CHAPTER V

ORGANISATION DEVELOPMENT AND ORGANISATION STRUCTURE OF STATE BANK OF INDIA
Increasing indiscipline and apathy towards work, outdated systems and procedures, ineffectiveness and growing helplessness among managers, liberalisation and globalisation of India economy calls for a change in the organisational environment. People's problems have to solved by people through participation, team building and conflict management. Problems in the organisations have to be identified and diagnosed before any change in the organisation is through and implemented. Long term planning in terms of changes in the culture, technology and management of the total organisation is needed. One such approach to manage organisational change in a planned manner by taking a total view of the organisation is organisation Development.

5.1 ORGANISATION DEVELOPMENT (OD)

Organisation Development (OD) is 'planned change' of the organisation's culture in terms of continually examining the norms which regulate the behaviour and performance of its members and planning and executing interventions to bring about necessary improvements. Here organisation has not only to provide opportunities to its people to update their job-knowledge but also to revise their perceptions so as to put their attitudes in a broader and correct perspective of the organisational needs and objectives; and change their behaviour in keeping with
their revised perceptions individually as well as in groups. While doing the above, the motivational needs of the employees should also be assessed and taken care of. It is in this context that organisation Development took shape and assumed importance in modern management.

5.1.1 Features of Organisation Development

OD aims at the development of human resources leading to improved performance. The main features of OD are:

(a) A planned change with a clear vision of future for which the changes are desired.
(b) A comprehensive change involving the total organisation or an identifiable unit within it.
(c) Long term changes on a continuous basis.
(d) Involve 'Work Groups' who identify and solve work related problems.
(e) Role of 'Change Agent' in initiating and conduct of change process.

The ultimate objective of OD activities is to usher in an era of healthy work culture on the basis of OCTAPAC culture. The term OCTAPAC stands for [1]:

Openness: It is essential for free flow of feelings and emotions. It avoids stifling and bottling up of emotions which may get expressed in aberrated or unhealthy exercise.

Confrontation: It is to be viewed as a healthy exercise for removing barriers to communication which in turn
prevents and resolves conflicts arising out of misunderstanding. It also helps in understanding realities and to grapple with it. It could also help in learning to live with problems as a part of life.

Trust: It is the basis for all meaningful and healthy interpersonal communication. Openness and confrontation happen to be tools for establishing trust and mutuality in relationships.

Authenticity: It represents genuineness which provides credibility to all efforts and activities.

Proaction: It is an ability to draw right inferences and start working for the desired future.

Autonomy: It is the ultimate form of faith in individual. The basis component of any living organisation, however big, is 'individual' who can neither be ignored nor be permitted to ignore himself. It is ignoring oneself that leads to apathy.

Collaboration: It means the best from each for the good of all. It does not stand in conflict with competition which could be essential for getting the best from each. Competition and collaboration happen to be complementary to each other, and not contrary.

Here it would be essential to mention that since O.D. aims at evolution of a healthy work culture, faith in O.D. activities among the people at the senior levels of management could not only be helpful but essential too.
5.1.2 Process of Organisation Development

The process of OD involved three basic steps viz. Diagnosis of problem, Design of Intervention and Evaluation. The members of the organisation for whom change is planned themselves participate in the OD process cutting across the barriers of hierarchy. Problems can be diagnosed by observations and interviews through analysis of the strengths and weaknesses of the organisation. The OD intervention is specifically designed to achieve the intended results through planned change. The choice of intervention (structured or unstructured) depends on the kind of problems diagnosed. Structured interventions calls for Recognition and includes Role efficacy (Pareek), Role analysis (Dayal), MBO (Maheshwari) etc. The focus on role based interventions are to analyse the roles and to make them effective while focus of MBO is on introduction of changes by working on various goals at various levels. The unstructured interventions considers human behaviour. Such interventions includes team building, Intergroup development, Conflict management etc. Evaluation of the process calls for feedback and review of performance, improvements and behaviour of members. As OD is an ongoing process which requires on line control, so, any intervention made to improve the human process or enhance utilisation of human potential must be reviewed from time to time.
5.2 ORGANISATION DEVELOPMENT IN SBI

Banks have made a phenomenal progress in terms of geographical spread over and coverage of population. The growth of the banking industry has not been without problems in the areas of organisation and management. On the basis of various studies, there are certain problems which are common to the banking industry as a whole. These includes a general sense of alienation amongst bank employees, lack of team spirit and collaboration at all levels of management, growing feeling amongst officers that over the years their authority has gradually been eroded, under-utilisation of manpower, deterioration in the quality of customer service, unsuccessful schemes of worker participation in management and union management relations marked by mistrust and misunderstanding. On the analysis of the problems, it is observed that increase in size of the organisation has created complexity, confusion and the loss of significance of the human element. This has created a climate which is ridden with problems relating to people.

The need to change and reorganise the set up was felt by SBI in the beginning of 1970. A team from IIM, Ahmedabad was asked to study and recommend changes in organisation and management of its affairs. The need for such reorganisation was felt because of following reasons.

(a) Administration became unwieldy and control of offices became difficult and ineffective mainly due to rapid expansion.
(b) Administration could not code with the needs of vastly expanded and developed activities.

(c) Problems posed by the keen competition faced from other commercial banks particularly from nationalised banks.

(d) Problems of growth were solved on ad-hoc basis and there was no system to solve problems permanently.

(e) The operating staff were functioning under multiple command with a result that progress was tardy and in some cases nothing moved at all.

(f) No staff involvement and no job satisfaction.

The consultants from IIM, Ahmedabad suggested changes in the structure of SBI. The aim of the consultants was to design an organisational character of branches, local head offices and Central Office to achieve sustained profits, deeper coverage of its markets, better control system for performance and coordination, better deligation of work, clear perspective of objectives, adequate flexibility of the organisation to accommodate growth and to develop the managers through administrative practices to cope with the plans of rapid growth.

The type of organisational set up recommended was oriented towards the type of customer served. The main advantages of the new set up which accrued to the Bank were:
(a) There has been greater thrust in business and penetration in the various market segments by virtue of the close knowledge and specialisation in the servicing of the particular customer needs.

(b) Planned business development by relating it to the growth in the economic activity in the respective market segment and assistance in the formulation of aggressive marketing strategies.

(c) Closer links with the customer for greater customer satisfaction.

(d) Development of management ability at levels below the Bank Manager.

State Bank of India which is biggest and largest bank in the world in terms of its branches and employees, attaches importance to HRD and OD activities. In a statement made in the State Bank's Chairman's speech (1983), it was stated that "Human Resources are our main strength. OD the concept of which we described in last years speech, we translated into action, role programmes for better understanding and application of roles, job enrichment and job rotation of clerical staff and team building exercises for better choesion and collaboration are some of the elements of such OD interventions".

Work design experiments have also been tried in the SBI. Traditional work systems requiring multisupervision were incongruous with the higher aspiration level of new
recruits as well as demand for more effective customer service. It was, therefore, felt that a new form of work organisation to deal with both technical problems of banning work and the socio-psychological requirements of the employees, would be a better approach rather than bringing about only structural changes in the system. It was reported that the work redesign efforts in the SBI which included streamlining of layout, simplification of procedures and involvement of staff etc. shared marked improvement in the customer service of the constituents.

In SBI, at the apex level, OD has been recognised as a very important intervention. OD is one of the important mechanism of HRD. Bank has developed its own problem-solving capabilities. System of carrying out periodical Climate Surveys are designed and used to bring changes in the existing system. For instance, when computerisation plan or new performance appraisal system were launched, a thorough analysis of the possibilities and problems was done. Change in SBI is managed in a proactive fashion rather than in a reactive way. In order to bring involvement of the rank and file for greater effectiveness, Bank and started manager to messenger meetings where every one could participate and air his views and problems. A group of OD specialists in the Bank is established to carry out the diagnostic studies, analyse the feedback and suggest interventions for better effectiveness of the organisation. These people also undertake periodic studies of problem
situations in branches and come out with specific solutions and interventions for better functioning of branches.

State Bank of India aspires to maintain its pre-eminent position in banking, with market, financial, operational and organisation characteristics of high performing organisations. To assist the Bank in this critical task, recently, it has engaged the services of an internationally renowned management consultancy firm with global experience. The main purpose of this effort is to identify and define overall change requirements and priorities. The process together with the exercise of detailing key organisational changes and implementation planning is expected to be completed within the year 1994-95.

5.3 OD INTERVENTIONS IN SBI

Apart from institutional and on the job training the most important OD interventions in SBI are as follows:-

5.3.1 Manager to Messenger Programme (MMP)

It is a tool of enhancing organisational effectiveness. The objective of the programme is to bring all the employees together, create a climate of openness, facilitate free and frank sharing of views, difficulties and problems, generate higher levels of understanding and better climate of performance. Such programmes are conducted at Branch Level with the help of Behavioural
Science Expert. Such experts are identified out of the existing trained facilitators. AGM (Region) is to extend organisational support to such programmes. Once the activity of MMP is on, Branch Manager is to conduct and facilitate the MMP. The main problem which are discussed relates to branch issues, difficulties and bottlenecks in the day to day work.

The frequency of the meeting range from 1 to 3 months depending upon the issues surfaced, diagnosis made, urgency of action. The programme begin with opening remarks outlining the rationale, the need, objectives and methodology of the programme. Focus on negative as well as positive aspects of the current state of the branch is made during the discussion. Then diagnosis of the branch in respect of critical areas is followed by action planning. The action plans depends on the diagnosis in terms of training, team-building, conflict resolution, counselling etc. A sample Design of MMP is shown in Table 5.1.
TABLE 5.1
SAMPLE DESIGN FOR MANAGER TO MESSENGER PROGRAMME

<table>
<thead>
<tr>
<th>Hour</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>09.00</td>
<td>Break Fast</td>
</tr>
<tr>
<td>09.30 - 10.00</td>
<td>Opening Remarks by Branch Manager</td>
</tr>
<tr>
<td></td>
<td>Background and Rationale; Need, Objectives and Methodology</td>
</tr>
<tr>
<td></td>
<td>Need for Openness</td>
</tr>
<tr>
<td></td>
<td>Expected Outcomes</td>
</tr>
<tr>
<td></td>
<td>Briefing by the Facilitator</td>
</tr>
<tr>
<td></td>
<td>- Methodologies and Techniques</td>
</tr>
<tr>
<td></td>
<td>- Need for generation of data</td>
</tr>
<tr>
<td></td>
<td>- Collaborative Diagnosis</td>
</tr>
<tr>
<td></td>
<td>- Collaborative Action Planning</td>
</tr>
<tr>
<td>10.00 - 11.00</td>
<td>Data Collection</td>
</tr>
<tr>
<td></td>
<td>- Whole group approach &amp; techniques</td>
</tr>
<tr>
<td></td>
<td>- Small group approach &amp; techniques</td>
</tr>
<tr>
<td>11.00 - 11.30</td>
<td>Tea/Coffee</td>
</tr>
<tr>
<td>11.30 - 12.30</td>
<td>Data Collection (contd.)</td>
</tr>
<tr>
<td></td>
<td>- Whole group approach &amp; techniques</td>
</tr>
<tr>
<td></td>
<td>- Small group approach &amp; techniques</td>
</tr>
<tr>
<td>12.30 - 13.30</td>
<td>Lunch</td>
</tr>
<tr>
<td>13.30 - 14.00</td>
<td>Sharing of collated data by Facilitator</td>
</tr>
<tr>
<td>14.00 - 15.00</td>
<td>Discussion on the data generated</td>
</tr>
<tr>
<td></td>
<td>Further data generation</td>
</tr>
<tr>
<td>15.00 - 15.30</td>
<td>Tea/Coffee</td>
</tr>
<tr>
<td>15.30 - 16.30</td>
<td>Collaborative diagnosis</td>
</tr>
<tr>
<td></td>
<td>- Rounding of data collected &amp; collated</td>
</tr>
<tr>
<td></td>
<td>- Discussion of total data</td>
</tr>
<tr>
<td></td>
<td>- Diagnosis of the state of the Branch</td>
</tr>
<tr>
<td>16.30 - 17.30</td>
<td>Action Planning</td>
</tr>
<tr>
<td>17.30</td>
<td>Closing remarks and Wrap Up</td>
</tr>
</tbody>
</table>
5.3.2 Development of Internal Change Agents

Resource persons or Facilitators are developed and trained in State Bank of India In 1983-84, staff college, Hyderabad conducted two phased programme for the development of Internal Change Agents. The programme was conducted and designed to achieve the following goals.

(a) To create self awareness amongst the change agents, so as to enable them to help members of various teams in the organisation to develop attitudes conducive to the growth of the individual, his team and the organisation.

(b) To equip the Change Agents with knowledge and skills in the area of Behavioural Science so as to enable them to handle structured experiences in Organisation Development Programmes at Branches, Training Centres, Regional Offices, Local Head Offices.

The Resource Persons, in SBI, operate with their new knowledge and skills in their work units, the section or department where he is working with the object of enhancing the efficiency and effectiveness of the unit's work teams. This work has two dimensions.

(a) Training Interventions

The Resource Person is to identify the institutional training needs of the employees in his unit, and arrange
for necessary training inputs to be given either at the Staff Training Centres or Staff Colleges. Sometime, he himself conducts 1 to 2 days training programmes for his team members on the basis of felt needs.

(b) Non-Training Intervention

The Resource persons also make interventions of the following nature with the object of developing and maintaining high performance teams.

(a) Team Building through conflict management, collaboration, information sharing, resource pooling, appreciation of self and other roles in the units teams etc.

(b) Participative goal clarification and target fixation.

(c) Group as well one-to-one counselling.

(d) Motivation of high performing as well as low performing members.

Not only this, the Resource Persons are available, at the instance of the AGM (HRD), AGM (Org. and Plg.) or any other identified functionary in the organisation, to make OD interventions outside their own units in association with other facilitators.

5.3.3 Work Commitment at Branch Level

The State Bank of India recently, has taken steps to improve employee commitment to work in the branches. Some
of the measures in this respect are noted as follows:

(a) Branch Managers to view themselves as facilitators than as Controllers.
(b) Objectives of the Branch is fixed through participation and interaction with employees.
(c) Display of duties and role of employees at all levels in the branch.
(d) Problems faced by employees are discussed on daily basis for 10-15 minutes in appropriate groups.
(e) Training before employee moves to new position on job rotation.
(f) Sharing of information on job, department, business and personnel issues relating to branches, region and circle on periodical basis.

5.3.4 Non-Training Interventions For New Branch Managers

In SBI, if an officer is posted as Branch Manager for the first time, he is provided with a 10 days understudy with some senior branch manager. In case of old branch managers, they are required to visit their respective Regional Offices for a few days before proceeding to the branch. This practice is done in order to know about the branch and to take necessary guidance from the Regional Managers.
5.3.5 Self Directed Learning

Institutional training have capacity and time constraints. The Visiting Faculty Scheme Introduced in 1984 for supplementing the institutional training is there to cover more employees through training. Not only this, in order to develop its employee of their own, SBI has made self learning efforts by establishing 'Reading Rooms' in big branches, Regional offices and Local Head Offices. Even audio cassettes on various management subjects are available for employees. Circle continue to display contributions from members of 2 the staff in the form of write ups, cartoons, articles etc. on an Octagonal Display Board kept near the enterance of LHO building.

5.3.6 In Branch Training Forum (IBTF)

Day to day functioning of the branch is observed by a Forum established at branches to identify the gaps in job knowledge among the new recruits or new officers or persons just promoted. The Forum consists of 2-3 members with the Branch Manager as the head. Procedural irregularities prevalent at the branch is also identified by the Forum. A staff meeting on periodical basis is organised by the IBTF on voluntary basis to explain the correct procedure etc. This effort also supplement the regular training. Total IBTF formed upto March 1993 were 15 in the circle.
5.3.7 Small Group Activity

In SBI, a scheme to form small group in large branches for collecting market information was started/suggested in 1991. The members of the group are drawn from all cadres to create a participative culture. A list of books with nature of information that would be available is prepared and circulated to branches of SBI. The list is shown in the following Table 5.2.

The activity starts with the scanning of information from above books on daily basis. The relevant information is noted and discussed among the members for planning to utilise the information for business development. The Group meets periodically. In order to make the system take of
<table>
<thead>
<tr>
<th>Name of the Book</th>
<th>Nature of information to be obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Balance Book of Deposit Accounts including inoperative Accounts</td>
<td>Balance accounts with large balances for special care in customer service. Listing accounts showing no change for considerable time, so as to revive it by making customer calls.</td>
</tr>
<tr>
<td>ii) Closed accounts register, new accounts register</td>
<td>To find out decline or improvement in customer service and overall assessment of customer satisfaction</td>
</tr>
<tr>
<td>iii) Government payments/receipts, flow of funds from/to</td>
<td>To identify the important persons involved in major flow of funds from/to government</td>
</tr>
<tr>
<td>iv) Drafts Issued/Paid registers</td>
<td>General business trends in the area. Nature of goods and services being brought into and sold from the centre.</td>
</tr>
<tr>
<td>v) LSC/Bills Registers</td>
<td>Potential customers banking with other banks.</td>
</tr>
<tr>
<td>vi) S/C Despatch registers</td>
<td>List of people important for special attention in customer service. Extent of challenge from the new financial services and new financial services and new savings schemes in the market.</td>
</tr>
<tr>
<td>vii) Periodical scrutiny of Day Books</td>
<td>Day-to-day trend of business and a few identification of current environmental factors.</td>
</tr>
<tr>
<td>viii) RTC issued register</td>
<td>Listing of people to be contracted for other banking services.</td>
</tr>
<tr>
<td>ix) Cleaning Register</td>
<td>Strengths of other banks and competitors at the centre.</td>
</tr>
<tr>
<td>x) Pension Register</td>
<td>To identify elderly people who could be considerable Public Relations work for the branch if handled respectfully.</td>
</tr>
<tr>
<td>xi) Branch Dossier</td>
<td>Environmental scanning and Trend Analysis.</td>
</tr>
</tbody>
</table>
successfully, seminar of Branch Manager of selected branches are conducted where modalities of the formation and functioning of Group is briefed. However, review of the functioning of the Group is done at LHO level and remedial measures are initiated to fill the gap.

5.3.8 Development Through Communication

Due to unprecedented increase in size, communication between the various levels of hierarchy in the Bank has become a problem. Most of employees suffer from a sense of alienation and lack of involvement. In order to enable the personnel to be effective in their roles, communication plays a vital role. Through communication, the people working at branches, Regional Offices and Local Head Offices are able to know the latest policies, business goals and expectations which can bring about a better appreciation of each one's role and the contributions which he is required to make for the total effectiveness of the Bank's functioning. It is also necessary that achievements of the Bank and the circle in various fields are made known to them.

In SBI, various circulars, news letters and publications are brought out to convey information and success stories. The Chandigarh LHO has a credit of bringing out a Monthly News letter in the name and style of 'UPDATE' in May 1990. The periodical is in currency for the
last four years and contain information on various circulars, procedures along with one write up on HRD. A booklet entitled 'Quality Circles' is also published by HRD department shows the Bank's concern for improving the organisation performance.

5.4 MEANING OF ORGANISATIONAL STRUCTURE

The organizational structure is the framework within which managerial and operating task are performed. Broadly speaking organization design is process by which manager create a structure of tasks and authority. Organisation structure can be explained best, as a composite of the sets of relationships between and among individuals and groups with the duties performed and authority exercised by these individuals and groups for attainment of objectives or goals, forming the basis of this structure. Organization design and structure is not so simple a thing, as some people seem to believe. It does not evolve itself. It requires serious thought, methodical analysis and a systematic approach for its development.

5.5 ORGANISATIONAL STRUCTURE OF SBI

The organisational structure of the Bank has its central office at the Apex, controlling Local Head Offices which is turn control ZONAL Offices looking after domestic network of branches. The Foreign offices are directly
supervised and controlled by the central office of the bank. The Bank's domestic operations are grouped into the different customer groups representing market segments to achieve a focused business thrust at the branch level. Performance Budgeting and Review systems were adopted by the bank to provide for both resource and output budgets to be determined as a result of a dialogue at different levels in the organisation on an annual basis. While the Branches are organised on a market segment basis, the ZONAL OFFICES and LOCAL HEAD Offices are structured on a market segment as well as functional basis, and integration between functions is achieved through review meetings and structured forums like the circle management committee and circle co-ordination committee. The Bank's International operations are organised along functional lines viz. credit, General Banking and personnel and services.

The organisational structure of the Bank consists of three control centres as shown in the table 5.3 as follows:
<table>
<thead>
<tr>
<th>Control Centre</th>
<th>Responsibilities</th>
<th>Headed by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>Corporate and strategic control</td>
<td>Chairman and managing Directors</td>
</tr>
<tr>
<td>Circle Management</td>
<td>Management Control</td>
<td>Chief General Manager and General Manager</td>
</tr>
<tr>
<td>Zonal Management</td>
<td>Operational Control</td>
<td>Deputy General Manager and Assistant General Manager</td>
</tr>
</tbody>
</table>

The organisation structure of the Banks has its central office at the Apex, controlling Local Head offices (circles) which in turn control Zonal offices.

As organisational structure is an important part of any concern. It plays vital role in the development of any institution. So that why State Bank of India has given more emphasis to strengthen its organisation structure time and again to fulfill the changes in the field of business. The latest slogan which is given by the SBI is

"TO BE A PREMIER INDIAN FINANCIAL SERVICES GROUP WITH WORLD CLASS STANDARDS AND SIGNIFICANT GLOBAL BUSINESS, COMMITTED TO EXCELLENCE IN CUSTOMER, SHARE HOLDER, AND EMPLOYEE SATISFACTION AND TO PLAY A LEADING ROLE IN THE EXPANDING AND DIVERSIFYING FINANCIAL SECTOR".

Therefore to realise our mission and to retain our position as a premier bank in the country, the services of
M/s MCKINSEY & COMPANY, International business consultants have since submitted their recommendations/suggestions and our organisational requirement, all the circles are being redesigned.

The Bank has redesign its organisation structure according to suggestions/recommendations given by the committee. The committee revealed that:

- SBI's organisation is based on geographical and functional structures. Such structures are suitable for administrative control but not for executing customer driven strategies;

- Under the current structure, senior management does not have a direct profit and loss responsibility which is necessary to lead the bank effectively because of split in planning and operations;

- Over the years, central office has distracted from its true role of lean and value adding corporate centre focused on policy and planning. It rather grew in size and acquired more operational character.

- The three critical processes, viz, credit, financial management and human resources policy lack integrative mechanisms and fall short of world class practices;

- Credit sanctioning is multi-layered, time-consuming process leading to delays;

- Performance systems are not geared towards measuring true profitability.
5.6 CENTRAL OFFICE

Organisation structure of central office shows that the highest position in the bank officers is chairman. Under the chairman office has been divided into two separate entities.

(1) CORPORATE CENTRE:

Corporate centre is responsible to take care of only policy matter relating to the whole Bank. The financial areas of credit, corporate accounting and corporate development is look by chief credit officer, chief financial officer and corporate Development officer.

(A) CHIEF CREDIT OFFICER:

Chief credit officer is primarily responsible for laying down policy and procedures for credit and sanction of large advances, overall health of Bank's credit portfolio and recovery of large NPAS etc.

(B) CHIEF FINANCIAL OFFICER:

Chief financial officer is responsible for managing Bank's balances sheet, ensuring that capital adequacy norms and other statutory obligations are fulfilled and profit planning etc.
(C) CORPORATE DEVELOPMENT OFFICER:

Corporate development officer is responsible for matters relating to personnel, development of human resources, systems procedures and technology etc.

(2) BUSINESS GROUPS:

The matters handled at central office relating to business activities of the bank have been divided into four focused groups called "Strategic Business Units" according to the different customer groups that are served by them. These business groups are:

(A) CORPORATE BANKING GROUP:

Corporate banking group is focusing on large corporate and medium size high growth corporates. Corporate Accounts Group set up under this head is at present handling top 100 corporate accounts. Emphasis is on building customer relationship and delivery of comprehensive range of core banking products in a timely and cost efficient manner through skilled personnel.

(B) ASSOCIATES & SUBSIDIARIES GROUP:

This group is include Associate Banks and our subsidiaries such as SBI funds Management, SBI Factors, SBI caps etc. The group would concentrate on maximising returns from these Associates and subsidiaries.
(C) NATIONAL BANKING GROUP:

National banking group is concerning with control of all other banking business spread over 13 circles. It will provide basic banking products to a full range of local customers with focus on mid corporates, SSI, SBF, Govt. and institutions.

More important decisions have been taken in committees and a number of committees have been constituted at central office for different purposes. Some of the more important committees are:

(A) CENTRAL OFFICE CREDIT COMMITTEE (COCC):

Headed by CCO, this committee is sanction credit proposals within the financial powers delegated to it accord administrative approval in respect of credit proposals requiring such approval, and examine and recommend for consideration credit proposals to the ECCB.

(B) CENTRAL HUMAN RESOURCES COMMITTEE (CHRC):

Central human resources committee has been constituted under the chairmanship of CDO, this committee is providing a forum for operationalising the linkages among various business groups and also bring about an integrated management perspective in regards to human resources. The committee is, thus, seek to strengthen the human resources processes in the Bank.
(C) ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

Assets liability management committee has been constituted under the chairmanship of CFO, this committee is seek to provide integrated management of finance function in the Bank. Its job are to issue guidelines in respect of asset growth, mix of assets, mix of liabilities to fund the assets growth to set limits to maturity mismatches and deal with emerging mismatches through appropriate hedging instruments. More specifically, ALO's responsibilities is include defining risk-return objectives for the Bank, ensuring rational pricing of Bank's products and services, deciding, on sources and mix of liabilities like deposits, borrowings, etc. and setting direction for treasury to take investment decisions.

(D) CREDIT POLICY & PROCEDURES COMMITTEE (CPPC):

Credit policy and procedures committee is headed by the chairman of the Bank, the CPPC is deal with issues relating to credit policy and procedures on a Bank wide basis. Its broad function is include setting broad policies for assuming and managing credit risk including in respect of industrial rehabilitation/reconstruction on a Bank wide basis; setting parameters for credit portfolio in terms of exposure limits for industries, regions, groups, prudential norms for individual borrowers and reviewing the credit portfolio periodically; reviewing credit appraisal, systems, credit policy manual and all credit policies and
procedures and approving changes their in; approving policies for compromises, write-offs and general management of NPA's and dealing with issues of delegation of financial powers in credit area within the overall parameters setup by the central Board of the Bank. Broad overview of the central office structure has been captured in the organisation structure Table 5.4.
5.7 CIRCLE OFFICE:

The central office has circles working directly below it. The Apex body of a circle is the Local Head Office (LHO). LHO is headed by Chief General Manager (CGM). The CGM is the chief executive of a circle stationed at local Head office and he is envisaged as an extended arm of the corporate management on location. Putting the GMs in direct control of operations, the staff functions comprising the three critical processes have been entrusted to the three staff functionaries reporting directly to the CGM, namely, circle Financial officer (CIRFO), Circle Credit Officer (CIRCO), Circle Development Officer (CirDO) of DGM rank. A brief description of the roles and responsibilities of new circle positions is given below:

(A) General Manager (Commercial Banking)

General Manager commercial banking role is to manage CNW as an independent profit centre and his performance will be measure along business profitability and market share. Key differences from the erst while GM (O) are:
(i) Clear focus on commercial customers.
(ii) Combining operational responsibility with planning resources to help manage his business unit.

(B) General Manager (Development and personal Banking)

His role is to manage the retail network as a distinct profit centre and his performance is measure along business
profitability, market share and priority sector lending targets. Key differences from the erstwhile G.M (0) are:

(i) Clear focus on retail customers especially personal banking and general movement away from corporate banking.

(ii) Combining operational responsibility with planning resources to help manage his business unit.

(C) Dy. General Manager (Commercial Banking):

Dy. General Manager (C.B) placed at local Head Office, his role is to support the G.M. (CB) in developing commercial business of the circle and to manage the branches under his control as a profit centre. His performance is measure along business profitability, market share and credit quality of sanctions assessed by Credit Appraisal Cell (CAC).

(D) Circle Financial Officer (Cir Fo)

Circle financial office role is to manage banking operations within the circle and support circle management committee (CIRMAC) in formulating business budget and review of performance. His activities include circle level compliance of external requirements, building and effective MIS, monitoring effective use of transfer prices for services, and supporting the process of statutory audit. He is also responsible for auditing of banking operations in
circle as reflected in circle financial and statutory audit reports. Thus, three departments, namely BOB, MIS, Budget, performance monitoring and IOR/GAD have been placed under him.

(E) Circle Credit Officer (CirCO):

Circle credit officer role is to ensure adherence to Bank's credit policy within the circle. His activities include implementing the Bank's credit policies and procedures and continuously monitor its strict adherence within the circle, managing the circle credit committee (CCC) secretariat and sanction advances as one of the members of the CCC, monitoring the circle portfolios and communicating to the chief credit officer at central office. His performance is measure along quality of circle portfolio of advances and turnround time for credit sanctioning in the circle.

(F) Circle Development Officer (CirDO):

His role is to provide all services support to the circle functionaries. His activities include ensuring implementation of PBR/HR policies with in the circle, supporting circle Human Resources committee (CHRC) in transfers, promotions and HR development in the circle, leading integrated effort for speedy implementation of automation in branches, ensuring efficient delivery of
support services to GMs and their branch network, building a system to identify skill gaps and providing required training in order to develop a wide variety of specialised skills within the circle. Thus, bulk of the departments at Local Head Office have been placed under the control of the CirDO, namely these are:

(1) Org. Plg. And Systems Procedures Department
(2) Per & HRD.
(3) Disc proceedings Deptt.
(4) Circle Stationery Deptt.
(5) Official Language Deptt.
(6) Circle Security Deptt.
(7) Public provident Fund & Gratuity
(8) Staff Training Centres
(9) Premises & Estate
(10) Computers & Communication
(11) Office Administration Department.
(12) Law.

(G) COMMITTEE APPROACH IN DECISION MAKING:

Important decisions at circle level, as at c.o. level are taking in committee. Following are 3 important committee:
Committee | Role/Responsibilities | Constitution
--- | --- | ---
Circle Management Committee (CIRMAC) | Develop & implement regional strategy | CGM
- Monitor performance of profit centre units | G.M. (D&PB)
- ensure smooth functioning of all key processes
- Set goals/budgets and devise strategies to achieve them.
Circle credit committee (CCC) | Review & sanction large credit | CGM
- Sanction large recoveries | GM (D & PB)
- Implement central credit policies within the circle | CirCo (member secty)
Circle Human Resources committee (CHRC) | Implement central HR/IR policies with in the circle | CGM
- Undertake placement/transfer of officers from S-III to V | G.M (D & PB)
- Decide on promotion upto S-III. | CirDO (Convenor)
- Maintain harmonious IR in the circle.

(H) CHANGES AT CIRCLE LEVEL:

(i) Credit sanctioning secretariats have been eliminated and only a temporary credit Appraisal cell (CAC) under the administrative control of DGM (CB) is exist for strengthening credit assessment until credit

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skills at branches are developed. CAC will so additional assessment and will do post sanction monitoring responsibility.

(ii) A few LHO departments have been combined, e.g.
- Personal & Human Resources Development.
- Premises & Estate.
- Inter office Reconciliation & Govt. Accounts Deptt.
- Org. plg. and systems & procedures.
- M/s & planning departments merged to from M/s and Budgeting & performance monitoring Department.
- Public Relations & community services Banking.

(iii) Some new positions have been created, e.g.
- Business planner under both GMS-AGM rank.
- Product specialists under GM (CB). AGM (corporate & international Banking products).
- AGM (credit policy & procedure cell) & CM (Portfolio Management) under circo.
- Strong NPA Management capabilities under GM (D & PB), Circo, DGM (CB).

DGMs (module) & AGMs (Region).
The structural support to CMG (CB) & GM (D & PB) to help them in discharging their duties are depicted in organisation structure Table 5.4, 5.5 and 5.6 respectively.
Table 5.4

ORGANIZATIONAL STRUCTURE
CENTRAL OFFICE

Chairman

Chief Credit
Officer (CCO)

Chief Financial
Officer (CFO)

Corporate Development
Officer (CDO)

Inspection
Audit
Department

Chief
Vigilance
Officer

Corporate International Associates & Subsidiaries National Banking

Source: *Annual Report of SBI*
Table 5.5
LHO STRUCTURE: CHIEF GENERAL MANAGER

Chief General Manager

DGM
Circle Financial Officer

CM
Private Secretary

DGM
Circle Credit Officer

Deputy General Manager (Vigilance)

DGM
Circle Development Officer

Public Relations & AGM
Community Services
Bkg. Department

General Manager
(Commercial Banking)

General Manager
(Development & Personal Banking)

Source: Annual Report of SBI.
Table 5.6

LHO STRUCTURE: GENERAL MANAGER (COMMERCIAL BANKING)

General Manager
(Commercial Banking)

MM II
Private Secretary

Direct Branches  AGM  Commercial Business Planning  AGM  Corporate and International Banking Products  DGM  (Commercial Banking)

Commercial Network Branches

Source: Annual Report of SBJ.
5.8 ZONAL OFFICES:

At the zonal levels, the offices is headed by Deputy General Manager (DGM) and a team of Regional Managers called Assistant General Manager (AGM) (Region) and is responsible for operational control over branches in their regions. They provide necessary support to the branches by prompt attendance to the financial needs of customers which fall outside the purview of the Branch managers. But in 1997-98 the major change in Zonal office structure has been the taking away of planning support from the DGM to where it is actually belongs i.e. AGMs (Region).

Thus, the position of chief managers (Development) for each business segment under DGMS (Module) have been disbanded. Regional manager in the earlier set up did not have a marketing support to make inroads in identified pockets/area. To meet a long felt need, the services of one sales planner have been provided to each AGM (Region). Similarly, planning section has been abolished leaving some planning support as chief manager (Dev. & per Banking) with the DGMS (Module). Management of NPAs has received focussed attention by creation of the position of a chief manager (Adv. monitoring, Rehabilitation-cum-NPA management) under DGMs (module) and an NPA management-cum-Recovery Desk under AGMs (Region). The organisation structure Table 5.5 shows the Zonal office structure.

Key process in the Bank have been revamped. However, two important process changes are most visible at branch
level-credit process and planning process. These revamped processes are briefly described below:

1. **Credit Process:** Over the years, the process of credit sanction, particularly of medium and large proposals had developed in the credit delivery system which had disenchanted our more profitable and credit worthy borrowers the new credit process for commercial advances involves 3 stages which clear description of each stage and the associated responsibilities as follows:

   Post-sanction process has been delinked from sanction process and is involve the following three stages:

<table>
<thead>
<tr>
<th>Pre-sanction process</th>
<th>Post sanction process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage i) Appraisal &amp; 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>

i) **APPRASAL & RECOMMENDATION:**
- All data gathering & collection.
- Doing a comprehensive financial and industry analysis.
- Preparing the proposal, analysis risks and making a recommendation.

ii) **ASSESSMENT:**
- Reviewing the proposal.
- Ensuring that it is completely and properly prepared.
- Contributing additional inputs with respect to critical risk factors.
- Assessing the recommendation, taking into account pricing, quantum, securities, etc.
- Solving any queries across the table with the analyst/client.
- Recommending the final proposal for sanction.

iii) SANCTION:
- Reviewing critical risk factors and pricing.
- Exercising a credit judgement as to the accountability of the recommended proposal.

i) FOLLOW-UP:
- Ensuring compliance with terms and conditions of sanction on an on-going basis.
- Ensuring performance, safety & recoverability of assets.

ii) SUPERVISION:
- Ensuring effective follow-up to maintain asset quality.
- Looking out of early warning signals.

iii) MONITORING & CONTROL:
- Ensuring effective supervision.
- Monitoring customer satisfaction.
- Ensuring quick response to early warning signals.

Besides, following measures have been taken:
- Committee approach has been introduce for sanctioning large advances to improve credit judgement.
- Sanctioning power delegated to lower levels have been enhanced to expedite credit delivery.

- Specialist support in the form of CAC has been created to reassess large credit proposals as a transitory arrangement at Local Head office till adequate credit skills are developed at branches.

- Commercial proposals above the powers of DGM even though emanating from D & PB network will be sanctioned by GM (CB) or above, as the case may be, but not by GM (D & PB).

- CGM will not sanction any credit except as chairman of CCC staff advances.

2. PLANNING PROCESS:

Planning process has been integrated with operations down the line. Profit centre GMS have been provided with the services of Business planners (BPs) and AGMs (Region) have been provided sales planners (S.Ps). These two types of planners are a very dynamic and beautiful contribution of restructuring as their following broad role description are reveal.

The role of the sales planner is to provide active sales planning and marketing support to the AGM of the Region and to the branches, Arising out of this role following functions can be illustrated:
i) To prepare business profile for branches as well as whole Region.

ii) To prepare profile of competitors and customers.

iii) To assist the AGM of his region in formulation and achievement of budgetary goals in respect of both advances and deposits.

iv) To assist the AGM of his region in formulation and achievement of budgetary goals in respect of both advances and deposits.

v) To promote specific products by making customer calls alongwith operating functionaries.

vi) Conduct in-house workshops/seminars for promotion of products/services.

vii) They can be instrumental in helping the branches in countering competition.

Role of business planners is to provide planning and marketing support to the GMs of their network in their respective areas e.g. BP (Dev. BKg) in the area of AGr. & SIB. BP (P & I) in the area of personal and institutional and BP (common) in Commercial Banking. Broadly their activities are:

- Collecting information on policy changes relevant to their area.

- Mapping emerging business opportunities.

- Developing understanding of each branch in network to decide on what it should focus on.

- Market intelligence and sharing with GMs.
- Recommending business startegies during circle P-
  Review meetings.
- Feeding specific business leads to the branches
  and their controllers.
- Using LHO data sources to fulfill most of their
  needs.
- Conducting surveys to get feed back from market.

Thus BPs and SPs not only provide planning support to
the profit centre controllers but also provide marketing
support and guidance to the business units i.e. branches.
The above changes has basically followed the theme of a
transition from strategy-structure-system approach to
purpose-process-people approach in management (from 3-S to
3-P) where people have been recognised as an important
factor. Purpose and processes remain inanimated and do not
deliver unless a properly motivated human element is
introduced. Changes in the organisation structure cannot
succeed unless the people at all levels appreciate and own
the change.
Table 5.7

LHO STRUCTURE: GENERAL MANAGER (DEVELOPMENT & PERSONAL BANKING)

GENERAL MANAGER
(Development & Personal Banking)

MM II
Private Secretary

AGM
Business Planning
Developing Banking

CM
Business Planning
Personal & Institutional

MMIII
Advances Cum NPA
Management Cell

CM
General Banking

AGM
Lead Bank & Monitoring of Priority sector advances

CM
Personnel

AGM
RRB* Department

CM
Verification Audit

General Banking & Miscellaneous Matters (Including IRO & GAD)

Complaints

Budget/Performance Monitoring/MIS Support for Network viz. Data Collection/returns

Inspection & Audit

Disciplinary Proceeding & Frauds

Direct Branches

Modules

*Only for Circles Which have RRBs

Source: Annual Report of SBI
Table 5.8

DEVELOPMENT & PERSONAL BANKING NETWORK

DEPUTY GENERAL MANAGER

MODULES

DEV. & PER. BKG
SMGS IV Monitoring of Priority Sect.
Task Force

ADVANCES
, REHAB
CUM NPA
MGT,
SMGS IV

GENRAL
SECTION
ALL
RETURNS
SMGS IV

PERSONNEL & HRD
SMGS IV

OFFICE
ADMN.
SMGS IV

GEN. BANKING/
BUDGETING & PER.
MON. ETC. SMGS IV

NPA
MGT./REH.
CELL
MMGS II

CONSULTANCY
CELL
(SSI&AGRI
MMGS II)

COMPUTE
R SECTION
MMGS II

SECURITY
OFFICER
MMGS II

LIAISON
OFFICER
MMGS II

MEDICAL
OFFICER
JMGSI

PERMISES
MMGSII

VERIFICATION
AUDIT CELL MMGS II

I.O.R. & GAD
CELL MMGS II

DISC. PRO. CELL
MMGS III

OFFICAL LANG.
DEPTT. MMGS III

ASST. LAW
OFFICER JMGSI

ALL BRANCHES
HEADED BY AGMs

REGIONS AGMs

Source: Annual Report of SBI
5.9 "A PROFILE OF SBI IN HIMACHAL PRADeSH:"

As a sequel to introduction of modular structure in the Bank, Zonal office HIMACHAL PRADeSH (SHIMLA) came into being on 2nd July 1979. The entire operational area of Zonal office, Shimla is divided into three administrative regions each under one Assistant General Manager (AGMs). The Deputy General Manager is the executive head of all the three Regions and Shimla main branch. The Deputy General Manager is assisted by the Assistant General Managers for exercising control over the branches. Besides this, service branch and main branch at Shimla are also under the control of Deputy General Manager. Himachal Pradesh have total 12 Districts, which has been divided in three Regions by SBI Zonal office that is Number I, II and III. In Region (I) Kangra, Una and Hamirpur has been included, in Region No. II Shimla, Solan, Sirmour and Kinnuar has been included. In Region no III Bilaspur, Chamba, Kullu, Mandi and Lahual Spiti has been included.
<table>
<thead>
<tr>
<th>Region No</th>
<th>Name of Districts</th>
<th>Total Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>No I</td>
<td>Kangra, Una, Hamirpur</td>
<td>3</td>
</tr>
<tr>
<td>No II</td>
<td>Shimla, Solan, Sirmour, Kinnuar</td>
<td>4</td>
</tr>
<tr>
<td>No III</td>
<td>Bilaspur, Chamba, Kullu, Mandi Lahaul-Spiti.</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total Region 3</td>
<td>12</td>
</tr>
</tbody>
</table>
### TABLE 5.10

**PROPOSED SET UP OF REGION**

<table>
<thead>
<tr>
<th>ASSTT. GENERAL MANAGER</th>
<th>MANAGER (SALES PLANNING)</th>
<th>NPAMGE-CUM-RECOVERY CELL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREDIT SUPPORT CELL</td>
<td>PER. MONTING CELL</td>
<td>GENERAL BANKING</td>
</tr>
<tr>
<td>SMG IV</td>
<td>MMGS–II</td>
<td>SMG IV</td>
</tr>
<tr>
<td>SUPP–MMGS–II</td>
<td>MMGS–III</td>
<td>MMG III</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MMGS–II</td>
</tr>
</tbody>
</table>

| SUPP–MMGS–II           | MMGS–III                 |

<table>
<thead>
<tr>
<th>IOR/GAD/IBIT SUNDARY/SUSPENSE HOUSEKEEPING ETC.</th>
<th>PREMISES/F.A/COLLECTION OF ALL RETURNS (DEP &amp; ADV) ADVANCES LEAD BANK/ MISC MATTERS</th>
<th>FRAUDS/COMPLAINTS/I&amp;A/AV &amp;A. OTHER AUDIT REPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMGS–II</td>
<td>MMGS–II</td>
<td>MMGS–II</td>
</tr>
</tbody>
</table>

| NUMBERS OF BRANCHES IN H.P.                  |
| REGION I                                     | 46                               |
| REGION II                                    | 59                               |
| REGION III                                   | 41                               |

**NOTE:** In Region II, Credit Support Cell is proposed to be provided with three support Officers (MMGS–II) due to larger number of branches and advances accounts.
TABLE 5.11
Region wise Branches of SBI in HIMACHAL PRADESH

<table>
<thead>
<tr>
<th>Region No. I</th>
<th>Region No. II</th>
<th>Region No. III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kangra</td>
<td>Shimla</td>
<td>Bilaspur</td>
</tr>
<tr>
<td>32</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Una</td>
<td>Solan</td>
<td>Chamba</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Hamirpur</td>
<td>Sirmour</td>
<td>Kullu</td>
</tr>
<tr>
<td>7</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Kinnaur</td>
<td>Mandi</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lahaul-Spiti</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

Total Branches = 146

Table No. 5.11 shows about the Region wise Branches of SBI. In Region No I there are 46 Branches out of which 32 branches are situated in Kangra. In the Region No. II total branches are 59 out of this 31 branches are in Shimla only. In Region No III out of 41 branches Chamba is heading with 15 branches.
Table No. 5.12 shows the region wise performance data in respect of deposits for the year ending 1997 and 1998. Data shows increasing trends in deposits maximum share in deposits being of region. Out of all three region, region no I which includes UNA, KANGRA and Hamirpur districts is leading in deposits. In both the years in 1996-97 it was 39.8% of the total deposits and 40.3% in the year 1997-98. Because this area is very thickly populated, overall deposits has increased from 1089.49 crores to 1293.81 crores, which is significant.
### TABLE 5.13

**REGION WISE PERFORMANCE IN ADVANCES OF SBI IN HIMACHAL PRADESH (Rs. in crores)**

<table>
<thead>
<tr>
<th>Regions</th>
<th>1996-97 Deposits</th>
<th>Percentage Share</th>
<th>1997-98 Deposits</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region No I</td>
<td>75.17</td>
<td>32.8</td>
<td>86.71</td>
<td>33.5</td>
</tr>
<tr>
<td>Region No II</td>
<td>74.71</td>
<td>32.6</td>
<td>86.19</td>
<td>33.3</td>
</tr>
<tr>
<td>Region No III</td>
<td>65.57</td>
<td>28.6</td>
<td>74.23</td>
<td>28.6</td>
</tr>
<tr>
<td>Shimla Special and service Branch</td>
<td>13.97</td>
<td>6.0</td>
<td>11.93</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>229.42</strong></td>
<td><strong>100</strong></td>
<td><strong>259.06</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

In the table 5.13 shows Region wise performance of advances of SBI in Himachal Pradesh. The data indicate increasing trend in advances also maximum share being of region no I to the tune of 32.8% in the year 1996-97 of the total advances and it is 33.5% in the year of 1997-98. Total Advances has increased from Rs. 229.42 crore to Rs. 259.06 crores increase in advance in a year is satisfactory.
TABLE 5.14
REGION WISE PERFORMANCE IN PROFIT OF SBI IN HIMACHAL
PRADESH (Rs. in crores)

<table>
<thead>
<tr>
<th>Regions</th>
<th>1996-97</th>
<th>Percentage</th>
<th>1997-98</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deposits</td>
<td>Share</td>
<td>Deposits</td>
<td>Share</td>
</tr>
<tr>
<td>Region No I</td>
<td>11.17</td>
<td>33.8</td>
<td>14.10</td>
<td>35.5</td>
</tr>
<tr>
<td>Region No II</td>
<td>7.89</td>
<td>23.8</td>
<td>8.18</td>
<td>20.6</td>
</tr>
<tr>
<td>Region No III</td>
<td>7.92</td>
<td>24.0</td>
<td>9.85</td>
<td>24.9</td>
</tr>
<tr>
<td>Shimla</td>
<td>6.08</td>
<td>18.4</td>
<td>7.53</td>
<td>19.0</td>
</tr>
<tr>
<td>Special and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>service Branch</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>33.06</strong></td>
<td><strong>100</strong></td>
<td><strong>39.66</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

In the table 5.14 shows Region wise performance of profit of SBI in Himachal Pradesh. The data indicate increasing trend in profits. Maximum share being increased in Region No. I to the percentage of 33.8% in the year 1996-97 and 35.5% in the year of 1997-98 respectively. Total profit has increased from Rs. 33.6 crores to Rs. 39.66 crores in a year is significant.
5.10 CONCLUSION

Organisation theory deal with the grouping of different activities and clearly defining the positions of authority and areas of responsibility within the broad framework of the objectives. It is a well-known fact that optimum results cannot be obtained unless the organisation structure is consistent with the objectives. A good organisation structure also facilitates the process of decision making. From the above discussion it is very clear the organisation structure which has been shown in different tables has adopted from the recommendation of M/s MCKINSEY & COMPANY.

Highest body in the circle is chief General manager and under his there is a long layers of officers, these who are responsible for their decision and acts, directly to Chief General Manager. So it is not possible for a officers to handle this type of big organisation. 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 govt. has to effect the functioning of SBI. It is suggested that any decision taken by the govt. related to the bank should be adopted after consulted the Banking experts. Although highly qualified have been appointed as officers in the SBI. But it could be better some consultancy services may be taken at different levels.
Zonal office of State Bank of India in Himachal Pradesh has with its roots of excellence in human resources, values and tradition, excelled and realised a landable performance of business and has substantially contributed to the realisation of corporate and national goals during the past years. It has improved its deposits, Advances and profits.

Customers satisfaction has always remained H.P. Zonal office's primary concern. Customer meeting regularly at identified branches to suggest improvement in ways and means of customer services. While suggestion and complaint boxes are available at all the branches and offices, a special cell is working at Zonal office to attend immediately to the complaints received from the customers. The Zonal office H.P. has in order to motivate staff and encourage larger participation instituted a system of awarding running trophies to these branches/ regional Managers who would undertake maximum number of activities. All these indicates Zonal office continued and sustained commitment to and effort for development of society through its team of human resources for the realisation of corporate and national goals.
References:
