Chapter 3

Organizational profile
3.1- Brief Profile of Bank of Baroda

Since, the present research is carried out in Bank of Baroda, this chapter deals with historical background and profile of Bank of Baroda and brief of various initiatives initiated by the Bank to make it competitive in the era of cut throat competition.

Bank of Baroda is a known name not only in the Indian Banking Industry but also in the International Banking Arena. It started its journey in 1908 from a small building in Baroda and through its saga of vision, grass root wisdom, people’s performance, enterprise, financial prudence and corporate governance, it has attained the age 107 years young adult hosting its flag from new hi-rise and hi-tech Baroda Corporate Centre in Mumbai in 26 countries across the world.

The founder, Maharaja Sayajirao Gaekwad-III, with his insight into the future, saw “a bank of this nature will prove a beneficial agency for lending, transmission, and deposit of money and will be a powerful factor in the development of art, industries and commerce of the State and adjoining territories.” It all started with a visionary Maharaja’s uncanny foresight into the future of trade and enterprising in the country. On 20th July 1908, under the Companies Act of 1897, and with a paid up capital of Rs 10 Lacs started the legend that has now translated into a strong, trustworthy financial body, Bank of Baroda.
It has been a wisely orchestrated growth, involving corporate wisdom, social pride and the vision of helping others grow, and growing itself in turn.

These words are etched into the mind, body and soul of what has now become a banking legend. Following the Maharaja’s words, the earlier emblem was crafted to represent wealth, safety, industrial development and an inclination to better and promote the country’s agrarian economy. This emblem shows a coin, symbolizing wealth, embossed with an upraised palm, a safety cover for the depositor’s money, with a cogwheel that promotes industrial growth in tandem with the two corn ears that stand for the progress of the staple agricultural growth in the country.

Further, with the change in the era, the Bank changed its logo. The New logo is a unique representation of a universal symbol. It comprises dual ‘B’ letterforms that hold the rays of the rising sun. It is called the Baroda Sun. The sun is an excellent representation of what our bank stands for. It is the single most powerful source of light and energy – its far-reaching rays dispel darkness to illuminate everything they touch. The single-color, compelling vermillion palette has been carefully chosen, for its distinctiveness as it stands for hope, energy and loyalty.

The Baroda Sun is a fitting face for the Bank’s brand because it is a universal symbol of dynamism and optimism. The new corporate brand identity is a signal that the Bank recognizes and is prepared for new business paradigms in a globalized world. At the same time, the Bank will always stay in touch with the heritage and enduring relationships on which the Bank was founded.

**Bank of Baroda** is the largest bank in India having international presence. It business is in excess of Rs. 10.0 lakhs crores with a network of over 4500 branches 59 Regional Offices and 13 Zonal Offices. Bank of Baroda offers a wide range of banking products...
and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, credit cards and asset management.

**Figure No. 3.1.2: Chart showing organizational structure of Bank of Baroda**

The Bank has a four tier structure, i.e. Baroda Corporate Centre/Head Office, Zonal Office, Regional Office and Branches. The Bank is headed by Chairman & Managing Director supported by three Executive Directors. The Supreme Authority is vested in the Board of Directors which is having 14 members including the Chairman & Managing Director and all the Executive Directors. A diagrammatic representation of the organization structure of the Bank is given above.

The overseas network of Bank has made its presence felt in 26 countries. Its International footprints are spread around the globe and this overseas presence is being expanded further. The Bank is also having 7 Associate Banks (Domestic), 3 Subsidiaries Banks (Domestic) and Subsidiaries (Overseas), are:

**Associate Banks (Domestic)**

1. Baroda Uttar Pradesh Gramin Bank, Head Office, Rae Bareilly.
2. Baroda Rajasthan Gramin Bank, Head office, Ajmer
3. Baroda Gujarat Gramin Bank, Head Office, Bharuch
4. Nainital- Almora Kshetriya Gramin Bank, Head Office, Haldwani
5. Jhabua-Dhar Kshetriya Gramin Bank, Head Office, Jhabua
7. India First Life Insurance Company Ltd.

**Subsidiaries Banks (Domestic):**
1. Nainital Bank Ltd.
2. BOBCARDS Ltd.
3. BOB Capital Market Ltd.

**Subsidiaries (Overseas)**
1. Bank of Baroda (Botswana) Ltd.
2. Bank of Baroda (Kenya) Ltd.
3. Bank of Baroda (Uganda) Ltd.
4. Bank of Baroda (Guyana) Ltd.
5. Bank of Baroda (New Zealand) Ltd.
6. Bank of Baroda (Tanzania) Ltd.
7. Bank of Baroda (Trinidad & Tobago) Ltd.
8. Bank of Baroda (Ghana) Ltd.

**Representative Office (Overseas)**
1. Bank of Baroda (Thailand)
2. Bank of Baroda (Malaysia)
3. Bank of Baroda (Australia)

**Associate (Overseas)**
1. Indo- Zambia Bank Ltd. (Lusaka)
**Mission Statement**

To be a top ranking National Bank of International Standards committed to augmenting stake holders’ value through concern, care and competence.

**Logo**

The new logo of Bank of Baroda is a unique representation of a universal symbol. It comprises dual ‘B’ letterforms that hold the rays of the rising sun. It is called the Baroda Sun.

The sun is an excellent representation of what the bank stands for. It is the single most powerful source of light and energy – its far reaching rays dispel darkness to illuminate everything they touch. At Bank of Baroda, they seek to be the sources that will help all their stakeholders realize their goals. To their customers, they seek to be a one-stop, reliable partner who will help them address different financial needs. To their employees, they offer rewarding careers and to their investors and business partners, maximum return on their investment.

**The Ethics**

Between 1913 and 1917, as many as 87 banks failed in India. **Bank of Baroda** survived the crisis, mainly due to its honest and prudent leadership. This financial integrity, business prudence, caution and an abiding care and concern for the hard earned savings of hard working people, were to become the central philosophy around which business decisions would be effected. This cardinal philosophy was over the 100 years of its existence, to become its biggest asset. It ensured that the Bank survived the Great War years. It ensured survival during the Great Depression.
Even while big names were dragged into the Stock Market scam and the Capital Market scam, Bank of Baroda continued its triumphant march along the best ethical practices.

**Initiatives taken by Bank of Baroda:**

1) **Marketing Initiatives**

The mid-eighties marked the beginning of the shift to a buyers’ market. The Bank orchestrated its business strategies around the centrality of the customer. It diversified into areas of merchant banking, housing finance, credit cards and mutual funds. A string of segment specific branches entrenched operations in the profitable markets. Overseas operations were revamped and structural changes intensified in the territories to cater to second generation NRIs. Slowly but surely, the move to become a one stop financial supermarket had been set in motion. Service delivery standards were stipulated.

Today, the major differentiator amongst the banking service providers is the quality of customer service. The Bank enjoys the patronage of over 45 million global customers. Bank is committed and focused towards providing excellent Customer Service through all delivery channels and has been making continuous efforts for enhancing the level of customers’ satisfaction by leveraging technology to provide e-products and alternative delivery channels best suited to the diverse needs of different customers. The varied interests and expectations of customers are being taken care of by further improving upon the various processes and procedures.

The Bank took various initiatives in this regard:

- A Sales Operating Model rolled out in all metro/urban branches under Navnirmaan project for developing sales & service culture to generate business leads through transitioning service requests to sales conversation and data mining of existing/new profitable customers.
• To accelerate the pace of Savings Bank Deposits accretion – a tough challenge in rising interest rate scenario - Bank launched several SB Deposit campaigns with incentives to the performing staff, such as cash winning to individual staff, “Evening with CMD & Picnic with Staff” for award winning Branches and Regional Offices.
• To augment retail loan the Bank:
  o Opened number of retail loan factories at all major centres.
  o Launched number of Retail Loan campaigns.
• The Bank took several initiatives under MSME Business and opened:
  o SME Loan Factories and
  o SME Specialized Branches
• Bank introduced new customer-centric area specific products to suit the local cluster needs like “Baroda Channel Financing” etc.
• Bank introduced “Baroda Entrepreneur Awards” for Micro & Small enterprises.

2) People Initiatives
Bank of Baroda has always had an immense faith in the infinite potential of its people. This has been historically demonstrated in its recruitment practices, developmental initiatives, placement processes and promotion policies. Strategic HR interventions like, according cross border and cross cultural work exposure to its managers, hiring diverse functional specialists to support line functionaries and complementing the technical competencies of its people by imparting conceptual, managerial and leadership skills, gave the Bank competitive advantage. The elaborate man management policies also made the Bank a breeding ground for business leaders. The Bank provided around a dozen CEOs to the industry- men who went on to build other great institutions. People initiatives were blended with IR initiatives to create an effectively harmonious workplace, where everyone prospered.
Employees act as an important asset for every organization. So maintaining, retaining and upgrading this asset are vital roles to be played by every organization. Review of year round performance of an employee becomes an essential part of organization’s functioning as it tells the organization about the strengths and weaknesses of every person working in the system.

The Bank took several steps to revamp its existing HR processes, structures and policies in order to support its technology-led business transformation. A focused HR transformation project – ‘SPARSH’ has been introduced to achieve this goal. Various initiatives taken by the Bank such as Talent Management, Succession Planning, Creating a Scientific Staffing Model & Manpower Planning, Development & Capability Building and Performance Management with intention to produce substantial results going forward enabling Bank to successfully address tough business challenges.

Bank also implemented the Human Resource Networking for Employees Service with the objective of creating a central database of Bank employees for facilitating speedy decision-making, promotion and selection exercise as also for automating other HR process.

3) Financial Initiatives

New norms for capital adequacy required new capital management strategies. In 1995 the Bank raised Rs 300 crores through a Bond issue. In 1996 the Bank tapped the capital market with an IPO of Rs 850 crores. Despite adverse market conditions prevailing then, the issue was over subscribed, reflecting the positive public perception of the Bank's fundamental financial strength. In 2006, Bank brought another IPO which was oversubscribed and Government share holding fallen below 53%.
4) Digital Initiatives

Bank of Baroda pioneered the shift from manual operating systems to a computerized work environment. Starting with ledgers, to ledger posting machines, through ALPMs, the Bank graduated to the use of Unix based systems to Mainframes, to client server based Total Branch Mechanization Systems. Today, the Bank has 100% CBS branches. Alive to the growing complexities of an intensely competitive marketplace and the mounting expectations of customers fuelled by this competition, the Bank reworked its distribution strategy. It ventured beyond the brick and mortar delivery channel into ATMs and the Omni BOB range of anytime, anywhere electronic channels of PC banking, telephone banking. The e-banking products used state of the art technologies like digital certificates, smart card authentication and secure networking.

In last a few years, the Bank took various technology initiatives like:-

- All branches covered under core banking solution. Later, in order to provide superior internet banking experience to its customers, Bank migrated the Core Banking System (CBS) to higher version with enhanced features. Additionally, various new modules like Fixed Assets Maintenance, Sales Tracker Module, Centralized Service Tax, Bank Realisation Certificate (e BRC) Module, Account Number Portability and Workflow Automation for New Pension Scheme, Swavalamban, are implemented.

- Enabled for interbank remittances through RTGS and NEFT which have also been interfaced with Bank’s internet banking portal.

- Bank continued to upgrade and add more facilities under its Internet Banking channels like Internet Banking, Baroda Connect, SMS Alerts, RTGS, NEFT, ASBA (Application Supported by Blocked Amount).

- Bank added more facilities to the Mobile Banking channel through Baroda M-Connect viz. Balance Enquiry, Mini Statement, Linking of Multiple Accounts, Fund Transfer, Bill Payments, Ticket Booking, Shopping, Feedback and Complaints etc.
By 31st March 2012, the Bank’s ATM network expanded to 2,012. The ATM switch is now integrated with seven interchanges viz. National Switch NFS (NPCI), Visa, MasterCard, CBUAE (UAE), CBOMAN (Oman), Link (T&T), Paymark (New Zealand) to provide convenience to customers by increasing delivery points through ATMs.

With a centralized depository application, Bank’s branches are now equipped to provide depository services for both NSDL as well as CDSL. With Online Trading System, Bank now able to provide a complete suite of online services to customers for trading in instruments like equities, mutual funds, bonds and initial public offering (IPOs).

Additionally, Bank took several other IT related initiatives such as Internet Payment Gateway services for debit cards as well as credit cards, Cash Management System covering services like Receipt Management (Collections), Payment Management and Invoice Management (Receivable and Payable Management), Payment Messaging Solution (PMS) {that was implemented in 20 overseas territories and all authorised branches in India}, a grid based Cheque Truncation System (CTS) {implemented in NCR-New Delhi, Chennai, Coimbatore and Bangalore}, and initiation of an Automated Cheque Processing Centre (Inward & Outward) in Mumbai.

Moreover, Bank undertook measures to create Data Warehouse for providing flexible and interactive source of strategic information, Customer Relationship Management for better customer insight and uniform customer view across channels.

Transaction based Internet Banking has also been implemented in Uganda, Botswana, New Zealand, UAE, Kenya, Mauritius, Seychelles, Fiji and UK providing facilities such as fund transfer to self and third party, bill payments, corporate salary upload and online shopping. View based internet banking has been implemented overseas in Oman and Tanzania.
- As a customer-centric initiative, Bank has implemented self-linked fund transfer, Institution fees payment, mobile banking registration, mobile number updation, biometric authentication enabled ATMs, tax payment, multiple accounts being linked to a single Debit Card, Verified by VISA, CVV2, Visa Platinum, Maestro Debit Card, Biometric Card, PIN change and mini statement through other Bank ATMs. Mobile ATMs have been launched in Ahmedabad, Pune, Lucknow and New Delhi.

- New Credit Card Management System has been implemented to provide comprehensive management and support for Bank’s Credit Card operations.

- The SWIFT facility for worldwide inter-bank financial communication is provided at Foreign Exchange Authorised Branches in India as also in overseas territories.

- For improving Bank’s service delivery, the Back Office functions have been centralised at City Back Offices and Regional Back Offices. Bank presently has 70 City Back Offices and 10 Regional Back Offices.

- Automated Cheque Processing Centre (Inward & Outward) was implemented in Mumbai. Bank has also initiated the process of implementation in Surat, Ahmedabad, as a part of Business Process Re-engineering under its Project Navnirmaan.

- The Integrated Global Treasury Solution has been implemented in UK, UAE, Bahamas, Bahrain, Hongkong, Singapore, Belgium and in India, reducing the cost of operations and better fund management.

- For regulatory compliance, the Anti Money Laundering (AML) has been implemented in India and 20 overseas territories.

- Bank has also implemented Risk Management solution.

- Enterprise wide General Ledger Solution has been implemented. This provides variety of inputs to Bank for strategic decision making in business development and also generates enterprise wide consolidated reports.
• The Centralised Payroll, Salary module, e-TDS module and Leave Module have been implemented for all Bank’s offices in India.

• Bank had also undertaken as a part of its business strategy, Data Warehouse for providing flexible and interactive source of strategic information, Customer Relationship Management for better customer insight and uniform customer view across channels.

• The IT setup also developed for account opening process and transactions, both online and offline, to be carried out through Business Correspondent thus enabling Financial Inclusion.

• The Mobile Van Banking is launched in Gujarat, UP & Bihar on a pilot basis as the Bank’s Financial Inclusion initiative.

• The Solar Power Generation System (SPGS) was implemented during the year in additional rural branches to ensure uninterrupted banking services to the Bank’s rural customers.

• A robust Information Security Management System is put in place under review to protect the technology against security threat.

Number of such initiatives continued to be taken up by the bank for further growth.

5) Quality Initiatives:
In its relentless striving for quality perfection, the Bank secured the ISO 9001:2000 certifications for more than 50% of its branches.

6) Strategic Initiatives
As a measure of long term initiative, Bank started Project Navnirman covering both Business Process Re-engineering and Organization Re-structuring, aimed at transforming the Bank’s branches into sales and service centres through sustained centralization. This is expected to achieve sound sales growth, superior customer experience and alternate channel migration. Bank has converted all its metro and urban branches into Baroda-Next (i.e. a branch where BPR is rolled out) within a
stipulated timeline. The initial impact of Baroda-Next migration has been found to be rewarding both in terms of increased customer satisfaction and CASA growth. Creation of automated and lean Back Offices like City Back Office and Regional Back Office on a wider scale has improved the efficiency. To sustain sales growth, a new Sales Operating Model has been rolled out in certain identified branches of the Bank.

Bank has started opening Mid-corporate branches to ensure focused credit dispensation to this specific segment of wholesale business. Further centralization initiatives are going to be piloted soon to enable these branches to become a “Sales-cum Service Outlet”.

With the aim to strengthen its business foundations, the Bank undertook several other strategic initiatives like Retail Loan Factory, SME Loan Factory, Treasury Operations, Asset Recovery, Small Scale Industries, Agriculture Finance, etc. The Bank has rolled out CBS (Core Banking Solution) in all its branches whereby all Branches are under a common network and inter-connected with each other. The Bank is also shifting the back office function of all the branches into Regional Back Offices and City Back Offices. Majority of the branches are being converted into Sales and Service Units with an attractive lay-out and ambience and are being christened as “Baroda-NEXT branches”. The Bank also expanded its Disaster Recovery Centre to ensure uninterrupted banking services.

8) CSR Initiative:

In all its core businesses, Bank has put strategies in place that seek both to address near-term challenges and to seize opportunities to strengthen its platform for the Corporate Social Responsibility (CSR). As a responsible corporate citizen, it has been the vision of the Bank to empower the community through socio-economic development of underprivileged and weaker sections. In its continued efforts to
make a difference to the society at large, Bank intensified its efforts in this direction too, like:-

- Bank has established **Baroda Swarozgar Vikas Sansthan (Baroda R-SETI)** for imparting training to unemployed youth, free of cost for gainful self employment and entrepreneurship skill development which help them improve their family economic status and also gives a boost to various regional economies within these locations. All the Lead Districts of Bank have R-SETI each. Moreover, Ajmer BSVS centre has been exclusively developed for women entrepreneurs. About 46 such Sansthans have been established by the Bank in which more than 1, 22,228 youth have been trained and around 75,000 have been gainfully self employed till 2012.

- Bank has established 52 Baroda Gramin Paramarsh Kendra for knowledge sharing, problem solving and credit counseling for rural masses across the country. In order to spread awareness among the rural mass on various financial and banking services and to speed up the process of financial inclusion, Bank has established 39 Financial Literacy and Credit counseling Centres (FLCC) christened as “SARATHEE”.

- Understanding the need to redesign business strategies to incorporate specific plans to promote financial inclusion of low income group, treating it both as business opportunity as well as corporate social responsibility, the Bank made use of available resources including technology and business expertise and took concrete steps to promote the causes of financial inclusion. Under financial inclusion:
  - Data and transactions integrated to the CBS through an FI Server/Gateway;
  - Issued Smart Cards to customers;
  - Bank tied-up with National Institute of Rural Development (NIRD), Hyderabad for designing and conducting special training program for its officers on FI;
  - For increasing the pace, Bank introduced Mobile Banking vans, having connectivity to CBS through CDMA technology;
• Covered 100.0% villages allotted to it under the FI project. More than 7.61 lakh FI accounts were opened in these villages as against the target of 7.10 lakh till 2012.

• To ensure to meet farmers’ demand for agricultural credit and other financial needs of rural India:
  o Bank designed various products and business strategies under Rural and Agriculture lending.
  o Identified 450 Thrust Branches across India to enhance Agriculture lending.
  o As many as 22 area specific schemes were formulated to increase agricultural lending.

Several other initiatives are continued to be taken up by the bank after 2012 too.

Bank’s consistent and stable performance across all business and financial parameters and superior leadership has earned it the approval of various national and international organizations. Amongst several awards during the period between 2009 and 2012, a few awards are stipulated as under:

• Best Public Sector Bank (PSB)-2012 by CNBC-TV18 & MCX;
• The Golden Peacock Award for Excellence in Corporate Governance by the Institute of Directors & World Forum for Corporate Governance in London;
• The Dainik Bhaskar India Pride Award for 2011;
• The Most Efficient Bank in Kenya;
• The Best Initiatives in Inclusive Banking – FIBC Banking Award;
• The Dun & Bradstreet’s Leading PSB in “Global Business Development Category”;
• The National Award for Performance under the SME Business;
• The Award for Best Utilisation of Intellectual Resources;
• The Best Growing Large Bank by the Business World-PWC;
• The Business Leadership Award by NDTV- Best PSB in 2011;
• The Award for Excellence in Financial Reporting by the ICAI in PSB category;
• The Fastest Growing Large Bank by Business World-PWC;
• The UTV-Bloomberg Financial Leadership Award, and,
• The FM Stars Industry Brand Leadership Award.
• Furthermore, Bank’s Brand Ranking increased by 47 notches in just a year’s time in the Top 500 Banking Brands by The Banker, London during FY12.
• T A Pai Memorial “Best Banker” award.
• Most Efficient Bank in Kenya
• National Award for performance under implementation of PMEGP scheme.
• India Best Banks and Financial Institutions Awards: MCX and CNBC-TV18-
  ▪ Best Public Sector Bank
  ▪ Outstanding Financial Professional – 2010 was conferred upon Mr. M D Mallya, earlier Chairman & Managing Director.
• HR Excellence Award for Best Intellectual Human Resource Utilization Practices” by Amity International Business School, New Delhi.
• Golden Peacock Award for Excellence in Corporate Governance.
• “Dainik Bhaskar India Pride Awards - Lifetime Achievement Award to M D Mallya.
• ABCI Awards 2011.
  o Gold Trophy in Indian Language Publication- Akshayyam
  o Bronze Trophy in New Publication- Navnirmaan
  o Bronze Trophy in Special Column – Apni Baat
  o Gold Trophy in Web Communication online – Retail Product Campaign
• Business World Best Bank 2011 Awards
  o Fastest Growing Bank- Large
  o Banker of the year to Shri M D Mallya, CMD
• Best Public Sector Bank Award by State Forum of Bankers Club, Kerala.
• ICAI awards for Excellence in Financial Reporting
• Best Public Sector Bank by NDTV Profit
• My FM Stars of the Industry Brand Leadership Award
The decadal growth of the Business of Bank of Baroda has been as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
<th>(10)</th>
<th>(11)</th>
<th>(12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1908</td>
<td>0.19</td>
<td>0.24</td>
<td>0.43</td>
<td>0.005</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1918</td>
<td>2.05</td>
<td>1.65</td>
<td>3.7</td>
<td>0.035</td>
<td>5</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1928</td>
<td>5.6</td>
<td>2.47</td>
<td>8.07</td>
<td>0.042</td>
<td>16</td>
<td>360</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1938</td>
<td>7.13</td>
<td>2.99</td>
<td>10.1</td>
<td>0.05</td>
<td>24</td>
<td>525</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1948</td>
<td>35.0</td>
<td>14.7</td>
<td>49.8</td>
<td>0.17</td>
<td>38</td>
<td>1235</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>67.1</td>
<td>40.1</td>
<td>107.</td>
<td>0.22</td>
<td>90</td>
<td>3037</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>313.8</td>
<td>106.4</td>
<td>509.94</td>
<td>0.93</td>
<td>333</td>
<td>8893</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>1970.22</td>
<td>1194.81</td>
<td>3165.03</td>
<td>3.27</td>
<td>1365</td>
<td>27263</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>10734</td>
<td>5291</td>
<td>17026</td>
<td>23.5</td>
<td>2154</td>
<td>43096</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>44614</td>
<td>21092</td>
<td>65706</td>
<td>421.4</td>
<td>2557</td>
<td>46187</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>192397</td>
<td>143986</td>
<td>336383</td>
<td>2227.2</td>
<td>2974</td>
<td>36838</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>384871</td>
<td>287377</td>
<td>672248</td>
<td>5007</td>
<td>3904</td>
<td>41000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures from col. 1 to 8 refers to 31st December and followed by 31st March

Table No.3.1.1: Decadal growth of business of Bank of Baroda

Figure No. 3.1.3: Graphical representation of no. of employees’ vis-à-vis total business

Graphical representation of growth of number of employee vis-à-vis business growth represents that there has been sharp increase in the business especially after 2000 but number of employees has marginally gone down after 2000.

End Note

1. This chapter is based upon information available over web-site and annual report published by the bank during the period between 2001-2002 to 2011-2012.
3.2. Brief study of HRD practice initiated during the last decade in Bank of Baroda

Last chapter dealt with various business transformation activities initiated by the Bank. However, no change can be successful unless its people are having willingness and ability to accept changes. Employees directly affect the accomplishment of business results. Quality and capabilities of employees hold key to the success of an organization and in meeting its mission. Best of strategy and technology cannot help to achieve business goals unless human resources are continuously rejuvenated through new skills and mental mode required by the changing times. (1) HRD measures help the employee in developing their competence and commitment level and improvement in organization culture. Therefore, this chapter deals with various HRD measures initiated by Bank of Baroda during last one decade.

As Einstein said, “We cannot solve problems by using the same kind of thinking we used when we created them”. Looking to the importance of HR in the Bank and creating solutions beyond the level on which it were created, the Board of Directors of the Bank constituted Board Level HR Steering Committee for piloting HR initiatives and reforms. The Committee comprises of Directors and leading professionals as experts from outside the Bank. To link up the HR with Business Strategy, Board approved strategy paper outlining various organization wide HR reforms and formed the HR Mission and HR Objective of the Bank. The HR Mission of the Bank is:

<table>
<thead>
<tr>
<th>HR MISSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Competence and Passion for Business Excellence</td>
</tr>
</tbody>
</table>

- Passion is the charge that drives us to achieve the goal. Competence is the ability to perform effectively and excel in the role.
- Our goal is to make the Organization excel in its line of business by Winning Customers, Achieving Operational Efficiency & Improving Bottom-line.
- Through strategic Human Resources Systems & Practices, we shall strive to build the Functional, Behavioural, Managerial and Leadership competencies and create passion in our PEOPLE so as to enable them to achieve business excellence through collective endeavors.
- We believe excellence is an ongoing journey, which ends only to begin.

Page |178
To craft the future of the Bank, Board of the Bank also approved the ‘HR Vision-2010’. The document has following core objectives for HR:

- To initiate & institutionalize globally competitive HR practices in the Bank in our pursuit to become a Bank of international standards and to become an employer of preferred choice;
- To put in place relevant HRD strategies and use modern methodologies to undertake organizational renewal; identify and nurture talent, bring about marked changes in the mindset of employees at all levels so as to enhance HR Quality;
- To create a performance-driven culture and an exciting workplace for the employees;
- To create a pool of entrepreneurial managers and business leaders for future;
- To inculcate a strong and effective sales and service culture across levels in the organization in order to generate strong stakeholder affiliation;
- To create a learning organization for employees’ intellectual growth and creativity; and to re-skill the workforce to operate in digitally enabled modern core banking environment.

The Bank also formed a new Group HR Organization Structure to take care of the strategic business HR needs of the Organization. The Structure has balanced focus on HRM and HRD aspects to put in place competency based HR systems and practices. The HR Business Model is as under:-

The Strategic HR Business Model adopted by Bank of Baroda incorporates its HR Mission and Philosophy and is focused towards attainment of long-term organizational goals.
A very strong **Organizational Leadership** at different levels forms the key link in the Model. These are:

**Strategic Leadership** - Corporate level

**Business Leadership** - Zonal & Regional level

**Operational Leadership** - Business unit level i.e. branch

The two vital Human Resource sub-systems i.e. **HR Planning & Management Sub-System** & **Competency Based HRD Sub-System** shape the very crucial **Performance Environment** within the Bank which facilitates development of enabling capabilities of people.

Through proper developmental inputs, positive attitude & right mindset is created among people.

Through proper communication medium and an organizational culture of sharing, openness, collaboration & confrontation, autonomy people in the organization are facilitated to give their best output (performance).

The Model is adequately supported by a suitable **learning platform**, which imparts proper knowledge and enhances learning among people (functional, behavioral etc.) so that their competence increases and their potential could be properly leveraged for greater individual and organizational effectiveness. These
create proper employee motivation, which ultimately facilitates goal achievement.

Gists of the HR interventions initiated by the Bank during the decade are as under:

(1) **Voluntary Retirement Scheme, 2001**
To remove additional fat and thinning the organization to make it smart, the Government of India authorized the Public Sector Banks to introduce the voluntary retirement scheme. The Bank grabbed the opportunity and introduced the Voluntary Retirement Scheme-2001 in which 6521 staff (3094 Officers+ 3427 award staff) members opted for VRS. This helped the Bank to reduce the fat just like surgery but at the same time created problems related with mismatch of staff position at region and branch level apart from the brain drain to some extent. The Bank through training could fulfill the gap caused due to brain drain.

(2) **Filling the gap caused due to VRS and placement of right person for the right job:**
The Bank through training could fulfill the gap caused due to brain drain and to overcome the mismatch position in branches and ensure optimum utilization of Manpower, the Bank took following measures:-

i. Carried out large number of inter Zonal and inter regional transfer of officers by adopting the principle of longest stay and narrow down mismatch of numbers of officers available in each zone/ region.

ii. In terms of paragraph 536 of Shastri Award, the Bank had freedom to transfer and deploy their award staff within the State or linguistic area, whichever is smaller. But during the peak militancy of the trade unions, the Banks stopped transferring/ deploying their manpower and the provision became redundant causing imbalance in availability of manpower in different branches. Since, there was no policy to transfer clerks and subordinate staff, the Bank entered into Settlement with recognized trade union for Deployment of Clerical staff known as Redeployment Settlement of Award Staff- 2001 dated 18.03.2001 which enabled the local
management to transfer surplus staff from urban to deficit branches in rural and semi-urban area within 100 kilometers or within the administrative jurisdiction of the Region or state whichever is small.

Taking clue form this Settlement, the Indian Banks Association also inserted the provisions of transfer of Award staff within 100 kilometers or within district, whichever is larger, during the VIIIth Bipartite Settlement.

iii. **Settlement on Redeployment of Special Assistants** in rural and semi-urban branches entered with Recognised Union through which Bank was empowered to deploy their Special Assistant from urban to rural or semi-urban branches.

iv. **Removal of silent Restrictive Practices created by virtue of unionization**- Though unions never agree that there is any restrictive practice adopted in the Bank but in practice, the union in their competition to retain their membership silently allowed their members to adopt restrictive practices and unions have been silent spectator to it. Bank of Baroda as HR initiative tried to break this block and taken several steps either through entering into Settlement or by issuance of administrative guidelines:-

  o To utilize the services of Special Assistants as in-charge of Savings Bank and other departments like fixed deposit, current accounts etc.
  o To deploy excess manpower, wherever available, towards NPA recovery.
  o To ensure full day’s work from all staff members, specifically in reference to office-bearers of the unions and association. No duty relief for personal work and trade union activities during office hours.
  o Enforcement of duties attracting special allowances from Special allowance holders. Non-performance of special allowance duties shall disentitle to wages/salary including special allowance besides attracting disciplinary action.
Withdrawal of special leave which was being availed by the office bearers of the officers associations which was not allowed in other Banks.

v. **Empowerment of Special Assistants** with enhancement of transactions related powers so that proper utilization can be done.

vi. **All-round development of officers:** Officers play leadership role in the Bank and therefore, it is necessary that Bank prepare good number of officers who are able to take charge of leadership position but at the same time they are not put to too much of inconvenience. The situation should not arise where the officer is promotable but not post-able, the Bank took the following initiatives in respect of officers:-

   a. Bank as administrative measures attempted to rotate for exposing officers in various positions for their all-round development – to shift officers to administrative offices after they have spent two tenures of their posting in branch operation.

   b. To transfer from one Region to another and from one Zone to another after obtaining their willingness as a part of their all-round development.

   c. Proper deployment methodology while making deployment of Chief Managers and above by taking their personal need as well as taking into account their potential, aptitude and key strength areas.

   d. Framing transfer policy to regulate and streamline the transfer of officers (This was the first attempt of the Bank in its history to formalize the transfer policy).

      i. From one centre to another centre.

      ii. From one Zone to another centre.

      iii. Transfer of Lady Officers.

      iv. Deployment and rotation of specialist officers.

vii. **Job Rotation of officers and employees:** “Job rotation has been a very sensitive issue to union as each union competed to ensure that their members are placed near to their residence. The unions were against management’s
total control on job rotation and redeployment of staff. They believed that management could use it as an instrument of reward and punishment which could dilute their hold on their members. From management’s point of view, redeployment of staff and job rotation was an important mechanism for development of staff and better utilization of individual talent.” (Khandelwal, 2010)\(^2\). Though the provision for job rotation and redeployment has been existed as policy for several years and even also had remained a subject of concern for the Government of India, RBI and CVC to check the fraud and malpractices but the Bank at operational level were failing to take major steps to implement the same under the fear of IR disturbances. Especially in Metros cities and Zones and Regions falling under West Bengal, U.P etc where militancy was on its higher side. Bank of Baroda dared to challenge the status quo and rotational transfer of officers and award staff got affected as per existing guidelines **without making any exception** of office-bearers of unions and associations.

2. **Structural changes:**

The Bank has four tiers structure namely Corporate Office, Zonal Office, Regional Office and branches. The Bank has restructured the Zonal Structure reducing their number from 19 to 13 and thinned down their staff strength and diverted to operational areas. At the same time, the Bank also reduced the number of Regional Offices and re-positioned them at strategic locations to have better control and monitoring. Apart from it, the Regional Offices were empowered by upgrading the position of Regional Head from Chief Manager to Asst. General Manager or Deputy General Managers and also created one or two positions of Deputy Regional managers, depending upon the size of the Region, to support the Regional Head. Regions were provided more autonomy in dealing with HR issues. The HR issues which were being handled by the Zonal Offices were passed on to Regional Office which reduced the time taken for decision/providing guidance to branches and empowerment to Regional Authorities in handling HR issues. Various HR processes have been re-grouped to bring-in effectiveness.
3. **Merger and Amalgamation of small Banks:**

In the process of merger & acquisitions, the following small size Banks were merged in Bank of Baroda:

(i) Erstwhile Bareilly Corporation Bank Ltd. merged on 30.06.1999.
(iii) Erstwhile South Gujarat Local Area Bank Ltd. in 2005
(iv) Erstwhile Industrial Investment Bank of India Ltd. in 2006.
(v) Memon Mercantile Cooperative Bank, Ahmedabad in 2010.

The transition processes after amalgamation of these Banks were made smooth through transparent policies with proper deployment of manpower and without any industrial relations fall out.

4. **Empowering employees through Process & Management:**

Primarily basic banking is a monotonous job but to enrich the work and provide better customer service, the Bank has introduced/taken several steps such as:

(i) **Introduction of system of Universal Teller** to facilitate single window / one stop banking operations of a customer in a branch thereby reducing the customer touch points. For this purpose, the Bank has entered into a settlement with the recognized union named as Settlement of Universal Teller -2004. This was the first of its kind settlement in the banking industry where a customer-centric business intervention has been agreed by workmen union. This is a proactive step of the Bank to align the HR practices with the business requirements (core banking operation). Later on, IBA in the year 2010, while finalizing the IXth Bipartite Settlement at industry level rationalized the designation of clerical staff and introduced the system of **Single Window Operator “A” and Single Window Operator “B”**. Now, the Bank has made necessary modification in their Settlements and Branches are using the services of Single Window Operator “A” and Single Window Operator “B” where the customer get all basic banking services like deposit
of money, withdrawal of money, getting demand draft, updation of passbook etc. from the single counter.

(ii) Amendment Settlement to Special Assistant: Special Assistant is basically a clerk who is provided with certain/limited powers related with supervisory cadre/officers cadre. This settlement facilitated proper deployment and utilization of Special Assistants in rural and semi-urban area and limiting the mandatory fulfillment of Special Assistants vacancies in future apart from increase in their passing powers. This is again an initiative in tune with the business requirements.

(iii) Amendment Settlement of HC-E & HC-C at Currency Chests: In order to comply with RBIs guidelines on preventive vigilance of manning currency chests only by officers as joint custodians, Head Cashier posts at currency chests was abolished and two officers have been made joint custodian of the currency chest instead of one officer +one clerk.

5. Uniformization of various staff scheme:
The Bank is quite old and spread in various geographical Region. Due to passage of time and under pressure of the union, the same rules were interpreted in different manners in different branches/regions. With a view to adopt uniform practice in the whole Bank, the Bank took various steps such as:

(i) The compilation of rules/regulation in the form of Books. The whole processes of banking including staff regulations were compiled in total 16 volumes. The staff related issues were also compiled named Book of Instruction Volume-XII and Volume-XIII.

(ii) Important provisions of the staff matters like provisions related with LFC/LTC, provisions related with staff loan, leave rules etc. were compiled in the form of master circulars on different issues covering all relevant aspects and clarifications. These circulars are available to all employees over intranet.
6. **Introduction of HR Audit**

In order to ensure uniformity of HR practices, as per defined administrative norms, removing deviations and plugging financial leakages and better monitoring, the Bank introduced the scheme of HR Audit in the Nov.2002. It is being conducted on a periodic and continuous basis. Since inception, HR Audit has helped in identifying the weaknesses, deficiencies and deviations in implementation of HR policy as also in curbing revenue leakages. It has largely facilitated in streamlining the processes and strengthening the internal control systems and procedures thereby bringing transparency and accountability in HR administration.

HR Audit was thus institutionalized as a monitoring mechanism. It has been successfully implemented and has provided excellent feedback about gaps in policy implementation. The initial reports of HR audit brought out many more disturbing features of HR administration than what imagined. It brought out cases where no action was initiated for long time for unauthorized absence of some employees; employees were allowed to draw their medical and LTC bills much in excess of their entitlements sometime without submission of proper bills etc; and many other irregular practices in leave record-keeping. The management had to recover large amounts from the staff for the excess payments made. All hell broke loose after the introduction of personnel audit. It revealed as to how the trade unions at shop-floor level prevented operating managers to exercise legitimate authority in managing the personnel function. The personnel audit was a stark reminder about the fragility of Bank’s strategy in soft-pedaling the IR issues.

The implementation of Personnel Audit signified the management’s resolve to improve personnel administration in the Bank. For the first time, staff members realized that they were obliged to operate within the framework of organizational discipline. The most important outcome of this was the restoration of management authority. \(^{(3)}\).
For the purpose of identifying the areas where irregularities are creeping, a format has been devised through which the general discrepancies could be identified for rectification. However, in the recent past, they have observed from the Audit reports that the new HR policy initiatives which have emerged are very much outside the purview and coverage of the existing format. A need was therefore felt to revise the existing format.

7. **Rationalization of HR policies:**
   (i) **Productive & focused IR was established through mandatory structured meetings with** unions once in six months at Regional level where the orientation is towards business and productivity along with other issue which affects IR are discussed.
   (ii) **Bringing outside influence on issues relating to service matters** has been made misconduct for Award Staff members. This is already misconduct for officers. All controlling offices have been advised to take suitable action and make necessary entry in the service record.
   (iii) **Rationalization of staff loans**- The Bank has number of staff loan schemes and the staff was required to complete various formalities for getting these loans sanctioned. The Bank introduced facility of clean over-draft facility for staff members with a view to give more flexibility and convenience to the people in planning their requirements for different types of loans.

8. **Organization-wide employee transformation programme:**
   The Bank conducted various business transformation programme. Any new business programme leads confusion if the purpose is not clarified to employees. For proper communication and understanding of new business strategy aligned with information technology, direct communication issued by the CMD to each employee apart from holding of countrywide meeting.

9. **Enforcement of Discipline and Improving Managerial Effectiveness:**
   Motivation and effectiveness of Managers had been a key area of concern. Working under union pressure, with hardly any recognition of their pains and
stress, had taken its toll on the branch heads causing the performance of majority of the managers to be mediocre or below average. There was no fire in the belly that is associated with proactive. Dynamic branch head, always on the look-out for new business avenues. (4) The initiation of time bound disciplinary procedures is an effective mechanism to maintain the discipline in the organization as well as in improving the organization effectiveness. In some of the cases where even disciplinary proceedings were initiated were not concluded even after years together. The Bank adopted the policy of non tolerance of indiscipline and completion of the disciplinary proceedings in time bound manner which helped the managers to manage the affairs of their respective branches and also created a positive culture among employees towards discipline which were different from the earlier confrontationist, restrictive and closed working style.

10. **Sapiental circle and Promoting Collective Management Style:**

There is saying “we all are smarter than any one of us” To promote the participative management the Bank took several steps like.

(i) **Ensuring Staff meeting** every month at the branch level to ensure participation of all staff.

(ii) **Business oriented regular Structured Meetings** are conducted with Award staff union and Officers Associations on six month basis.

(iii) **Baroda sujhav:** In the context of technology driven business changes, Staff Suggestions Scheme was reviewed and revised scheme titled as “Baroda Sujhav” was implemented from July 2004 where all employees are the part of the scheme. The **Objective** of the scheme is to **encourage the ideation process** amongst staff members to offer innovative suggestions, which are in tune with Bank’s priorities and concerns, and customer service effectiveness. The Scheme also encourages staff members to give their **suggestions on the Bank’s Business Transformation Process.** The Baroda Sujhav Committee is constituted for considering awards and prizes under the Scheme. The scheme prescribes **quarterly awards** which includes first cash prize of Rs.10,000, second cash prize of Rs.5,000 and third cash prize of Rs.3,000 along with Certificate of Appreciation. Apart from quarterly awards, there is
also provision of **annual prize of gold coin with bank’s emblem and concerned employees name engraved** on it along with certificate of Appreciation for the **most outstanding suggestion** of the year.

(iii) **Idea Online:** The Bank has also set up a forum to be known as ideaonline@bankofbaroda.com, with a view to benefit from the creative and novel ideas that reside in everyone. The forum is based on the belief that information, innovation and creative thinking are increasingly becoming the value drivers for any organization. In the Bank, there are over 40,000 well-trained and well-cultivated active minds. With the intensity of competition growing by the day, the Bank need to have a system to capture in an organized manner, the emerging ideas and creative thoughts that the employees have in abundance.

*The scheme envisages that* any employee in the bank can participate in giving ideas which have freshness in content and design. *Ideas must describe* concept, value proposition in the idea, expected benefits and implementation methodology. Staff member whose idea is accepted is involved in the process of incubation and development. The person whose idea is finally adopted for implementation enters the “IDEA HALL OF FAME” and is suitably recognized and rewarded by the Bank.

(v) **Promoting Strategic Thinking:** To promote strategic thinking, Bank conducts review meeting of Regional / Zonal Head at least on quarterly basis. At Corporate level the morning meetings of all General Managers conducted once in a week. While talking over morning meeting Dr. Khandelwal, earlier Chairman & managing Director said “we laid great emphasis on diagnosis as the starting point for problem-solving. As lack of diagnosis or wrong diagnosis itself can become a major problem. Therefore, in our discussions on any live problems, our emphasis was always on some of the following diagnostic questions:

- Did we analyze the root cause of the problem?
- Can we look at the problem from the lens of the customer?
• Did we provide a bandaged solution or did we take permanent corrective steps to avoid the recurrence of problems again?
• Did we show a knee-jerk reaction to a situation or were there alternate ways of handling the problem?
• Did we hand-hold with the operating managers in solving the problem?
• How are we giving confidence and support to line managers?
• Is our communication to customers defensive or authentic?
• Is our communication with operating managers sermonizing or supportive?
• What steps are we taking to develop talent and build succession leadership in respective functions?
• Why does a particular type of lapse continue to take place again and again? What could be permanent solutions?
• What are we doing to entice young customers and what steps are being taken to integrate young employees in the Bank””(5)

The collective creativity helped the Bank to give new terminology for its products offering and innovations like Retail Loan Factory, SME Loan Factory, Gen-Next Branch and Happy hours Banking etc.

11. **Union’s resistance to change the parallel Management:**

Industrial relations in the Bank were always touted as the main strength of the bank-both by the management and trade unions. Apparently, this was done to foster better understanding between the management and the union to avoid any trouble in smooth working of the operations. The trade unions, however, leveraged this to increase their hold-both on employees and the management. A stage came when this participative management which unions always boasted about degenerated into interference into day-to-day administration. The unions at the corporate level were just engaged in parallel management. The decisions taken by the top management were first communicated by union followed by official communication. At the operating level, the workmen staff indulged in many restrictive practices and acts of indiscipline but the managers found it increasingly
difficult to enforce discipline and extend good customer service. Any bold measure from any manager was purely on his personal risk. The unions ruled the roost at branches and any effort at any level to improve the discipline was fiercely resisted. The branch managers and officers generally submitted to union pressures and allowed many unethical practices to persist at branch level like inflated claims in respect of conveyance charges, non-submission of leave applications in time and availing leaves as and when any staff wished so. The higher management would rarely support the branch manager for his initiatives in restoring discipline and managers often felt helpless and humiliated in dealing with such matters. Most managers would suffer the indiscipline of the staff rather than take it up with higher management who in most matters would not intervene. The unwritten message was ‘Handle the situation tactfully. The ‘tact’ obviously was interpreted as ‘not inviting problem’.

The concern for customer service was the last priority. Even when managers reported instances of work indiscipline to their higher authorities, the trade unions were able to successfully either stall or delay any action against the staff. All this had a demoralizing impact on the branch managers who faced the ire of customers for delays, mishandling and apathy.

While the workmen unions were content with protecting the staff against any additional workload or any legitimate action by the management against recalcitrant staff, the Officers Association of the Bank was more subtle in its dealing with the management. While they would always articulate their commitment to Bank’s growth and development, they would always be more interested in the management functions like transfers, postings and promotions both in officers and executive cadre. They had an insatiable hunger for consultation. Although, officers and managers who were their members often suffered on account of staff indiscipline and trade union pressures, the Association appeared more interested in the above-mentioned management functions. For example, it was murmuring among the masses that before declaration of promotion in officer and executive cadre, a list of such candidate was being sent in advance to
the General Secretary of the Association who informed the candidates about their promotion ahead of the formal communication of the Management.

To overcome this difficulty, the management started improving the quality of HR administration and also making HR policies more transparent and effective. The management also started making direct communication with the employees. Even in some cases, the management intentionally cancelled / delayed the decision just because the decision was first communicated by the union/association to their members. It caused an embarrassment to the union/association which could not respect the sanctity of management’s work. Apart from it, the management stopped consultation with unions/associations in day to day operations though it initially had tough resistance from the unions/association but gradually the association realized their Lakshman Rekha (boundaries in which they are required to work).

12. Demystifying HR Administration through Technology:
The HR administration has always been an irritating factor both for HR functionaries and for employees. In general the rules and regulations are quite complicated and it has been the grievance of the employees that the rules are not interpreted properly (in favour of employee) and complain too from the personnel functionaries that rules are not allowed to be interpreted properly. In nut shell, the HR administration was not perceived by the staff as employee friendly and service oriented. The major time of the personnel functionaries was spent in sorting out the day to day grievance of employees with the trade union. Now, the Bank has adopted Web enabled HRIS implemented for having cost effective HR administration, reduce repetitive transactions and increase responsiveness. It is known as HRnes-HRMS. It covers various facets of HR administration starting from recruitment to retirement. Main benefits to employee that were envisioned included: speedier and accurate processing of claim, benefits, pay components, fixation of pay, perks etc. It comprises of four broad modules encompassing different functions:

(i) Oracle Core HR module, covering all current HR process in the Bank.
(ii) Fluous Payroll module, - centralized payroll, payments of various benefits, perks, welfare schemes, terminal benefits etc;

(iii) Employee Self- Service Module.

(iv) Oracle learning Management Module which includes training administration and e-learning; various E-Learning module are gradually being put on the system for employees to avail to undergo these courses.

13. **Continue supply of Manpower** - The organization has life in its eternity and therefore, it is necessary that the organization continue to have manpower which not only takes care of its present requirement but its future requirement too. Therefore, Bank adopted the following strategy to continue to get the flow of manpower.

(i) **Formulation of HR Resourcing Policy**: The Bank has adopted well written HR Resourcing policy duly approved by the Board to take care of various recruitment needs of the bank consequent upon abolition of the erstwhile Banking Services Recruitment Board (BSRB). To fulfill the supply gap, the Bank is recruiting on average basis about 2000 clerks and 1500 officers each year continuously for last five years.

(ii) **Massive Recruitment of Specialist officers and also graduates from B-Schools through campus recruitment** – To tap the potential resource of manpower available in B schools and to take care of its requirement in different specialized areas like IT, Treasury, HR, Marketing & Sales, Credit, International Business etc, the Bank recruits specialist officers through campus. Around 500 officers being recruited every year.

(iii)**Parallel entry of high skilled professional man-power** through contract engagement wherein recruitment were taken place even at the level of DGM/GM on high salary structure, even much higher package than drawn by the Chairman & Managing Director.
(14) **Touching the heart through individual related HRD Initiative:**

(i) **SAMPARK:** SOS Employee HELP Line (Employees in distress can directly approach the CMD for immediate relief) Creating a help-line named [sampark@bankofbaroda.com](mailto:sampark@bankofbaroda.com) where any employee or their family members can approach the highest command through e-mail/fax/telephone in case he is struggling between life and death/trapped in natural calamities/man-made calamities/legal complication etc. and the immediate assistance is provided.

(ii) **PARAMARSH:** Employees Counseling Centre for providing psychological assistance and guidance to overcome their stress, complexities and conflicts in order to lead a better life. This is totally confidential between the employee and the counselor. First such center set up at Mumbai where services of professional Clinical Psychologist are available.

(15) **Training & Development:**

In a changed process, training system has to play a vital role in re-skilling the employees and enhancing the competencies. Training system should also supplement their efforts by introducing e-learning. These required total revamping of the existing training system and continue the journey of improvement. Bank’s training system has been geared up to impart sales and soft skills and leadership qualities to employees at all levels.

The Bank continues to lay emphasis on re-skilling, training and development of its human resources through:

(i) In- house/Internal training,

(ii) External training,

(iii) Developing leader through Special Programmes,

(iv) Creating a pipeline for leadership through role change & EDPs,

(v) Encouraging Employees to Pursue Professional and Computer Education (through Correspondence, Part-time & Distance Learning,

(vi) Distance Education and e.education.
(i) Internal Training: The Training system is having Apex body situated at Ahmedabad called Bank of Baroda Staff College. Apart from it, the Bank has its Regional training centers at Bareilly, Baroda, Bhopal, Chennai, Gandhinagar, Jaipur, Kolkata, Lucknow, Mumbai, New Delhi, Jamshedpur and Pune. To provide proper training the training system has also been strengthened /empowered by providing sufficient qualitative faculty support and grooming of officers/staff and providing senior experienced banker of the rank of Chief Manager as its Head. The internal training takes care of induction of new recruits, grooming of Officers in functions like Credit, Treasury Operations. Reinforcement of skill and knowledge in Traditional Banking Operations as well as applications of Information Technology in Banking. The Bank totally reworked the training system to align it with the new business vision of the Bank. Training programmes were restructured and aligned with the new business focus - Corporate Banking, SME Banking and Retail Banking and Rural Banking. In the last few years, the internal training has focused on the following areas:

- Promoting digital literacy on a mass scale especially on core banking solutions. Almost 70% officers/clerks were provided training for use of FINACLE which is maintaining the CBS system of the Bank.
- Developing core skills of the Banking like credit, treasury management, forex, management, risk management, ALM etc.
- Developing soft skills like marketing of Bank’s products.
- Developing Human skills and leadership qualities.
- Developing skills of employees in the new financial services like insurance and mutual fund, wealth management, on-line trading etc.
- Customized training to create right attitudinal change and etiquette programmes for front line employees in order to improve their service levels and qualitative interactions with customers and various stakeholders better.
- SEED (Self efficiency and effectiveness development) programme being run for frontline staff of the Bank in order to improve their service skills and service efficiency.
(ii) External Training: The Bank understands the limitation of internal training and therefore, consciously pursues a policy of deputing its executives and senior officers for advanced training in certain areas of management, technology and new banking functions, to reputed management and training institutes in India and abroad. The training is provided in various reputed management institutes like Indian Institute of Management/Administrative staff College of India/National Institute of Business Management etc. Apart from it, the Bank has granted certain fund to their Zones which they can spend for providing special external training looking to local requirement.

(iii) Developing Leadership Qualities through Special Programme:

(a) MEP-TIKSHNA: Management Education Programme for Executives (GM, DGM, AGM, Chief Managers). The Bank has launched the comprehensive Management Education Programme MEP-TIKSHNA at MDI, Gurgaon and IIM, Ahmedabad for executives of Chief Managers and above. The specially designed programmes were aimed at development of strategic business leaders for the future.

(b) Leap Project: Bank has been a forerunner in initiating customized and focused leadership development programme for its operational and strategic leadership project – LEAP (Leadership Enhancement & Appreciation Process Programme) was initiated in the year 2007 for grooming of 300 Business Leader with the help of Grow Talent Co. Ltd., a leading HR Consultancy. As part to the process, a leadership competency framework was developed for leadership positions in the Bank. Thereafter, grooming in leadership for identified executives was commenced. Project LEAP was born out of Bank’s belief in facilitating continuous grooming and education for the people. Project LEAP was spread over 18 months. As part of the project, executives were actively involved in:

- Highly insightful Learning Events
- Action Learning Projects of importance to Bank.
First step towards this was the administration of the psychometric tool-eCaliper
This was followed by an online 360 degree feedback survey wherein developmental inputs from self and a set of people who work with employee were sought.

The next milestone, post completion of these two activities, is that of learning events. As part of project LEAP, employees undergo 20 days of learning events. These 20 days have been divided into two modules of 10 days each-1st Module & 2nd Module.

(c) Project UDAAN: This is a comprehensive leadership development programme initiated by the Bank covering almost 300 AGMs/DGMs and almost 1200 Branch Heads of Urban and Metro Branches.

The design of each module encompasses a field and forum approach wherein the participants are required to attend classroom session on various aspects of leadership and apply the acquired learning to real business situations. The classroom sessions are also designed to be very experiential with role-plays, activities etc. reinforcing various concepts in an off-site location with coaching session in between.

(iv) Creating a pipeline for leadership through role change & EDPs

(a) The Bank also deputed star performers to National Institute for Banking Management (NIBM), Pune and Institute for Development and Research in Banking Technology (IDRBT), Hyderabad and such other reputed institutes for deputation to overseas branches/offices for one year extensive training.

(b) Providing special residential training to the top management people at IIM, Ahmedabad and MDI, Gurgaon for reorientation from bureaucratic to business driven approach.
(c) **Creating a pipeline of leaders:** To ensure that the Bank continues to get the leaders in future, the Bank also nominates its young and dynamic officers for various programmes.

(d) **Centenary year programme for young managers:** With the objective of developing future Managers and Business Leaders and for deployment in key areas of business operations, the Bank conducted a programme called Centenary Year Programme for Young Managers for Officers in Junior Manager Grade/Scale-I (JMG/S I) and Middle manager Grade/Scale II (MMG/S II) at National Institute of Bank Management, Pune. The programme was for a period of 6 weeks which focused on the balanced development of Business and Managerial perspectives. The officers in JMG/S-I & MMG/S-II who were graduate, below 40 years of age, proficient in computers and had completed at least 3 years of service as an officer in the Bank were eligible for selection in this programme.

The selected officers were provided with knowledge in critical areas of operations like Credit, Risk Management, Forex, Marketing, Treasury, International Banking, Wealth Management, etc. for their grooming as future Business Entrepreneurs and Dynamic Leaders. These officers were provided with growth opportunities and exposure to varied operational avenues to equip them with skills, knowledge and attitudes to perform successfully for achieving the business goals.

(e) **Continued programme for young managers:** The Bank nominates its officers of grade/scale-I & II at NIBM Pune for specialized training and developing leadership qualities. This is 3 months programme.

(f) **Sponsorship to various Courses:** The Bank also nominates its officers for various regular programmes conducted by reputed institutes like NIBM, Pune, XIM Bhubaneshwar etc.
(g) **Post Graduate Programme in Banking & Finance (PGPBF):** It is offered by National Institute of Bank Management (NIBM), Pune. Bank nominates at least two to three officers in one-year. PGPBF is designed as a contemporary, rigorous, innovative and practical source of management education in Banking and Finance Sponsorship.

(h) **Post Graduate Certificate Programm in Business Management (PGCBM):**
It is a one-year post-graduate programme offered by Xavier Institute of Management (XIM), Bhubaneshwar.

(V) **Encouraging employees to pursue professional and computer education (through Correspondence, part-time & distance learning):** No organization can take care of its employees’ requirement of knowledge and skill through their training system unless the employees takes their own initiative to fulfill their hunger of knowledge and skill on their own. To encourage the same, the Bank has also formulated a scheme to reimburse the course fees and also provide incentive in case an employee desired to pursue higher education. The objective of this scheme is to encourage employees to pursue professional and computer education in order to create a professionally qualified cadre of manpower in different areas and to tap the in-house talent.

All confirmed employees up to the age of 55 years are eligible for educational loan for undertaking professional courses from a recognized College/Institute/University in India by UGC. Many professional courses included under this scheme like Cost Accountancy(ICWA), Company Secretary (ACS), Chartered Financial Analyst (CFA), MBA/PGDBM, Ph.D. LLB/LLM, Post-Graduate Degree/Diploma in Finance, Banking Technology, CISA,B.C.A/M.C.A/M.C.M., DOEACC Examinations, Diploma in Advanced Computing, Advanced Diploma in Information Technology, etc.

Upon completion of the course, the Bank also reimburse the fees and provide cash incentive of Rs. 10000/- in case of Post Graduate Degree, MBA, MCA, LL.M, PhD etc. and Rs. 5000/- in case of Diploma.
(v) **Distance learning programmes** is also launched by Staff College, Ahmedabad –

It is a new initiative of the Training System to open up Alternative Delivery Channel for Learning. Any employee can pursue and develop its knowledge in the various emerging areas of Banking. Initially, the programme has been launched in the following subjects,

(i) Trade Finance  
(ii) Retail Products  
(iii) Micro Finance  
(iv) NPA Management  
(v) KYC /AML (Know you customers/ anti money laundering)  
(vi) E. Learning

(16) **Talent Identification & Talent Management:**

i. **Talent Identification:** In these changing and challenging times, when technology is becoming a great leveler, it is people and people alone, who can make the difference and catapult the organization to newer and unconquered heights. The talent, innovation, creativity, business acumen and capabilities of the employees are the single most dependable source of competitive strength for the Bank. As large number of the Bank’s employees is spread over 3500+ branches/offices locations across the country, it is not always possible for the Bank to know about their talent and latent potential. The Bank has been giving opportunities to the staff to work in the field of their interest by demonstrating their talents and hence, organization wide talent identification and development programme for officers and clerks (through scientific process of identification and selection, employees with high potential to be deployed in key business areas. Such employees to be provided with suitable grooming and career growth opportunities). Talent Identification and Development Programme- ‘KHOJ-I and KHOJ-II’ were initiated.

(a) **KHOJ-I** (2005-2006): KHOJ-I: Talent Identification and Development Programme (2005-2006) was introduced on the occasion of the Bank’s 98th Foundation Day in July 2005. It included a scientific and objective selection process
that was designed for the identification and deployment of talented staff in the core functional areas, after proper induction. There was a rigorous system for periodic evaluation of their performance. This programme received an enthusiastic response from a large section of the staff members and 420 officers and 226 clerks were identified. The selected staff members under ‘Khoj’ were posted into new assignments in their chosen areas and for functioning as “Change Champions”, driving the Bank’s Business Transformation efforts.

(b) KHOJ-II (Centenary Year Khoj-2007-08): With rapid changes in the Banking environment and with competition hotting up by the day, the Bank’s continuing effort was to tap and harness the immense potential residing in its people. The Bank required additional contingent of talented and willing staff members for realizing its various aspirations. Inspired by the response received for KHOJ 2005-06, the Bank introduced a second Talent Identification and Development Programme- CENTENARY YEAR KHOJ-2007-08.

KHOJ is a process of the Bank wherein the Bank invited applications from its own staff who are ready to shoulder higher responsibilities in different functions like Marketing and Sales, Insurance, Mutual Funds, Stock Broking, Information Technology, Treasury, Forex & International Banking, Credit Operations (SME, Wholesale) etc.

The eligible applicants underwent through the written test (Job knowledge- Applied knowledge and understanding of the job performed), aptitude test- Psychometric Tests, Role plays, Group discussions & other Group / Team exercises and interview for Personality Assessment.

Identified / selected candidates were provided the role of Change Anchor Role:

- Persons selected under KHOJ assigned challenging assignments in the selected functional area.
- They are required to handle assignments against stiff targets beyond the normal call of duties.
The assigned tasks involved travelling including posting at different locations than the current place.
Performances of persons judged against assigned targets on half-yearly basis.
Good performances suitably recognized by way of faster career growth opportunities, overseas training and placement opportunities.
There are good opportunities for training/learning and exposure.
They are also provided with added benefits within the norms of the Bank.
There are proper induction and training programmes.

ii. Retaining talent:
(a) Fast Track Career: With emergence of the new private sector Banks, the attrition rate also increased which was not an area of concern for the management upto 90s. The Bank realized that one of the major reason for attrition is poor availability of career opportunities. A young officer had to wait for 20 years to enter into the Senior Management level. This trend was same in all the PSBs. After getting the autonomy, the Bank first time introduced the system of fast track promotion to provide fast-track growth opportunities to aspiring executives and officers. The policy has been modified from time to time and the present policy allows an officer to move to the level of General Manager within 19 years of his career and encourages young and high performers to take up positions of responsibility. Towards this, the Bank has put in place a fast track promotion channel for young and high performers by relaxing the eligibility criteria in the matter of length of service.

To meet the career aspirations of the employees as ground reality the Bank conducts promotion exercise in all cadres every year. Apart from conducting promotion exercise on year to year basis in every cadre, the Bank apart from yearly/ routine exercises, has also conducted following special promotion exercises from clerical to officer cadre.

- Clerk to Officers’ Cadre for IT Function-2006
- Clerk to Officers’ Cadre for Agriculture Function-2006
- Special Assistant to Officer’s Cadre-2006
(b) **Creating Employee Growth** Opportunity through Overseas Placements: The Bank has highest number of branches in overseas territories among the nationalized banks and placement of officers in overseas territory has always been attraction for young officers of the Bank. To make the screening transparent the Bank has adopted a scientific and process orientation selection process.

(c) **Scheme of Sabbatical Leave to Employees**: In the year 2006, the scheme of ‘Sabbatical Leave’ was introduced in the Bank to provide an opportunity to permanent employees of Scale I to Scale-IV who have completed 15 years of service or 40 years of age, for availing temporary relief from active service of the Bank for personal reasons, under specified terms and conditions for the following purposes:

(i) For pursuing higher studies
(ii) To take care of children/family members
(iii) Joining spouse in abroad
(iv) On medical ground
(v) To take up employment/vocation elsewhere etc.

India based officers posted abroad are also eligible to apply provided they fulfill all conditions, including some extra conditions in relation to their overseas posting. Sabbatical leave is granted to an employee for a minimum of 3 years and for a maximum of 5 years. This can however be extended further for a period of 5 years at the request of the employee and discretion of the Bank. Employees proceeding on sabbatical leave have the right of lien on the Bank’s service. Employee is not eligible for pay, salary, allowances and any monetary or other benefits during the sabbatical leave period.

However, due to shortage of the staff, the Bank has kept the scheme in abeyance for the time being.

(ii) **Rewarding Talent**:

As such being the Nationalized Bank controlled by the Government of India and major policy formulated by the Indian Bank Association, there is no much scope to formulate an incentive scheme and promote carrot and stick policy.
But within the given limitation, the Bank has continued effort to make incentive scheme to encourage the employees to actively participate in the business promotions and distinguish between good performer and poor performer. Some of the schemes are formed on regular basis and which are linked with season/campaign.

(a) **Baroda Financial Rewards For Business Leaders:** Weighted Index based Model (with pre-defined weightages for different business KRAs) for balanced assessment of efforts of Business Leaders (Branch Heads, Regional Heads, Deputy Regional Heads and Zonal Heads). Rewards in Cash for achievement of business KRAs under which the Branch Head/Regional Head/Zonal Head are marked on the different business parameters achieved vis-a-vis targets and those who score more than 75% marks are provided financial incentives.

(b) **Baroda Financial Reward Scheme for Individual Employees:** When the Bank proudly marched into the 100th Year of operations, it rewarded its staff members who demonstrated excellence in business performance as per the defined parameters. To take this idea forward and ensure sustained momentum for business growth, the Bank flagged off a unique reward scheme for individual employees called as the **Baroda Financial Rewards Scheme for Individual Employees.** The Scheme was made applicable for the financial year 2007-08 and thereafter with the following objectives:

- To create an environment fit for transforming the Bank into a Sales and service organization.
- To create a climate conducive for business excellence.
- To recognize and reward exceptional business development efforts by individual employees.
- To promote healthy competition amongst the staff.
- To make a giant leap towards regaining increasing share in different business segments.
- To sustain excellence in performance.
(c) **Target oriented banking through vishesh mahotsava** (special festival) and direct communication by the Chairman on various issues including allocation of targets from the desk of Chairman for the purpose of transforming staff as business-seeker and business acquirer rather than limiting to transaction processing.

(d) **Rewards Scheme for individuals for savings bank accounts:** A unique incentive scheme for mobilization of savings bank account deposits was introduced for the two quarters ending December 2007 and March 2008 in which there was assured cash incentives for the staff for mobilization of the saving accounts apart from providing special rewards to the top performers at Branch, Regional and Zonal levels. Similar scheme with some modifications are being formulated in one/two quarters every year.

(17) **Developing culture of measuring performance:**

The Bank had no system for measuring the performance review of award staff. All banks, including Bank of Baroda, provide a plethora of products and services. But the factor that determines Bank of Baroda’s edge over other banks is the performance of front line staff and quality of service provided by them to the customers. The bank thus strives to move towards the total performance, i.e. the bank believes that the performance of each and every employee is extremely significant and deserves fullest attention. The union had strong reservation over introduction of the Employee Performance Appraisal system. However, still the Bank introduced the Performance Appraisal system for award staff (PASAS) with the following objectives:

- To promote a performance oriented culture.
- To identify good performers and talent amongst employees.
- To improve upon strengths and areas of improvement.
- To identify employees for proper placements.
- To identify training needs.

The PASAS form includes the heads like Service Quality, Knowledge about Bank’s product/service and its application, Effective in work completion, Initiative and Problem Solving attitude and innovativeness, Team Spirit etc.
(18) **Marching from Performance Appraisal to Performance Management:**

Business driven performance management system has been adopted where emphasis is made upon linking the performance with business and reducing the bias. The EPM system in Bank of Baroda follows an April-March annual cycle aligned to financial year. The bank follows a system of self appraisal added which is appraised by the Reviewing Authority (RA) and then by the Final Reviewing Authority (FRA). There are different appraisal forms for officers and branch heads and regional heads. Though the forms of officers have been continued to be the same for many years, there has been an attempt to make some modification in the forms for branch managers in the year 2004. The Bank in consultation with Mckinsey modified the system and has moved from the performance appraisal system to the performance management system with intention to help the bank to move towards business orientation from the functional orientation. The new appraisal system is aimed to evaluate performance of the employees by business performance parameters which are measurable and output driven.

**The focus of the earlier system was on measuring inputs (efforts) and attributes rather than the outputs in terms of business results.** While talking over the defect of earlier system, Dr. Khandelwal says “….. system of appraisal had several shortcomings like an absence of correlation between business performance and employee appraisal greater weightage given to input (managerial traits, some of which were outdated) etc. Added to this, the tender-minded culture prevailing in the reviewing authorities generally overrated the performance of an officer. There was no accountability for either overrating or underrating”. This system was introduced for 2007-08 on a pilot basis for about 3,000 operating managers and later extended to all officers. The mutual goal setting are given to the employees are divided into two broad categories.

(i) Achievement of result in critical areas at the Branch where he is posted.

(ii) Specific goals and major activities for which officer is directly responsible.
Further it intends to move from the old measurement based on geography and outstanding balances in deposits and advances to a mix of business segments (business segmentation is the practice of dividing the customer base into homogeneous groups, whose requirements, needs and behavior are similar in specific ways such as age, gender, interests etc. Business segmentation allows organizations to target groups effectively and allocate resources to the best effect. The new business segments identified by BOB are Retail Banking, SME banking, Wholesale banking and Rural/Agri Banking and geography. In the next stage, the bank had plan to move towards measuring by revenue and eventually by profit and moving the performance appraisal towards measurable business results and other deliverables bring in better business results and take the Bank to a high growth trajectory. However, the system has been once again modified in the year 2012 on the direction of the Government of India as the Government has brought uniform Performance Management System named as APAR (Annual Performance Appraisal Review System).

(19) **Performance improvement strategy for non-performer/poor performer on record:**

In an average organization, 20 to 25% employees perform to their potential and remaining remains below their potential. Good performers often harbour a victim-like grudge because most organizations make them shoulder more work while the non-performers are not punished. The situation in Bank of Baroda was no different. The performers were always loaded with renewed targets and many non-performers often managed to survive either on account of their relationship skills or due to absence of any penalizing mechanism. However, the Bank introduced the system of identifying 10% bottom performer. The dialogue and communication are opened with these people by their reporting authority in presence of their HR official and they are mentored and counseled, wherever necessary to perform better. It resulted in the formulation of a performance improvement plan, individually, for each officer. In extreme cases, the explanations have also been called. This system jolt such poor performer as well as other in the Bank and sends the signal that non-performer will not be tolerated. The non-performing person also feels that he is being watched. This had salutary impact in creating a performance accountability environment.
(20) **Sparsh- Human Touch for Business Excellence: New Initiatives underway – Reformation of HR Policies:**

Up to now, the various HR initiative taken by the Bank were of stand alone type. Sparsh is a comprehensive effort going on with the purpose of re-orienting the entire HR policy to make it more in tune with the organizational requirement. Project SPARSH was kick started to implement cutting edge HR policies through use of technology, build a long term and sustainable HR platform by upgrading HR skills, leverage the full potential of the Bank’s human capital and improve employee productivity. This project is developed in consultation with Boston Consultant Group (BCG). The project was initiated with the guiding principles of bridging alarming generation gap, ensuring that line managers take responsibility of HR and focus on middle management to be groomed as future leaders of the bank. The design is developed on seven pillars, namely:

(i) Manpower Planning
(ii) On-boarding
(iii) Performance Management System
(iv) Talent Development System
(v) Training and Development
(vi) Incentives
(vii) HR IT

(i) **Manpower Planning** - The adequate supply of manpower is the basic requirement of an organization. As the bank is growing, the need for a scientific tool for assessing manpower requirement cannot be overemphasized. For this purpose, the Bank has carried out:

a) Manpower allocation model for branches, based on type of activities carried out at the branch.

b) Productivity driver for each activity – e.g. number of transaction, number of active accounts etc

c) Volume of activity for each driver at the branch
d) Assess current allocation of manpower across all branches based on the model, and identify surplus / deficit branches

e) Strategic workforce planning model to estimate number of people required in the bank in next 5 years across different skills like credit, marketing, operations etc.

(i) Projected demand – supply gap for the entire bank.
(ii) Business projections for the bank – volumes, number of branches, technology etc.
(iii) Supply projections based on retirals, attrition, promotions etc
(iv) Any efficiency increase to be taken into account due to centralization

(ii) **On-boarding** - To become most preferred employer brand in financial services and able to attract and retain the best quality talent, one of the high priority initiatives launched under the aegis of project sparsh is the on-boarding programme for newly recruited officers. The key objectives of this programme is to provide a standardized joining experience to all new recruits, equip them with the basic knowledge and skill required in banking and to help in their cultural assimilation within the Bank. The programme consists of three elements:

a) **New hire joining process:**

i. Joining of new recruits in batches to enable smooth on-boarding process.

ii. Joining date preferences taken from new recruits on Bank’s website.

iii. Joining forms IT enabled- On filling up of forms.

iv. HR desk at training centres on the date of joining to complete joining formalities.

b) **Functional on-boarding:**

i. Covers various areas like orientation training, branch operations, skill based training, soft skill training.

ii. Comprehensive book, along with welcome kit, shared as an aid to learning along with reading material on the Bank (uploaded on website for pre-reading).
iii. 2 weeks of induction aimed at equipping the employees with the basics of banking in general and Bank of Baroda in specific.

iv. 10 Weeks of rotation across 3 branches (urban/metro, rural/semi-urban and loan factories) aimed at providing hands-on functional and operational experience.

v. 1 week of classroom training to supplement the practical knowledge.

vi. End of on-boarding test to ensure the programme provided the right skill set as bank’s expectation.

c) Cultural on-boarding:

i. Buddy and mentor program institutionalized for cultural assimilation.

ii. Platforms created for interaction with seniors to facilitate cultural on-boarding like cultural activities lunch/dinner with CMD/Zonal Manager and networking activities by buddy/HR are also organized.

d) On-boarding programme for clerical staff: Five days on-boarding programme has been designed for clerical staff with the aim to expose them to handle basics of banking and CBS transaction handling besides soft skills inputs and banking specific processes and policies.

(iii) Performance Management System: Performance management is a powerful tool to focus activity and effort towards target and enhance business performance. However, if done poorly, it can disengage, de-motivate and misdirect rewards and as a result, the desired results may not be achieved. The Bank has followed the standardized format prescribed by the Government of India which consists of role based objective KRA. The EPMS system also has the provision of moderation by the Accepting Authority. Normally, line managers remain disassociated with the EPM system. To avoid this, the Bank decided to celebrate EPMS weeks for branch managers/officers etc. and the
communication is given from the Chairman’s desk. Extension awareness drive initiated through circulation of posters/ leaflets/ brochure and time line is provided for each level for completion of their role apart from helpline set up to provide assistance to officers.

(iv) **Talent Development System:** Over the next few years, the Bank is poised for aggressive growth in business. Additionally, the Bank is anticipating the retirement of a significant proportion of its staff in the senior management team. To effectively mitigate the risks arising out of the anticipated leadership gaps in the next 5 years, a streamlined system to proactively identify and groom future potential leaders has been put into place. The Bank has developed scientific system:-

i. To develop “high potential” candidate who have demonstrated consistently good performance and have high leadership potential

ii. **Create a talent pool of officers who can be future leaders in Bank of Baroda.**

iii. **Create be future leaders at Bank of Baroda.**

iv. Create individual development plan for selected candidates.

v. Recommend candidates based on suitability and readiness for critical roles.

vi. Identify potential successors for critical and readiness for critical roles.

The Talent Management System consists of two parts:-

a) “Talent Pool” identification: This is a process by which shortlisted candidates are discussed objectively and impartiality by a group of senior leadership team (talent committee), using inputs from various sources (e.g. feedback from last 3 reviewing authorities, feedback from the candidate himself, HRnes data) to identify top talent within the Bank (a group of individuals who demonstrate the potential to create a competitive advantage for the Bank).

The whole process constitutes four steps:

(a) Preparation for talent meeting by HR-
(i) Collecting inputs to talent committee.
(ii) Formation of committees
(iii) Assessment Centre to evaluate leadership potential.
(iv) Upward feedback wherein subordinate is required to rate candidate on leadership qualities.
(b) Due diligence on candidates by ‘Candidates Representative’ based upon studying past performance and job profile.
(c) Talent committee meetings for identification of talent and creating development agenda.
(d) Documenting talent committee decisions and execution plan and communicating to candidates their strengths and developments.

Additional outcomes from this process are:
  a. Identifying the development requirement of each and every shortlisted candidate, irrespective of inclusion in ‘Talent Pool.”
  b. Identification of successors for critical positions and key gaps, if any.
  c. Identification of posting requirement of all candidates to align with their development requirements, irrespective of inclusion in “Talent Pool”.
  d. Learning opportunity for each discussed candidate for further develop, using the feedback provided to them by the assigned “candidate representative”.

b) Talent Development: This is an ongoing plan aimed at ensuring development requirement are translated to systematic development agenda and the same is implemented for grooming those identified as part of “Talent Pool”. The key benefits that the Bank has gained from the Talent Committee are as follows:

- Understanding of the ‘right person who can be put in the right job’.
- Potential candidates who can occupy critical roles like Regional Managers, Deputy Regional Managers, Branch Managers, SME Loan Factory Head, Retail Loan Factory Head and Others.
• Identifying critical roles for which there are inadequate potential successors.
• In-depth understanding of the development requirement of each candidate.

As a logical next step towards the development of the candidates, a comprehensive Talent Pool Development Program was designed. The key elements of the same are listed below:

• Baroda Annual Leadership Conclave: The aim of this is to provide a networking forum to candidates in the “Talent Pool” with their peers and seniors, and to broaden their perspective on banking through guest lectures and industry speakers.
• Customised training programmes: In order to prepare the talent pool members to take on the next level of responsibility, it is important that each of them is provided consistent and in-depth training on the key leadership competencies essential for taking up leadership positions. These training programs are structured around these modules for each scale with every talent pool members under-going one module every year. The three modules are:
  ▪ Communication and influences
  ▪ People development and team focus
  ▪ Business development and customer centricity.

These trainings are being conducted by reputed external trainers and have received very positive feedback by attendees as well as senior management in the bank.

• Job rotations: Employees would be rotated across jobs including international postings on the basis of the talent committee recommendations. These would provide exposure to the talent pool members to multiple facets of banking and help them in their all round personality development.
• Mentorship programme: A mentorship programme for the talent pool is under design wherein candidates representative will additionally act as mentors for the talent pool by way of one-to-one coaching. Both parties would jointly prepare a developmental agenda for talent pool members on
the basis of the talent committee recommendations and discuss action steps/ progress/ key issues on a monthly basis.

(v) **Training and Development:** Various training and development initiatives, which have been underway since the initiation of Project SPARSH have now taken shape and reached a level of maturity. The training system has been re-branded as “Baroda Academy”. The objective behind the new initiatives under Baroda Academy is to create a learning organization, help in better grooming and development of bank employees, with the long term view of significantly improving organization performance. Apart from the existing training system, the Bank has proposed to create BOB Virtual University which will encompass the following key initiatives:

a) **Creation of a comprehensive course** directory with credit, nomination and application system by integrating Online Learning Management

b) **Publication of a comprehensive annual training calendar and self nomination:** The training plan has been converted to detailed training schedule by each of the training bodies in the system. The training calendars are available through employee self service and employees can self nominate for the training. The employees can enroll his/ her nomination on the line for suitable programme after looking at the training calendar/ schedule which are suitable.

c) **Introduction of training credit:** A system of training credit is introduced for all training programs attended by all employees. As part of this system, employees will earn ‘credits’ for the training programs attended by them. Each employee will need to earn a minimum number of training credits i.e. 50 credit per year for officers, 30 credits for clerks and 20 for sub staff per year.

d) **Introduction of test at the end of every training program:** According to the principles of human learning, the best way to ensure that the person has learnt is by providing him an opportunity to test his learning in the safe classroom setting. To this end, a system of training test is introduced across all training which happen in the bank. Going forward, all courses which are at least one day long will have a post training test. For courses, more than a day long, the test will be conducted on the last day of the training. Training program which run for 6 days
or more will also have an interim test taken in the middle of the training. Performance in the test will be used as input in awarding credits. 50% of the maximum marks must be obtained to pass the test and to receive full credits. Otherwise, only 50% of the Training Credits will be awarded.

e) **Creation of a pool of expert practitioners as Associate Faculty:** In order to ensure to bring the latest knowledge and experience from the field are brought to classroom, a system of Associate Faculty is introduced. Employees in line jobs with strong knowledge in specific domains are empanelled as expert practitioners and called as ‘Associate Faculty’. They are able to add existing faculty strength of the bank- both in terms of numbers as well as the quality of knowledge. Employees identified to be part of this panel are also groomed by the Bank to ensure that they deliver their best in the class rooms. In this program, more than 250 people have already been identified as part of this pool.

f) **Augmenting BOB Virtual University's alliance with B Schools and external agencies :**
   - Finalize institutes and design course content with the identified institute

f) **Grooming Future Talent through an accelerated leadership development at BOB Virtual University :**
   - Finalize institutes and design course content with the identified institute
   - Creation of content and launch of Accelerated Leadership Development Conclave

(vi) **Rewards and incentives:** Adequate rewards and incentives need to be institutionalized to drive a performance oriented culture. The present incentive system of the Bank is quite narrow and coverage is hardly 3 to 4% of employees. The Bank is in process to develop a wider system which:
   - Covers all employees across all level (including clerical and sub-staff)
   - Incentive system provides incentive at three level i.e. Group, Individual and Campaign.
   - Performance differentiation: extra incentive to top performers
   - Performance assessment should be based upon 5-7 key metrics for each group.
   - Overall incentive corpus and total amount paid per employee to be determined as per Ministry of Finance guidelines.
(vii) HR IT

a) Implement online PMS
   • Finalize requirements, approach and methodology.
   • RFP process, select vendor, develops and manages an implementation plan.

b) Develop IT tool for business planning – also to be used for incentives
   • Define user requirements / specifications.
   • Implementation plan, program manages implementation.

c) Develop IT tool for manpower planning, allocation and postings
   • Define user requirements / specifications, evaluate product options.
   • Implementation plan, programs manage implementation.

d) On-boarding
   • Develop on-boarding portal to monitor progress of on-boarding activities.

e) Strengthen Online Learning Management
   • Develop training credit system, strengthen e-learning platform.

f) Develop IT tool for talent management system
   • Generation of talent management files, tracking of talent committee recommendations.

End notes

2. Ibid.57.
3. Ibid. 143.
4. Ibid. 78.
5. Ibid. 61.
6. This chapter is based upon:-
   a. Various circulars issued by the Bank during the period from 2001-2002 to 2010-2011.
   b. Information available over web-site/ intranet.