% to total deposits as on 31.3.2004 and Dharmshalla region has 28.83% share to total deposits during the year 2002-03 and 27.86% during the year 2003-04. Overall deposits has been increased from 3002.37 crore to 3312.07 crore, which is significant.

**Region wise Performance in Advances of PNB in H.P.**

<table>
<thead>
<tr>
<th>Region</th>
<th>March 03</th>
<th>% share</th>
<th>March 2004</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shimla</td>
<td>316.19</td>
<td>43.68</td>
<td>389.91</td>
<td>42.48</td>
</tr>
<tr>
<td>Mandi</td>
<td>145.67</td>
<td>20.13</td>
<td>188.00</td>
<td>20.48</td>
</tr>
<tr>
<td>Hamirpur</td>
<td>93.96</td>
<td>12.98</td>
<td>124.10</td>
<td>13.52</td>
</tr>
<tr>
<td>Dharamshalla</td>
<td>167.98</td>
<td>23.21</td>
<td>216.01</td>
<td>23.52</td>
</tr>
<tr>
<td>Zone Total</td>
<td>723.80</td>
<td>100.00</td>
<td>918.02</td>
<td>100.00</td>
</tr>
<tr>
<td>Annual Growth</td>
<td>25.00</td>
<td>26.83</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PNB zonal office Shimla

In the Table 4.14 shows region wise performance of advances of PNB in Himachal Pradesh. The data indicate increasing trend in advances also maximum share being of region,
Shimla to the tune of 43.68% in the year 2002-03 of the total advances and it is 42.48% in the year of 2003-04. Total advances has increased from Rs.723.80 crore to Rs.918.02 crore. Increase in advances is satisfactory, which is 26.83% over the previous year. Increase in advances is mainly due to reduction in lending rates by the banks.

4.9.1 Human Resources in H.P. Zone

Man is the center of all resources. It is the men, especially in the managerial cadre, who convert the other factor of the production into productive resources. Without ‘men’ machines and materials give nothing and money does not have any meaning. To quote P.F. Drucker, “Prosperity is not the survival of any business depends on the performance of its managers of tomorrow”. The human force engaged in the service of H.P. zone as on March, 2004 is shown in the following table 4.15.
**Table 4.15**

<table>
<thead>
<tr>
<th>Region</th>
<th>Officers</th>
<th>Clerks</th>
<th>Sub staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shimla</td>
<td>200</td>
<td>220</td>
<td>92</td>
<td>512</td>
</tr>
<tr>
<td>Mandi</td>
<td>154</td>
<td>187</td>
<td>82</td>
<td>423</td>
</tr>
<tr>
<td>Dharamshalla</td>
<td>180</td>
<td>244</td>
<td>123</td>
<td>547</td>
</tr>
<tr>
<td>Hamirpur</td>
<td>134</td>
<td>170</td>
<td>91</td>
<td>395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>668</strong></td>
<td><strong>821</strong></td>
<td><strong>388</strong></td>
<td><strong>1877</strong></td>
</tr>
</tbody>
</table>

Source: PNB zona office Shimla

4.9.2 **Human Resource Productivity of HP Zone**:

Whereas the machines depreciate, howsoever well they may be maintained, when human force appreciate as time elapses. It is the human resource, which has to harness all other resources effectively. Greater the sophistication of technology, methods and business, greater is the availability is required of the human resource to ensure the productive utilization of all other resources. Productivity is normally measured by output / input ratio. Productivity of HP zone is illustrated in the Table No.4.16.
Table 4.16 shows the data in respect of human resource productivity of H.P. zone. Deposit per employee is high whereas advance per employee is low. But advances per employee is increasing rapidly as there is 25.8% and 25.64% hike over the
previous year 2001-02 and 2002-03 respectively in comparison to hike in deposits, which is 19.12% and 8.64% in the previous year 2001-02 and 2002-03 respectively. Business per employee is 1.76 crore, 2.01 crore and 2.25 crore in the year 2001-02, 2002-03 and 2003-04 respectively, which is satisfactory and increasing every year significantly. Advances per branch as increased in the year 2003-04 very significantly, which is 26.92% over the previous year 2002-03, whereas deposits per branch has also increased but bot with the same pace. It is 10.33% increase in deposit per branch in the year 2003-04. Business per branch is 14.51 crore, 17.41 crore and 19.77 crore in the year 2001-02, 2002-03 and 2003-04 and highest increase percentage wise is in the year 2002-03 which is 19.99%. Profit per employee is in increasing trend, which shows the increasing prosperity of HP zone. Overall performance of human force engaged in HP zone is satisfactory. Productivity per employee can be increased by exploiting new opportunities and techniques of profit making.

4.10 **Conclusion:-**

An ideal organization supposed to be a place where highly motivated people can work together to achieve both their individual goals as also the goals of the organization. It is well known fact that optimum results can not be achieved unless the
organization structure is consistent with the objectives. A good organization structure also facilitates the progress of decision making. From the above discussion, it is very clear the organization structure, which has been shown in different tables has adopted from the recommendations of Boston Consultancy Group (USA).

Highest body in the Zone is General Manager and under his there is a long layers of officers, those who are responsible for their decisions and facts directly to General Manager. So, it is not possible for the officer to handle this type of big organization. Although, proper delegation of powers and authority has been implemented in the bank, but it is suggested that more powers should be given to different level officers, more over they should be held responsible for their authority. Further any decision taken by the Government has to effect the functioning of banking industries. It is suggested that any decision taken by the Govt. related to the bank should be adopted after consulting the banking experts. Although highly competitive have been appointed as managers in the PNB but it could be better some consultancy services may be taken at different levels.

Zonal office of Punjab National Bank in HP has with its routes of excellence in human resources, values and tradition, excelled and realized a laudable performance of business and has
subsequently contributed to the realization of corporate and national goals during the past years. It has improved its deposits, advances and profits substantially.

Customers' satisfaction has always remained in H.P. zone offices primary concern. Customer meetings regularly at identified branches to suggest improvement in ways and means of customers services are conducted. While suggestions and complaints boxes are available at all the branches and offices. A special cell is working at zonal offices to attend immediately to the complaints lodged by the customers.