Role of HR in Change Management

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ABSTRACT

An organization cannot stay stagnant in today's fast paced, ultra competitive global environment; change is inevitable. Change management involves defining and adapting corporate strategies, structures, procedures and technologies to deal with change budding from the internal as well as external environment; but transformation is not an easy task especially in a giant like State Bank of India (SBI). The Bank had to face a dramatic cultural change with the challenges thrown by the private sector banks which provided customer oriented services while most of the staff in SBI was not aware of the fact that the bank was losing its hold amongst the upper end market. According to the Society for Human Resource Management (SHRM) 2007, Change Management Survey report "the top two obstacles encountered during the major organizational changes are communication breakdown and employee's resistance."Biggest challenge for the management was to convey its idea of transformation to each and every employee of the organization. The strong hierarchical design of the organization was the major hurdle. To implement cultural change the idea of change has to percolate to the lowest level, motivating staff to accept change willingly. This goal was accomplished by meticulously crafted strategy named "Parivartan" a 100 day programme for the employees to improve their communication skills. Breaking down the barrier of hierarchy, the top level management directly contacted the junior level staff, which acted as motivating cum controlling factor in the success of the programme. The results of the programme were remarkable; it helped to inculcate a feeling of "What difference I can make" amongst the employees and improving the customer services. The journey did not ended here, to acknowledge the success of the Parivartan a new programme "Citizen SBI" was launched which was focused on spiritual development of the employees; thereafter "Udaan**"** another programme creating a sense of difference and pride amongst the employees was accomplished.Accepting the change and taking timely action led the bank to revolutionize its human resource system by identifying, maintaining, developing and utilizing the talent across the organization. It's amazing to know that when other organizations were adopting cost cutting and downsizing measures in the wake of global recession, it was SBI that had recruited new talent and professionals in bulk. While creating a sense of pride among its employees SBI has been able to strengthen its roots in the new environment which is evident from the fact that it was awarded as the Best Bank of India 2009 by Business India Group.In this article the authors will focus on the HR initiatives taken by the management in SBI, the challenges before the management while introducing change in the outlook of its huge staff comprising of personnel at middle and lower level & the strategy adopted by the HR for providing incentive in the form of recognition been given to the employees.

1. Role of HR in transformation of State Bank of India: A case study

An organization cannot survive unless it changes the old culture and adopt the new with the changing environment especially in today's fast paced competitive business scenario. For any change to occur in an organization each individual must think, feel and understand the corporate strategy well enough to enact it as required. The leaders must win their followers one by one. The employees shall embrace the changes from within, willingly, they must not be forced. Change management is a structured approach to transform the individual and organization from a current state to a desired future state. The amazing transformation story of SBI (State Bank of India) is a milestone in the history of Indian banking. During 1951, when the first five year plan was launched, need was felt for economic regeneration of rural areas and a bank who can work in the interest of rural development.On the recommendation of All India Rural Credit Survey Committee the thought of creating a state partnered bank and the Imperial Bank of India was taken over integrating it with the State owned bank. 1955, the year marks the birth of the State Bank of India when imperial bank of India was nationalized and named as such, by an act of the parliament and in 1959 it was joined by seven "Darbar banks" formed under the princely states now known as its Associate banks. In 2008 State bank of Saurashtra, one of the associate banks merged into the SBI and on 26th August 2010 with the acquisition of State Bank of Indore, SBI has now five associate banks. With 480 offices comprising branches, sub offices and three local head offices inherited from Imperial Bank; the SBI started its journey with commitment to nation building by purposeful banking, catering the financial needs of the nation. The government has nearly 60 percent shareholding in the bank. Four out of nine external directors apart from Chairman and two managing director are appointed by the government.

Today SBI is the largest Bank in India, with 13,000 branches across the country, right from the highest branch at Leh to Kanyakumari. As on 30th September 2010 the five associated banks have a combined network of 4497 branches, making the total branches of SBI along with its associated bank to nearly 17,000. It has around 131 offices in thirty two countries, making it a huge organization with over 2, 05,000 employees as on 2009, coming from different regions and cultures. The bank was ranked at 29th position in the Forbes, World's most reputed Companies list leaving Microsoft behind in 2009. There were only two banks ahead of it: China Merchants Bank and SberBank of Russia. But for State Bank of India "All was not well" if one have a look few years back. Before 1990's the country adopted a socialist model of economic development, government monopolies were ruling the industries paving the way to economic growth. But with the inception of industrial revolution there was a change in the outlook and privatization of public enterprises started setting its foot reforming the financial markets. With liberalization of policies many MNC's stepped in the Indian Markets changing the working culture altogether within a short span of time.There was a total change in the environment in which the banks operated. The new private sector banks with different work culture snatched a major portion of the business from the public sector banks. The rich and the young customers wanted better services within lesser time and hated queuing at the counters of public sector banks. The change was in the air and emerged in the face of ICICI for the State Bank of India. SBI the pioneer in the Indian Banking faced a major challenge as in the small span of 12 years ICICI Bank became the

second largest bank in India and it was apprehended that by 2010 ICICI will take over the flagship of SBI the largest bank in India. As per the Banker's ranking SBI dropped to 107th position from 82nd while ICICI managed to climb up to 132nd position from 248th over the same period.The major challenge before the bank was to maintain its legacy of 200 years being the largest bank of India along with the transformation in its work culture to match the pace of growth with private banks which are commercially propelled. The task was not easy as the bank was conceived with the commitment for meeting out the financial needs of the remote areas of the country which is mainly a non profitable market segment. Simultaneously it had to get hold of the rich and young customers to keep intact its title for the largest bank. The bank was facing acute lack of specialist and leadership skills to cater the problem. The answer to all the problems came in the face of Mr. O.P. Bhatt who joined SBI as chairman in 2006 and earlier served as the Managing Director of State Bank of Tranvancore. In his view:

"Transformation is not instantaneous It takes decades in some cases. That is why we need to start the process today. We are already 20 years too late"

- O.P. Bhatt Chairman S.B.I, September 2006

1.1 The Journey Begins

The process of transformation started with the identification of various internal factors that were responsible for poor performance of the bank as follows:

Poor Customer Service: With years of dominance in the market the employees had developed a feeling of indifference to the needs of the customers. The mentality of the employees was that the business will come to them; they had no need to attract the customers as there was no other institution in play. But with the private banks coming into play, there was a change in the environment, customers became the king. Transformation had to start from changing this notion of the employees engrained in their mind due to decade of dominance. The need was a change in the outlook of the vast workforce. It was observed that in some branches the work of the customers were not completed promptly and they were made to come again and again. With the change in the environment the customer had paradigm shift in its attitude; they wanted better services and prompt dealing of their grievances. The bank employees unaware of the changes were working on the same pattern.Poor branch ambience: The bank was mostly operating in the ambience which was not customer friendly. The space available to the customers was much less than the space available for bank's work area. There were no proper seating arrangement for the customers, no queue management system and no drinking water facility. On the other hand all these facilities were provided by the private banks as they were more sophisticated, modern and customer oriented.Technology not yet stabilized: On the technological front the bank was far behind as most of the staff was not very much conversant with the use of computers. Bank had to pave its way to the use of better technology, core banking system and internet banking. Most of the staff had no exposure to work in a computerized environment and many of them had not used even mouse. There was a huge gap of skills and knowledge adversely affecting the customer services.Rigid internal procedures: The internal process and procedures adopted by the bank were not in sync with the changing environment. The private banks were faster in business booking unlike the Bank which followed age old procedures that demanded a change.

Hierarchy: The strong hierarchy within the bank was the major obstacle in the progress. The rigid hierarchy was not conducive to the team work.

Staff shortage: The bank was facing another challenge in the form of shortage of staff. With the voluntary disclosure scheme a lot of efficient staff had walked away from the Bank as when they got a better opportunity in the private sector. Mass recruitment was required comprising of best talent to cope up with the changing environment.

Besides internal factors various external factors were responsible that demanded a change for survival. With the opening up of banking sector many new generation banks like ICICI, HDFC Bank, IDBI Bank came into market. These banks were better equipped with latest technology & staff and started setting new benchmarks for the customer services. The extensive usage of technology in the form of ATM's, phone banking, internet banking, Home banking etc. came into picture. With the booming service sector the young generation with large salaries started using the banking facilities which were ready to pay a price for services and convenience. They tried new products and services and expected superior personalized services. The private banks due to their new products, marketing strategies with effective salesmanship, carried the banking products to their footsteps. They offered better personalized services and delivered banking from home for their convenience. The majority of the corporate clients were also shifting towards the private banks as they were offered convenient and specialized services by them.

Note: The internal and the external factors is an authentic data compiled by the Bank. It is taken from the Trainer's notes of SBI Udaan workshop.

The bank had to focus a well planned strategy to introduce the change in the organization by working on 7 s-

Strategy

Introduction of new products, entering new business areas.

Style

Establishment of a separate department to manage change, communicating and involving all employees in the process of transformation. More customer oriented services.

Skill

New skills development to work in computerized environment.

Staff

Motivating staff by meeting their self reorganization needs through career advancements and shouldering higher responsibility. Recruitment of staff at clerical and officer level. As the Bank has limited salary packages emphasis was on non-monetized sources of incentives.

System

Implementation of latest technology and Core banking system covering 100% business.

Structure

De-layering of organizational structure by removing zonal offices.

Shared Values

Create a sense of self belongingness among the employees, something that could bind them together. A feeling of what I can do for the bank.

2. Rigid Organization Structure

The staff in the Bank is divided into three hierarchical levels- Executives, Clerical and sub staff, with clerical staff as most populous. At the end of March 2009 executive staff accounted for 31%, clerical 47% and Sub staff as 22% of the total workforce. The officers are recruited through an all India Probationary Examination and the successful candidates join the bank at the Assistant manger level. The bank is characterized by the strong hierarchy and a long chain of corporate ladder between the executives and Chairman namely Deputy Manager, Manager, Chief Manager, Assistant General Manger, Deputy General Manager, General Manager, Chief General Manager, Deputy Managing Director and Managing Director. For managing purposes the bank is divided into fourteen circles. Each employee is assigned a circle for HR purposes. The jobs are transferable depending upon the need of the organization and thus the employee is exposed to a varied job conditions. It provides an opportunity to rich and varied experience in various functional areas. Most of the staff in the bank was not exactly aware of the ground reality that they are losing major market share in the hands of the private banks.

2.1 Transformation in action

The process of transformation started in early September 2006 at the resort of Aamby valley with the meeting of the senior management following a *top down approach* keeping in mind the huge size of the organization. The major focus was to become a customer oriented and the most tech savvy bank and then to regain the leadership over the market which was slowly slipping away. A need of change in the mindset of more than two lakh employees was required that had deepened their roots for two centuries. It was recognized that poor internal communication was a major hurdle and a platform was needed where the problems within the organizations can be discussed. The Aamby valley meeting provided that platform where the top executives were made aware of the problems and the challenges of the organization, marking the *multiyear transformation journey*. In the three days conclave every aspect of the problem was looked upon and solutions were found through brain storming sessions and teambuilding exercises. After the sessions the executives were asked to vote for the areas which needed reforms. According to their voting seven areas were identified:

1. Energizing employees.

2. Providing consistent and reliable customer service.

3. Accessing the new middle class.

4. Pushing for aggressive consolidation.

5. New and upgraded technology.

6. Building of profitable global treasury.

7. Re-energizing the branch / distribution network.

Another problem the bank faced was of the leadership pool as most of the top management had become an ageing group and the need of young, energetic, professional staff was felt. The HR has to be revitalized as it was not able to deliver for the development of the staff and incentive system had completely become ineffective. The staff was highly de-motivated and had grudges that 15% of the staff does 85% of the work. The salaries were too low for the managerial level to provide any motivating factor. Union was another hurdle which protected the employees. The management was unable to utilize the full manpower. The last days of the conclave focused on the understanding of the issues deeply. The discussions were concluded on making the bank more customer friendly. Stress was laid upon effective people management and working as a team. The change process was designed in a sequential manner. First the top managers were focused and then the lower level. Within a month another conclave was scheduled targeting Chief General Managers. It was about planning at the next level. Next in the series was a conclave the very next month comprising of General Managers which discussed about the strategies even at a lower level. The formats of these two were largely similar as the earlier one but the focus was different. The first meeting was about making the top executives aware of the need of transformation and the next two were to draw strategy for how to move ahead. The basic intention was to involve the senior level staff in the process and in a way getting solutions from them. Breaking the shackles of hierarchy the chairman decided to meet the senior level staff. This gesture in itself was a significant change. After a series of conclaves the top management agreed upon few business goals that have to be achieved. The targets were set in a time bound manner. It was decided that SBI wanted to be the best in customer service by March 2007 and will beat the private sector's bank in growth & achievement during 2007-08. Standards were set as targets to be achieved and for evaluation purposes. A fourteen point action agenda was developed, seven were specific business goals and other seven were enabling initiatives.

The DMD (Deputy Managing Director) took the charge of specific circles either individually or in groups of two or three and acted as an ambassador of the chairman to spread the wave of change among the executive cadre. They personally addressed 9,500 branch managers by December 2006 and communicated the strategy of change. This again was a gesture that broke the traditional hierarchy. The idea was that the branches are the source through which the organizations perform; the message of change must penetrate to that level to be communicated to the lower staff and DMD was the right choice to convey the gravity of the message. But here the message had to be conveyed in tactful words as any exaggeration in the facts would have led to a panic situation. Middle level management comprised of AGM (Assistant General Manager) and the Chairman decided to contact them personally. For most of the AGM's meeting Chairman was a great deal. This gave a sense of pride and self realization. Meetings were conducted by the

Chairman in which they were made aware of the scenario. In the meetings there suggestions and ideas about the change were noted down as they were the layer directly in touch with the customers. The idea of personally meeting this layer offered an incentive to the managers. This acted as a motivating as well as controlling factor in the campaign. By end of December the top level management was aware of the ground realities and the information started filtering to the employees and branches. More and more meeting were conducted to create a mindset about the need for change along with a sense of pride about the vast organization they were serving in taking care of the fact that the message should not lead to panic.

Table 1: Business goals

BUSINESS GOALS	LEVEL OF CHALLENGE	ENABLING INITIATIVES	LEVEL OF CHALLENGE
1. Win back the middle class customers	Medium	1. Win IT Platform	Medium
2. Own rural India	High	2. Business Process Reengineering	Medium
3. Rebuild profitable wholesale bank	High	3.Develop consistent customer service	High
4. Build global treasury	High	4. Integrated risk system	High
5. Dominate SME	Low	5. Implement redesigned business performance systems	Medium
6. Global expansion	Medium	6. Reshape market through consolidation	High
7. Leadership in emerging new businesses	Medium	7. Strengthen capital management	High

Next step for the management was to take the employees association and the officer's association into confidence who had love hate relationship with the management. It had a strong hold among the employees and any initiative without their support would have proved in vain. The non executive staff was highly influenced by the employee associations while officers association represented junior and middle level officers. Any top level decision without their consent would have led to a nationwide strike. Finally a conclave was scheduled on December 2006 comprising of six members from each associations and a handful of top management. In the meeting they were assured that the management and the union both were working for uplifting the organization. As usual they were of the opinion that SBI cannot be compared with any other private bank as the objective of its formation is economic development not commercial indeed. But the management was able to convince the association that the bank needs a transformation for its survival, though a difficult task but not impossible. The association appreciated the initiatives taken by the management and welcomed the thought of team building. They pledged their full support to the campaign.

The confidence of the employees required to initiative a massive change was won. Few organizational changes were required by introducing new business groups to be headed by Deputy Managing Directors- Treasury and markets, Rural and agricultural banking, Corporate Strategy and new business. All these areas required special attention for further growth of the Bank therefore has to be operated separately. There was cutting down by layers by giving charge to Deputy Managing Director to head Mid- Corporate group which was earlier headed by Chief General Manager reporting to two Managing Directors. Mid corporate group comprised of the second tier corporate clients which would now be under the direct supervision of Deputy Managing Director. As to regain the market position focus on corporate clients was essential which were moving away from the bank due to lack of customer oriented services. Meanwhile an another business group along with a new department called corporate communication and change was formed headed by a General Manager and directly reporting to the Chairman which was four rank below. This group comprised of a small team that would initiate the transformation exercise called "PARIVARTAN" among the employees. The team directly reported to the chairman again breaking the layers of the hierarchy.

2.2 Conception of PARIVARTAN

Working upon the transformation agenda it was recognized that the people were SBI's greatest asset and the real problem. Employees in the organization had low morale and a complete change in the attitude was required. The change must not be forced it must come for within. The frontliners shall put customers before the processes and the middle level shall keep the performance targets in mind. Efforts were made to find out the solution for the question as to why shall an employee change, coming out of their comfort zone, to willfully serve the customer when there is lack of monetary incentive. One thing was for sure that the people working in the organization had a great potential, the need was to make them aware of their power. The workshop named PARIVARTAN was specifically designed to create a sense of team spirit among the employees and the campaign was started first to cover the junior executives and the clerical staff that came out to 1,38,000 employees. The challenge was to prepare a very strong message not just the sharing of facts but something that could really bring a permanent change in their attitude. It was decided to host a two day workshop covering various aspects for behavioral change comprising of eight segments and four objectives- to sensitize the staff about the transformation efforts, to energize them to become a change agent, to help them to become more customer friendly and to foster a sense of inclusiveness. The workshop was designed with the effort of the HR executives working in it without taking the help of any outside consultancy firm. The matter of the program came from the existing resources of the bank and some new content was added to it. Considering the large number of officers and staff the programme was rolled out for 100 days at different places. About 350 trainers were required which were duly trained in the Gurgaon training academy. Before formal launch of the programme few pilot sessions were conducted to test the content. The programme had to be started simultaneously at different centers as isolated efforts would have lost the gravity of the message.

2.3 Format of PARIVARTAN

Finally on 16th July 2007 SBI witnessed its first ever HR initiative meant to transform the whole organization. The programme started with message from the top level precisely about the problem with the bank's culture, strong hierarchy that promoted yes boss culture and how the bank was losing its customers. The message conveyed was *"Others don't have to change 'you' need to change"*. Initially it was a shock for most of the employees as they were not aware of the competitive threat the bank was facing. They were so involved in the daily routine that they didn't noticed that bank is losing its customers, though some were aware of the ICICI bank's rise but they took plea that SBI is a different kind of bank. Resistance to change was the next area for which a video was shown that revolved around Joel Baker's "business of paradigm". Many powerful examples were given like that of Japanese adopting the quartz technology to wipe out the Swiss from watch industry. Proving that resistance to change can prove to be fatal for any organization. Example of turnaround of Indian railways was also cited to reflect the transformation in Railways. The message was clear if they can do it there was no reason why SBI can't. Next was a presentation showing the shift in the market reflecting the change in the focus from the sellers to the buyers. The bank could no longer wait for the customers to come to them but it was them who have to aggressively seek them out to survive the competition. Finally the Day 1 ended with acknowledging the changes already initiated in the bank like the opening up of a new branch in Chennai, how the union leaders welcomed the proposal of transformation.

The second day had a more detailed view of the bank. The day started with the introduction of the Business Process Reengineering initiative to make the bank more efficient and the innovations like the grahak mitra, single window operations and better customer services. They were sensitized about the customer's feelings and were asked as to how they would feel if given poor services. A role-play was assigned in which they were asked to imagine a situation where a young executive was opening an account. This assignment gave them an opportunity to think about the customer satisfaction for the first time. The emphasis was laid on the power of one. Each one of them was conveyed a very clear message "How can you possibly make a difference" Last was a presentation from the Chairman quoting the example from Bhagwat Gita stating that self development was the main purpose of everyone life and the bank provides them an unique opportunity to self development by service to others and foremost to their customers. One needs to serve the customer not only for the business of bank but for the self development and appeal everyone to follow their dharma. The last exercise of the whole programme was the development and articulation of personal goals and action plans. It covered various aspects like personal development, improvement in service quality and setting personal goals to help the bank. The tasks were not forced upon the employees but they were asked to develop their own goals. The goals were time bound and verifiable. The programme ended with a pledge on six points by the participants as follows:

1. We exist for our customers.
2. I shall treat every customer as I would like to be treated myself.
3. I greet all my customers with a smile.
4. I shall be courteous, polite and respectful to my customers.
5. I shall apologize for any inconvenience caused to my customers
6. It shall be my endeavor to make SBI most preferred bank for my customers.

The programme was unveiled in all the 14 circles simultaneously. The officers at the circle arranged for the necessary number of workshops per week. While the programme was carried out the General Manager who was made incharge of the rollout kept track on the status of the programme by requesting the status report detailing the number of the sessions held and the number of employees covered from each circle twice every week. The report was then handed over to the Chairman which kept a pressure on the circles to perform.

2.4 Results of PARIVARTAN

PARIVARTAN was a team thinking platform but was not a regular exercise but aggressive enough to had a tremendous effect on the employees. It touched the core of every employee forcing them to think about the way they behave, their attitude towards work. Thousands of unsolicited letters from the employees across the country with positive response shows the success of the programme. Based on a questionnaire survey of SBI customers it was found that the programme had a biggest effect on the various aspects of the employees. Over 48% customers agreed about the fact that there has been an improvement in the employees as far as updating them about the new products and services are concerned. Over 28% agreed that the employees gave more attention than before. There were 24 aspects that were examined and most of them provided a positive result. By an SBI inspection team it was examined that maximum improvement was evident in the Kolkata circle while the southern circles- Bangalore, Chennai, Hyderabad, Kerala did best in the overall customer service levels. Though positive effect were evident after the programme but a two day workshop was not enough the transformation required follow up and everyday reaffirmation at the workplace. To take the employees motivation to the next level another programme was conceived in September 2009 as Citizen SBI Campaign.

2.4 Citizen SBI

Citizen SBI was more ambitious programme than PARIVARTAN, while PARIVARTAN aimed at making the staff aware of the problem on behavioral front and provided a platform to look into the changes required in their attitude; Citizen SBI was planned to touch the core value system of the employee inspired by the teachings of Swami Ranganathnanda of the Ram Krishna Mission. The campaign aimed at motivating the employees by an approach based on traditional values of Indian culture and philosophy of self development. Unlike PARIVARTAN, this programme was designed in association with a HR consulting firm Illumine Resources Pvt. Limited. The aim of the Citizen SBI programme was:

1. To customer fulfilling organization aimed at fulfilling the customer's needs as opposed to a customer servicing organization.

2. To facilitates proactive engagement with customer's communities.

3. To close the actualization gaps creating an organization where people can execute what they believe they should do.

Citizen SBI was a two day programme based on the belief that every individual has a belief system which cannot be changed by force and which develops over a period of years. All that can be done is to provide them a direction by guiding people to consider the alternative way of thinking. The change must be voluntary not forced. The programme started off with an exercise

in which the participants were asked to carefully envision an ideal SBI Citizen and how it should act in various situations. The changes were required at three levels: head, heart, behavior from present state to ideal state. Thus the objective was to give them a thought process, touching them at the identity level, taking the customer relationship from commercial level to the service level. The idea was to reflect upon how each one of them can contribute to self, to the bank, to the customer, to the society. To accomplish the task help was taken from 500 specifically trained trainers. At branch level customer fulfillment programme was combined with the classroom training and field practice. At another level market engagement programme focusing on the Regional Manager and involved Branch Managers and General Managers. A Senior Management Programme was also carried out for the senior management executives.

2.5 UDAAN (Flight)

In late 2010 the bank had conceived a sequel of PARIVARTAN, UDAAN an organization wide one day programme covering over 1.5 lakh employees from clerical cadre up to the Chief Manager rank devoted to a celebration and understanding of what has been achieved in transformation. It aimed to find out the individual contribution – what did I do? To set the path ahead it was important to know about what has been achieved, to create a sense of pride that we have done it ourselves. In the programme the saga of amazing transformation of the bank was shared as to how the bank has moved from a near crisis situation to the current position in the span of just 3-4 years. The message was "though with the team efforts and willingness the bank has been successful in coming out of the situation but there is a long way to go on". There is a long way to move from good to great. The programme was divided into three main sections- "We are the leaders" in which the past achievements of the bank were celebrated, "Lekin hum chahein more" creating a hunger for moving from good to great and the last " You are the key" which again established that the greatest asset for the bank are its employees.

The programme highlighted the achievements of the bank inspiring the employees to raise the standards for future growth. Few of the Success stories shared by the Bank are highlighted below:

1. A customer base of 180 million.

2. Over 42 million transactions every day.

3. Over 17000 group branches and over 21500 ATMs

4. Over 71 million debit card holders.

5. Home loan portfolio of over Rs. 71,193 crores.

6. Over 4, 33,000 students have availed the Education loan.

7. Over 10000 rural based business correspondence.

8. Corporate credit of over 2, 62,940 crores.

9. Foreign branches assets over USD 27 billion and customer deposits over USD 905 billion.

10. Corporate social initiatives like adoption of girl child for financial support, partnering with major municipal corporations to upgrade educational infrastructure, adoption of

villages under 'apna gaon' , Green banking through generation of clean power by wind mills.

During the four years the bank had covered a long way with more than 12,500 branches, on technological front more than 21,500 ATM's and customer over 18 crores. The information was given about the other banks that were better than SBI based on the figures provided by RBI like United bank of India, despite of being much smaller bank was performing better as far as profit per employee and other income growth was concerned. This was done to make them realize though they have done better in the past but there is a long way ahead. Instances were given about the CASA (current account saving account) deposits which were 46.6% though very good but lesser than HDFC's 50%. To become the best in all the parameters was important, being second is not enough. Business per employee is a crucial indicator of productivity, in the parameter business per employee has doubled in the last four years despite increase in the workforce but the competitor banks were much ahead. If we take example of Bank of Baroda and Bank of India the business per employee were 1068 lakhs and 1011 lakhs respectively. Parameters were reshuffled to become number one in productivity. The employees were motivated to work collectively and individually to bring more and more business. At the end the message was conveyed that "Our Udaan Continues"

About the revival and change of SBI, Shri Ratan Tata, Chairman of Tata group said *"the dramatic revival of the State Bank of India in the last four years is one of the unsung success stories of the contemporary Indian Business".*

2.6 SBI an employee friendly organization

In an all India survey conducted by Business Toady it was found that The State Bank of India figured in the list of the top ten employee friendly organization. It was recognized as the 'employer of choice'. Though it is a surprise for a public sector organization to get such a title as the pay structures in the bank is only a fraction of what the competitors could pay. The public sectors units are always at constraint as far as financial incentive are concerned but the SBI adopted a unique method to provide incentives to its employees, probably why it is an employee friendly organization. For the first time ever in the history of public sector bank State Bank of India introduced the concept of Employees Stock Purchase Scheme to motivate its employees. Beside it the employees are provided various benefits by the bank to make their life easy. For instance an employee if transferred to another place and the family had to stay at different location for children education or for any other reason than the employee is allowed to retain the earlier accommodation. The employees are provided the facility of travel reimbursements if they go for vacations with their family. To create a sense of belongingness education loans are provided to the children of the staff which demonstrates exceptional academic performance.

Unlike other public sector organization State Bank of India recognized the power of recognition and appreciation which can work marvels to motivate the employees. The bank initiated a practice for recognition of the top performers at a family event every month. The head of the 54 modules were urged to write 30-40 letters of appreciation every month. The employees were recognized for their services they provide to the bank. The gesture had a tremendous effect on the motivation of the employees. Employees and their family cherished the accomplishment for what they have done to the bank. Some of the employees who did exceptionally well were

inducted to the Chairman's club. Individuals were selected across the country and were called upon in the Chairman's bungalow along with their families for a get together. The employees felt extremely overwhelmed to meet chairman at his residence. The achievers were clicked and got place in the SBI's community magazine *'colleague'*.

Another initiative to handle the employee's grievances was to conduct an open house hour every week with Chief General Managers and General Managers. No direct communication due to large hierarchy was the reason for most of the employee's grievances and most of the time the management was not aware of their problems. This practice provided a channel to the employee's to keep their view as they were free to come to Chief General Managers and General Managers with their problems. It was a step towards a healthier staff relationship.

The staff was encouraged to give their suggestions about the bank and its working under the staff suggestion scheme. It was decide to give a reward of Rs. 500 to every employee who made any suggestions regardless of it merits. The payment was made as soon as the suggestion was made by clicking at an intranet site. A second reward was give to the person whose suggestions were accepted.

This practice served two ways- first it encouraged the employees to get more involved with the bank and second it showed to the employees that how important their suggestions are for the bank.

To keep the members updated about the latest developments within the bank, use of SMS became quite prevalent. The lines that were drawn to demarcate the employees with the hierarchy and rigid procedure were shattered. The practice of customers meeting with the Regional Managers to know about their expectations from the bank was already on floor but a new change was initiated by encouraging the branch managers to call upon the Employee's Union and Officers Association to the meetings. The move was taken to let them know about the expectations of the customers directly, creating more transparency in the system. Another innovation was witnessed by the way the performance reports were prepared. Earlier reports were detailed covering departmental achievements and individual performance which took a lot of time of the employees to prepare. Thus there was wastage of time which could have been used for some administrative work. Realizing it, the reports were shortened in a questionnaire form saving time and efforts of the employees. Departmental Performance reports and monthly reviews which were the main subject of the reviews before 2006 were taken over by the 'contribution to the bank'. The reports were now depicting the information like how much the group contributed to the bank's profitability and market share. It forced the managers at all levels to look into their contribution to the bank.

The whole change initiative was useless without the innovations introduced at the lowest level. The people working at that level had relatively low educational level and were not suitable for the general desk work. Most of them were engaged doing miscellaneous work like carrying files from one place to another or carrying a briefcase of any executives. With the introduction of mechanized working they had little work to do. Most of them were found doing nothing which created a very de-motivating environment. As a part of the organization and innovation that was taking place they were asked to perform certain extra functions. For instance the security guard was asked to greet the customers with a smile, help them in generating out the coupons, to keep a

watch that the customer area was not overcrowded apart from his routine job. Similarly the general attendants were asked to keep the bank clean and tidy well before the customers start coming in the morning. Messengers were asked to be neatly dressed and be present in the banks hall all the time so that if any document is required it is made available within no time. The whole effort was to create a pleasant environment of working.

3. Rewriting of Mission Statement

The most remarkable change that took place in the life of SBI was the change in its vision document itself along with its mission and value statements that was rewritten in July 2008 by its employees. A vision statement of an organization is a very important document which defines the role of the organization in the world. It is the very core and identity of an organization. Generally the mission and value statements of the organization are decided by the top management and the employees have no role practically in designing it and most of the time imposed on them. However in SBI as the wave of change was getting stronger the chairman wanted the employees to write the mission and value statements for the bank. He opined that this action would atleast compel the employees to think about the bank. To accomplish the task a. Similarly questionnaires were designed contain simple questions and employees were asked to tick the answers. This was for the first time that all employees were engaged in the task of formulating a mission and value statement. Over 141000 responses were received showing the enthusiasm of the employees. The responses were tabulated according to the age and rank of the employees. This exercise brought everyone together irrespective of the ranks and hierarchy.

For vision statement there was three choices- My SBI improving life for all, My SBI the bank of first choice and My SBI customer satisfaction first. The last one My SBI customer satisfaction first, was the obvious choice which received about 54% votes. Along with vision statement, the mission statement and values Statement was created from the interviews and survey which are as follows:

3.1 Mission statement

1. We will be prompt, polite and proactive with our customers.
2. We will go beyond the call of duty to make our customers feel valued.
3. We will create product and services that help our customer achieve their life goals.
4. We will always attempt to be of service even in most remote corner of our country.
5. We will serve people who live abroad as thoroughly as we serve those at home.
6. We will speak the language of young India.
7. We will use technology to drive excellence.
8. We will work together as a team to strengthen our position as the leader.

3.2 Value Statement

1. We will always be honest, transparent an ethical.
2. We will respect our customers and fellow associates.
3. We will be knowledge driven.
4. We will learn and share our learning.
5. We will never take the easy way out.
6. We will do everything we can to fulfill our corporate social responsibilities.
7. We will nurture pride in SBI and India.

The vision and mission statement was adopted by the bank on its foundation day on 1 July 2008.

4. Conclusion

The change initiative that took place in SBI was beyond imagination due to the vast size of the organization and what was more important was its lasting effect which was created by linking the identity of an individual with the soul of the organization. Going beyond the commercial motive of the organization to beat the competition, the transformation journey aimed at revolutionizing the individuals working in the organization. It is one of the largest transformation exercise and HR initiative that took place ever in India.

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