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Change Management Profile of State Bank of India-Developing Change Core Capacity

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Abstract: *Change management is a necessary tool and technique for banks to reconcile with developments in their complex ecosystem and meet the customers increasing expectation. With the purpose of finding out adoption of change management practices in the largest bank of India, the researcher has surveyed all the available material about change management initiatives in State Bank of India. The learnings can be very useful for not only all the other public sector banks in India but also throw light on methods adopted and implementation process. Such research would be an important addition for creating resources for indigenous research material and evolve the practices amongst other banks. The researcher has concluded that though the efforts of the bank to change its culture and technology are intermittent and leader driven, but it covered large number of employees at each cadre and made a difference to banks performance. The bank started its change efforts in response to loss of market share to due to meteoric rise new dynamic private sector banks. The bank succeeded in its efforts to improve performance and became customer oriented. The bank has adopted digitisation of services in a big way and succeeded in digitising customer journeys. Therefore, change management is an enabler for greater performance and survival of the bank.*

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I. Introduction

State Bank of India is the largest public sector bank of India with a vision to be the bank of choice for a transforming India committed to providing simple responsive and innovative financial solutions with aiming to follow values like transparency, ethics, politeness and sustainability (STEPS). It has won multiple awards like the Best Transaction Bank in India by "The Asian Banker" for the second time in a row and "The Best Trade Finance Bank (India)-2019" for the eighth consecutive year by Global Finance Magazine. It received "Green Bond Pioneer Award" for being the largest new emerging markets Certified Climate Bond issuer of 2018 by Climate Bond Initiative. It was awarded 'Best MSME Bank Award-Large bank' by CIMSME. YONO, SBIs digital initiative, won the "Mobile Banking Initiative of the Year - India" at the Asian Banking and Finance Retail Banking Awards, Singapore and ET BFSI Innovation Awards among many others. At the Asian Banker Financial Technology Innovation Awards 2018 SBI received awards in a few categories including The Risk Data and Analytics Technology Implementation of the Year for OFSAA. Among the subsidiaries, SBI Cards won the 'Excellent Compliance Performer Award 2018' at the coveted Compliance 10/10 awards. SBI General has been conferred the title "General Insurance Company of the Year" at the India Insurance Summit and Awards 2019, which is the biggest strategic business summit for the entire insurance industry in India.

SBI emerged as the bank of choice for most Indian banking customers and job applicants till 1990's. But SBI was vulnerable as a government bank, as large part of its loan portfolio was focused on schemes that supported government development policy. Furthermore, in a highly regulated banking sector with limited competition and lending practices dictated by India's central bank, the Reserve Bank of India (RBI), SBI was bank with outdated risk management techniques, increasing non-performing assets and rising customer dissatisfaction. In 1990s when India embarked on its economic reform program, it liberalized the banking sector and reduced entry restrictions for new banks. New domestic private banks such as ICICI Bank and HDFC Bank were licensed to enter, and foreign banks such as Citibank and HSBC increased their reach by expanding business with more branches. These new players had invested heavily in technology, customer service and talent attracting best employees by offering high salaries and a performance-oriented and customer-centric corporate culture. Customers flocked to these banks. Though State Bank of India (SBI) was the market leader, it was facing tough competition from private players such as ICICI Bank, HDFC Bank, etc. and as a result, between 1995 and 2005, SBI's market share of bank advances fell from 20% to 17%. It was facing a steady erosion in market share and its growth was slower than that of its competitors. The bank was unable to attract young or affluent customers and its brand image was perceived to be old and staid.

II. Objective of research:

Objective of research is to trace the multiple change management programs undertaken by the banks, assess the changes done in response to internal and external triggers and their success in terms of retaining and growing its market share and improving customer journeys. It's also aimed to assess the performance of the bank under successive Chairman and MD who have been the change leaders in the bank.

Hypothesis: Change management is an enabler for survival and retention as well as growth of marketshare of banks.

Methodology: The research is based on published research papers, books and annual reports of the banks.

III. Key Performance Indicators

Deposits Growth

SBIs deposits grew by 7.58% to Rs.29,11,386 crore in FY 2019 from the previous year's Rs.27,06,343 crore due to robust growth in CASA deposits by 8.42%. Overall CASA ratio improved from 45.68% in FY18 to 45.74% in FY19.

Credit Growth

Banking industry's credit growth has picked up in FY19, after a period of low growth, due to a strong revival in credit to corporate sector driven largely by Government investment and continued demand from personal loan segment.

Along with credit growth of all commercial banks (CBs), SBI's gross advances grew by 11.96% to Rs. 22,93,454 crore by March 2019 from Rs.20,48,387 crore in March 2018. Credit to corporates increased by 14.83% to Rs. 8,51,638 crore in financial year 2019 and major share of the credit went into sectors such as Infrastructure (Power, Roads & Ports) and Services especially NBFCs. The corporate and NBFC credit growth was mostly driven by either PSUs/Govt. sector or the GoI undertakings. Share of Retail segment (Personal, SME & Agri) in the loan book was steady at 57.22%. Personal loans (including 62% home loans) showed a robust growth of 18.52%. in FY2019. It is the largest home loan provider in the banking sector, with a market share of 34.51% as on 31st March 2019 amongst CBs.

Customer Convenience

For customer convenience, SBI has created a large network of touch points of 57,467 operating BCs, over 22,000 branches and 58,415 ATMs including 7,658 Automated Deposit & Withdrawal Machines (ADWMs). Over 36% of the financial transactions of SBI are routed through ATMs/ADWMs and over 1.4 crore transactions per day are routed through its ATM network. SBI has 208 offices in 34 countries. SBI has subsidiaries in Nepal and UK (Nepal SBI Bank Ltd & State Bank of India, UK). A unique facility 'YONO-Cash' has been made available to customers for card-less cash withdrawal through ATM using YONO app.

Profitability

The year 2019-20 has been of reversal of the negative trend and has brought about significant improvement on asset quality front, provision coverage, NIM and yield on advances. This coupled with reduction in cost of deposits and overall control on the overheads has been a significant improvement over the previous years. The profit of the Bank was reduced due to provisions, mark to market losses on Government securities leading to fall in trading income and pension and enhanced provision on gratuity payable to employees.

The Net Interest Income of the bank stood at Rs.88,349 crore registering a healthy growth of 18.03% owing to focused efforts in retail credit, corporate credit and control in slippages, resulting in growth in interest income and a control on interest expenses by CASA oriented deposit accretion. The Operating Profit of the Bank stood at Rs. 55,436 crore. The Bank made a standalone profit of Rs.862 crore and consolidated profit of Rs.2,300 crore.

The Recovery in Written-Off Accounts, however, registered a robust growth of 57% and the trend is expected to continue with better recoveries in FY2019-20.

Asset Quality

Steep growth in provisioning due to rise in stressed assets in financial year 2018 had pushed the profitability of SBI into negative territory. But concerted efforts toward recovery in stressed assets and strict monitoring were undertaken resulting in gross NPA ratio of reducing from 7.53% in March 2019 from 10.91% in 2018 and the net NPA ratio declined by 272 bps to 3.01% in March 2019.

Fresh slippages were contained to 32,738 crores, a reduction of 65.5% from previous year through strict monitoring. Recoveries and upgrades during 2019-20 more than doubled from Rs.14,530 crore in 2018 to Rs.31,512 crore in March 2019. NPA in corporate segment declined from 21.92% in 2018 to 13.62% in 2019. Average recovery rate in stressed accounts under the NCLT route was in excess of 60%.

Capital Structure

The capital adequacy of the Bank improved during the financial year with capital planning by raising of additional Tier I and Tier II capital and internal resource generation and containment of risk in trading and banking books. Credit Risk Weighted Assets (RWA) on Advances to Gross Advances ratio of the Bank declined to 56.60% in March 2019 from 60.66% in the previous year. Total RWA to Total Asset ratio declined by 2.34% to 52.37% in March 2019. The modified duration of the AFS portfolio was also reduced to 2.62 years in line with evolving risk to conserve capital. SBI raised AT1 Bonds to the tune of Rs.7,317 crore in FY19. This was further supplemented by raising of Rs.4,116 crore of Tier II Bonds. The efforts saw the capital adequacy position of the Bank improving from 12.60% in March last year to 12.72% in March 2019. Tier I capital and AT1 capital ratios put together increased by 29 bps to 10.65%. With NPA accounts lined up going forward and slowdown in fresh slippages, internal accruals are expected to support normal credit growth during FY20.

IV. Impact of Global Financial Crisis

However, as the global financial crisis made its way to India, SBI's asset quality declined as borrowers struggled to repay their loans. Its ratio of gross non-performing assets to total assets increased from 3.3% in FY2011 to 5.6% in the first half of FY2014. Consequently, Moody's Investors Service downgraded its rating of SBI's senior unsecured debt from BAA2 to BAA3, the lowest investment-grade rating. It also changed its outlook on SBI's financial strength from "stable" to "negative." During this gloom, SBI's leadership changed.

V. Tracing the History of Change Management Programs in The Bank

The change management program implementation history of SBI can be distinctively traced under three regimes of Chairman, representing three phases of specific change initiatives development.

i) 2006 to 2011: Shri O P Bhatt, Chairman of SBI: The top management team led by Shri O P Bhatt, Chairman of SBI, recognized the need for a transformation. SBI identified areas that needed to be transformed and communicated the new transformation agenda to all the staff in the organization. Many of these new initiatives were undertaken during the reign of O.P. Bhatt, SBI's chairman from 2006 to 2011. He set out to build a more open and collaborative culture at the bank, started a program called parivartan (change*)* to highlight these reforms within the bank and encourage all employees to embrace a culture of consistent adjustment and improvement.

The top management realized that to achieve the transformation they sought; it was extremely important getting the grassroots level employees on board. Therefore, this massive internal initiative called "Parivartan" (which means transformation/change) was launched. It was aimed at obtaining the support and acceptance of employees for the change initiatives undertaken by the bank and explaining to them as to why change was necessary. The project also sought to bring about a change in the attitude and approach of the employees and also to help them develop a more customer-centric approach. It focused on customer segments to attract growing new demographics created by the post-liberalization economic boom period.

SBI gradually started adapting itself to the changing landscape embracing new technology that incubated a customer-focused culture. To overcome competition and lost market share due to rise of ICICI bank under leadership of MD & CEO, M V Kamath, SBI reached out to corporate clients, the middle class and the first-time banking youths.

In O P Bhatt's words, the impact of this program was magical, as employees didn't ask for overtime to stay late in office and try to help customers all the time. Parivartan said to have brought new energy across the bank, more pride, more involvement, and more joy. Ratan Tata had said that the dramatic revival of the SBI in Bhatt's four years is one of the unsung success stories of contemporary Indian business.

According to SBI, the program succeeded in achieving its objective. SBI had succeeded in changing the employees' approach to work, which in turn, had led to the bank performing well and maintaining its market leadership position in the Indian banking sector. Parivartan was an internal communication initiative that SBI used to change the attitude and mind-set of its grassroots level employees. The focus of Parivartan was to;

- To understand the issues and challenges in change management required
- To understand the issues and challenges in communicating a change initiative required.
- Appreciate the importance of HR in an organizational transformation initiative.

The execution of the Parivartan program was as under: -

- 1-day program included Class IV Staff / Guard
- 2 days program up to the Chief Manager Level
- Program from AGM to CGM Level
- 330 State Bank Staff College Faculties were engaged in imparting this training/ motivational program
- Program continued for 100 days
- "Business of paradigms" a video by Joel Barker was shown to all and the video was customised to include local examples like HMT etc. for more focused attention.
- Chairman contacted personally to all AGMs and taken their feedback

Citizen Program

After the successful implementation of Parivartan, SBI launched a new Programme, Citizen SBI. It aimed at attitudinal change and transformation of its employees through a series of human resources activities. The project had four stages, the first of which, namely citizen orientation was launched first. The other three stages were customer fulfilment, market engagement and a vision Programme, especially aimed at the senior management of the bank, senior management citizenship. SBI, which had launched project "Parivartan" in a 100-day program to increase communication skills of its managers, announced this new project "Citizen" an extension of the previous one. Citizen SBI project aimed at bringing behavioral transformation by seeking more active role from the employees.

Udaan Program

After successful launch of the projects " Parivartan and SBI Citizen", SBI has launched another HR initiative named "Udaan". This program was aimed at apprising the employees about the outstanding achievements of the bank over the last four years and grooming them for their total transformation towards achieving the bank's aspirations to be amongst top 25 banks globally. It emphasized the need for the new mass communication initiative which covered all the employees from clerical to officers up to scale IV.

With these initiatives SBI had regained its footing within the Indian banking sector and had a diversified loan portfolio across all customer segments and industries by 2013. It was the market leader in corporate loans, agricultural loans, home loans and auto loans and banker to major central government departments and most state governments continuing to be the market leader in the Government banking. It has played a key role in supporting economic growth of the country through agricultural and infrastructure financing.

ii) 2013-2018: Arundhati Bhattacharya, Chairman & MD: On October 7, 2013, Arundhati Bhattacharya, the bank's CFO, was promoted to chairman. She was the first woman chairman of the bank and had a three-year term to revitalize the bank. Her appointment coincided with Moody's downgrading the bank's debt due to rising non-performing assets (NPAs). The global financial crisis had a two-fold impact on the bank. First, like the sector at large, most of the bank's core businesses were impacted. Second, as a government bank, SBI was expected to play a "nurturing role" for the country. To address this two-pronged problem, Bhattacharya focused on improving processes and people skills so that the bank could manage stressed assets effectively and select borrowers wisely. She tried to improve my asset book, by focusing on impact on credit cost down the line in four or six quarters. Simultaneously, she prioritized productivity improvement by embarking on a mission to improve the bank's risk-taking and management abilities, ensure uniform customer experience, and encourage greater collaboration among various verticals.

Her efforts bore fruit and between 2013 and 2015, as SBI's gross NPA ratio fell from 4.75% to 4.25% and its operating profit improved by 25%. She believed that by building a performance oriented collaborative culture SBI can remain market leader. She proposed a number of initiatives though many in the organization were worried about the challenges involved in implementing these changes.

Realising that SBI had there is large number of people were being recruited at the bottom but very many experienced people were retiring creating mismatch and deficit of experience and skill, SBI took up upgrading the skill levels of youngsters so that their productivity could match to those who were leaving.

As a leader, the challenges she was facing and the tough decisions she was making were acknowledged and respected by her peers though many viewed her as a "task master" who took "tough calls." She was lauded for her "collaborative leadership style."

She had the difficult task of improving the bank's financial standing while maintaining its social obligations. For her social obligations and commercial goals of the bank were symbiotic. Realised that the bank cannot cut away social obligations and expect only to be a commercially driven bank in a developing country like India, where country's revenues are not large enough for the government alone to undertake all the social obligations. Her Vision for SBI as under;

- revive the bank's leadership position in the country
- as more agile and more nimble competitors were overtaking, she instilled sense of pride and identity in organization
- to remain the premier bank in India, not only in respect of size but in every other measurement
- lead and not the ones who follow

She outlined a three-pronged approach to realize her vision.

- First, prioritised risk assessment across the organization. She wanted employees to consider risk as a "living concept and not one which entailed just checking of boxes, filling of forms or giving returns." She urged people to understand the inherent risk involved in every bank transaction as mistakes could lead to reputational and financial losses for both the individual and the bank.
- Acknowledging that non-performing assets (NPAs) were the biggest challenge before the bank, she pressed people to look for early signs of stress and find preemptive solutions in each account. She argued we are in a business that affects not only our livelihoods, but the livelihoods of many people in the nation.
- Renewed focus on customer experience, service and satisfaction. To provide each customer, whether a first-time depositor or a corporate client, uniformly pleasing customer experience so that SBI could "justifiably claim to be the banker to every Indian. She was worried that employees preferred walk-in business as against actively marketing bank's products, therefore, employees were urged to go outside the bank to meet customers and bring in new business.
- To transform SBI into an innovative organization that made creative products.
- To promote collaboration within departments and across SBI and its subsidiaries to realize the strength of its people, offerings and subsidiaries. Collaborate to produce more without investing a single penny.

Strategy in First Two Years-Communication: She communicated regularly with her employees by using webcasts and blogs to share important information and solicit suggestions. In her first two blogs, she focused on cost control and improving the bank's customer delivery to which employees responded enthusiastically offering 1,000 suggestions in a span of 20 minutes. Many of these suggestions were valuable and implemented quickly such like a request to switch the bank's glow signs off after 10 p.m. to conserve electricity. She persuaded her team to actively use Aspirations, the bank's social networking site. Manju Agarwal, deputy managing-director for new business, described on Bhattacharya's motivation to talk to our employees regularly to ensure that everybody was on the same page. Employees should know if there is an upswing and how they can improve on it. They should know if there is a crisis and what they need to do to arrest the downswing. She set up a grievance portal where employees could voice their complaints and actively monitored it herself to ensure that all the issues raised were resolved quickly.

She initiated a mass internal communication program called "*Aarohan*—Aim, Aspire, Achieve" to reach out to employees, explain them bank's vision and challenges, and seek their co-operation in achieving its goals. "Aarohan" strove to enhance quality and professionalism in employees and build on the earlier "Parivartan" initiative. The relationship between the two programs is explained as under;

- "Parivartan" was received well and made some headway in changing bank's culture, but it was felt necessary to drill it down into the system in a sustained way to create a lasting impact. Especially in new young employees. Since 2010, for past five years, about 11,000 people have been retiring each year and were being replaced by younger employees and the same trend was continuing for another three years. Therefore, SBI felt they needed a program, which could create a oneness with the organization.
- Not many believed that "Aarohan" would be successful, as SBI is too big and flabby an organization where nothing could be achieved, and others had resigned and given up anticipating that any improvement in the way things were getting done was not possible.

Aarohan Program

After Parivartan, Citizen and Udaan, SBI embarked upon the task of establishing mass contact with each member of the institution. This special program was designed by the bank as "Aarohan". Main points about the program were as under;

- DR R A Marshalkar delivered his motivational speech
- Find out whether the bank was wasting money in any area unnecessarily and to plug those loopholes to stop leakage
- Improve customer service
- The program was based on minimum lecture and maximum interactions
- Chairman's interaction with the staff through Video Conference

- One day program for DGM/ GM
- One day program for messenger / non-Guard subordinate staff
- Separate prog for the guards
- Program for the visually impaired staff
- SMS Alerts were initiated for any important developments

Approval of the Board for Execution of all Change Initiatives
The Board of Directors of the bank was apprised about the change initiative of the bank and the initiatives were implemented with the approval of the Board.

Impact Assessment Study for the above programs
The impact assessment study was planned to be organised by the bank for all the above programs.

Other Change Initiatives
Improving Asset Quality: Bhattacharya embarked on a mission to improve the bank's asset quality by instituting an administrative structure to follow up on NPAs, adopting a portfolio specific and in some cases an account-by-account resolution process.

Agricultural loans**:** For SBI, a key focus area was the agricultural loan portfolio it serviced through its hub-and-spoke model of branches and business correspondent (BC) outlets. BCs are third party agents employed by banks to provide banking services at locations other than bank branches or ATMs. SBI engaged corporate BCs with a wide distribution reach such as fertilizer companies. The corporate BCs appointed individual agents to operate customer service point (CSP) kiosks. Each outlet had a mobile phone with a card swipe, a fingerprint scanner and a printer that could connect to the bank's system. SBI paid a commission to the corporate BCs, who in turn shared a percentage of the commission with their agents.

SBI was struggling on its agricultural loan because although the crop loan covered cost of implements, inputs and maintenance, SBI allowed the money to be drawn all together. As a result, the farmers would spend the money and then borrow more from the local moneylender at an exorbitant interest rate and when the crop matured, the farmer would pay the moneylender first. Therefore, year after loan disbursement, when bankers visited the farmer, he had no money left to banks. To correct the situation, SBI adopted reforms that were aimed at the farmers as well as the agents that worked for the BCs by providing agricultural extension services and financing for ancillary activities such as milch cattle, horticulture or floriculture patches to help them earn a regular income. Bhattacharya suggested bank personnel to increase interaction with the farmers, remove barriers for repayment and use and training BCs for recovery. By reorganising the organizational structure and using leveraged technology to safeguard interests of BCs, bank had agreements with corporate BCs mandating them to pay 80% of the commission to their agents. SBI ensured transfer commissions from the corporate BC account to CSPs, using technology to monitor BCs' activities. SBI managed to contain its agricultural NPAs, but growth in this segment lagged and an effort was made to change policies during next MD's regime.

Retail loans**:** SBI developed a carrot-and-stick policy for equated monthly instalment (EMI) payments of retail loans and bank penalized defaulters and rewarded those who paid on time. It introduced risk-mitigated products with credit scoring models. When this policy did not yield desired results, SBI resorted to auctioning assets in recalcitrant cases.

Small- and medium-enterprises loans**:** For Small- and medium-enterprise (SME) units SBI analysed each sick enterprise to see if it is possible to salvage the business and restructured loans wherever possible and explore raising more equity by tapping private equity investors. Declaring them as NPAs is taken as lost choice.

Mid-corporate and large corporate loans**:** SBI created differentiated solutions for mid- and large-sized companies depending on the loan size and root cause analysis of the problem.

Infrastructure loans added to NPAs as the financial crisis worsened and India's growth rate slowed down. To resolve the issue of practice of funding long-term loans with short-term liabilities, SBI tried to bridge this gap by designing loans that required the borrower to start repaying even before they had completed the project. Firms were keen to raise funds from SBI as it was one of the few banks funding infrastructure projects, but unfortunately due to reduction in Indian growth rate, project assumptions became unrealistic. To counter the challenges of infrastructure lending, SBI lobbied for changes in regulations to facilitate long term lending. As India lacks well-developed bond market, under her leadership, SBI asked RBI to allow them to raise long-term funds for project financing and permit the same lenders to refinance assets like Brazil and Singapore, which permitted refinancing of assets. RBI agreed and allowed banks to raise 15-year infrastructure bonds for funding long-term assets. RBI also permitted banks to roll over assets for a five-year period five times, existing lenders could refinance only a part of the loan, while new lenders could refinance the entire loan. But currently with RBI circular dated February 12, 2018, and the advent of IBC regime for resolving NPAs, these schemes are withdrawn.

Government regulations, bureaucratic inefficiencies impacted risk assessment and project financing since SBI was new to infrastructure lending, it took it for granted that the approvals, land acquisition would happen as per schedule, but unfortunately there were inordinate delays and in this environment SBI refused to fund the next round of infrastructure building in the country unless risk was properly divided between all the parties. As a result of this demand from banks, the Road Ministry promised to invite new bids for roads only after obtaining all approvals and acquiring 80% of the required land as a continuous stretch.

She convinced promoters bidding for too many projects without required equity or management bandwidth to get professionals and increase their firm's equity levels by selling core and non-core assets. Since many of the larger loans had been structured as consortium-banking loans with SBI as the lead banker, when a loan soured, SBI ended up bearing a larger proportion of the loss. She collaborated with other banks to manage these situations. Her thinking was that in a resource-starved country like ours, western solution of slashing NPAs, providing for them and starting afresh does not work. Her solution was like pulling chestnuts out of the fire one by one. In cases of consortium banking, her approach was to take other lenders along and If planning to sell to an asset restructuring company, to give other lenders the option of joining in and convey the price they can expect.

Building risk management capabilities: Bhattacharya strove to improve the bank's risk management processes and capabilities by reviewing underwriting standards since there had been lapses in understanding and allocation of risk. An early credit review process requiring independent auditor to review the credit decision of loans above threshold within six months of underwriting was started. Independent auditor either approved the loan or offered suggestions on improving the decision. An early warning system (EWS) that flagged potential risks in individual accounts based on certain internal and external triggers was set up. EWS provided inputs to a new dynamic rating process to determine companies rating based on events.

Standard operating procedures for each product were decided as earlier SBI lacked an end-to-end credit process and stopped at the monitoring stage. There was no process of resolving a bad loan. Continuous training of all employees on risk management, when to give a notice, the format of the notice, date and method of auction initiated. Organization's structure by splitting the role of the chief credit and risk officer into two, chief credit officer and chief risk officer. SBI started building a data analytics team.

For reducing SBI's NPAs, she advised to understand and mitigate risks before lending to the affected sectors, including infrastructure was her insistence. Infrastructure will support banks business in other areas and funding infrastructure is required to grow as a country and help our people do well. Infrastructure can be very profitable if there is patience to earn a profit and workable model to mitigate risk is developed. This was her path breaking vision.

To ensure credit growth she advocated refinancing existing project finance loans of companies with good credit rating to lower the risk of NPAs and reduce margins. She also advocated that SBI to increase its focus on retail loans and companies with a good credit rating on the lines of HDFC bank which had one of the lowest NPAs in the industry because it focused on the top quartile of customers in each segment.

Financial Inclusion: Though SBI was focused on internal operations and assets, she supported government's financial inclusion initiatives of providing India's large unbanked population access to banking services. She explained its importance by her conviction that for SBI and herself, financial inclusion is an article of faith, not something to be done because the government tells to do. Have-nots have nothing to lose and the haves have a lot to lose, therefore, financial inclusion is necessary to prevent social upheaval. With her mandate, SBI modified its product offering to expand financial inclusion focussing on zero balance accounts to encouraging people to fund their accounts with a minimum initial balance. Technology limitation that restricted the system from opening accounts with an initial balance had to be changed. SBI created easy-to-deliver and easy-to-understand credit and deposit products. E.g. One such product used account transaction data to sanction loan to a customer between $23 and $75 and informing him about the overdraft via SMS in local language. The customer could avail overdraft by signing one-page loan document and access money through debit card. She argued that the more one allows these people to leverage, the more their standards of living go up and further opportunities open up and one can start selling them simple insurance and investment products. She felt that since there is a cost in acquiring and servicing these accounts, this model will become profitable only over two to three years.

Bhattacharya also explored various options to improve the profitability of the financial inclusion model as now task of one account per household designated to banks has been completed, by charging fees customers □ 20 ($0.30) to open an account to avoid multiple accounts with multiple banks at the behest of the BCs who are paid on the number of accounts sourced.

Collaboration Bhattacharya wanted to increase SBI's wallet share of its customers by expanding the reach of divisions and collaborating across divisions. For instance, the division responsible for managing large corporates began focusing on the needs of the client company's employees and promoters not just the company's corporate finances.

Collaboration: SBI and its subsidiaries have collaborated in many forms like marketing personal accident insurance launched by its subsidiary, SBI General Insurance to its customers, cross-sell SBI General Insurance's health insurance products.

Digital initiatives: She used digital technology as an avenue to drive new business. As India is during a major demographic transition and customers increasingly expect digital services to help them manage their financial needs, in 2014, SBI launched seven digital branches named sbiINTOUCH. Compared to best digital outfits across the world, sbiINTOUCH is 100% digital branch unlike any other. sbiINTOUCH branch is futuristic and manned by two people merely there to help customers who need to transact through self-operating channels.
Transformation of the existing branches into pure sales focused branches by migrating most branch transactions to alternate channels such as ATMs, cash and check deposit machines, or Internet and mobile banking was her vision and initiative. In India transaction volumes are very large, though the amounts are very small which requires low cost delivery model which cannot be managed without technology behind manage volumes and ensure low cost of delivery. There were internal fears whether the people in the branches were would be rendered idle and we would not be able to use them gainfully. Also, SBI has about 4 million 70- to 80-year-old pensioners who come to the branch primarily for socializing who cannot be expected to go to an ATM to withdraw money. There were worries that in the absence of a strong internal technology team, the bank's digitization efforts would create a lot of dependence on outsourced vendors. But despite these valid concerns, Bhattacharya saw these changes as integral to her vision of a new three-pronged delivery model encompassing digital channels at one end, the franchisee BCs at the other, and the redesigned branches in the middle.

These initiatives on business growth led to improvement in the customer experience at branches, many branches were still not performing for which implementing a mentoring system where the bank's top 700 odd senior executives would act as mentors to branches was envisioned. It was believed that the senior management with their level of maturity, experience and expertise would be able to go to the branches, talk to them on equal terms, relate to their challenges and get the best out of them. Although the idea was liked the idea but entailing cost and time bank would need to factor in for traveling to the branches was prohibitive.

People Initiatives: She was convinced that success depended on her employees' capabilities but having government-imposed restrictions on the hiring process and compensation, SBI has traditionally managed to attract great talent as despite being a government organization, SBI operates in a professional manner and both empowerment and pay is great. For 1,800 probationary officer posts, SBI received 1.8 million applications requiring nine months to process these applications and in the interim, some good people walked away because they got other jobs. But the IIMs and IITs (India's elite engineering and management colleges) remain out of SBI reach as campus recruitments cannot be done and their students do not apply through bank process.
SBI is concern is they end up getting good quality people, but these are unpolished diamonds with a responsibility to polish them. This is being done through rotating them across roles and different urban and rural geographies and the stars are sent to work at overseas offices and different subsidiaries to learn to work in a different kind of a milieu. SBI subsidiaries work like the private sector, they have freedom to recruit with flexible remuneration determined by the company boards. The scale SBI handles and the exposure it gives is huge but unfortunately, many probationary officers later quit the bank to join other firms or set up their own business and here is a challenge of staff retention. She realised that remuneration is fixed and miniscule compared to the market especially at the middle and senior management levels and many people found it difficult to adapt to the frequent transfers that working at SBI.

She also lamented that 15% of the people who are not performing are a major drag on institution for feat of committing a mistake while doing job and coming under vigilance or CBI scanner. She took various measures to improve people's performance by rewarding good performers for cross-selling products or giving leads with overseas training opportunities. It required increased transparency to track leads from their generation to closure, and to ensure that the correct employees received credit. She also focused on employee skill development and training by introducing e-learning platform that had mandatory modules for front-line staff. All clerical staff had to clear the mandatory statutory examinations for selling mutual funds and insurance within two weeks of joining the bank.

Bhattacharya realized that real change would only be possible if performance management system was revamped to replace the current manual and subjective system. It was realised that only 25% of SBI officers had codified key responsibility areas (KRA) linked to the firm's annual targets. KRAs lacked legitimacy as supervisors regularly inflated performance scores as 80% of officers received a 100% performance score which made it difficult to identify and reward good performers. Appraisal within the clerical ranks who for 2/3 of SBI's work force was more problematic as no formal appraisal system or performance parameters existed. She found that there was no accountability for the clerical staff who were just expected to come to office and leave on time and do whatever task they were assigned without any work metrics.

Bhattacharya proposed a totally new career development system where all employees, including the clerical staff, would be given goals linked to business targets. The system made it mandatory for all employees, even those not in customer interfacing roles, to interact with customers and promote sales. She wanted each employee to learn how to garner and ask for business. Within this new system, an individual's performance was largely dependent on system-generated score that measured performance with respect to the targets. People were grouped into cohorts of similar roles for assessing relative performance. And as change from the past, supervisor's qualitative assessment had a small weightage.

Most of the senior management felt this was a timely change but some expressed reservations and felt it was impossible to bring about this change. Resistors thought it was not possible to define KRAs for clerical employees and even if we defined the KRAs, how would the bank we ensure that they agreed to them? It was a difficult path breaking measure with clerical staff KRA for SBI because of Unions and capability of IT system to provide the data needed to implement the new system. Resistors wondered if this was a move in the right direction and there was a fear of the unknown. Senior management and SBI's unions were resistors who were unsure how people would react once the bank rated them on a bell curve and opposed the move, as they were worried that this would be demoralizing for the laggards. But Bhattacharya was firm and contemplating changes to prepare SBI for India's changing banking environment as banking was becoming more complex, technology-driven and increasingly susceptible to disruptive models. She wanted to change the bank's current practices of having only generalists and instead create specialists.

She insisted and envisioned that SBI needed and wanted to create about eight important job families such as credit, foreign exchange, IT, analytics and risk and compliance where people can be exposed for 10–15 years so that they gain the requisite expertise which could be of use to us in senior positions. For enabling this, it was necessary to reduce the mandatory number of line assignments to be done by each person to only one. Many people within the bank proposed some other alternatives, preferring lateral hiring at a senior level for specialized roles etc. Her viewpoint was that the independent line assignment is one assignment that poses a challenge to a person's skills in HR, negotiation, business and marketing and adminis- tration. And it covers everything, the management of controllers, service, and subordinate officers. This is one assignment, which tests the overall character and the capability of a person. It was a revolutionary change of creating expertise within the ranks in place of lateral hiring.

Major digital trends which are impacting banks include customer empowerment and opening their platforms. Globally banks are being forced to open their platforms for open banking by partnering with fintechs for data, which will increase competition and empower consumers. Fintechs are nibbling into Banks' domain, be it payment, lending or account aggregation. New technologies (IoT, RPA, Analytics etc.) will lead to product and service innovation. Big data technology is becoming mainstream. Analytics and data will change business model. Banks need to transform the current culture to meet competition and pursue innovation from traditional banking culture to digital culture and adopt risk averse experimentation, channel/product centric and customer centric policies. Use of third-party suppliers focused on running the business to adopting innovations would be priorities for banks in digital era for value creation.

Ms Manju Agarwal, Deputy Managing Director, SBI had explained the digital initiatives taken by SBI during her presentation during Centre for Advanced Financial Research and Learning (CAFRAL) program on Effective Change Management in 2015. A summary of these change management initiatives is as under;

i) End to end digitising customer journeys at SBI for customer convenience and operational efficiency for bank

a) Internal Customer Journeys of Employees, digitised by SBI, include salary slip, claims for various expenses, leave application/ tour program, KRAs, performance appraisal, internal communications, approvals/ sanctions, conducting meetings etc.

b) External Customer Journeys which are digitised by SBI include balance enquiry, statement of account, ordering cheque book, blocking debit card, seeding of mobile number, seeding of Aadhaar number, P2P transfers, creation of RD/FD, bill payment, top ups/recharges, tax payment, payment of fees, ticket booking, online purchases, change PIN/PIN generation etc.

Establish Innovation Lab Robotics & Automation, developing an Analytics platform sales tools to relationship managers, partnering with Fintechs by investment and collaboration, leverage data to customise products/processes, creating merchant eco system for proximity & non-proximity payments, redefining branches, leveraging data to create new business models for lending, mass market wealth management, digitizing contact centre or call centres, performance management and posting tools are some more digitising initiatives being taken up by SBI which are in various stages of implementation.

Investing in Innovation to build the bank of the future: SBI is invest in an Innovation lab to ensure development of new products on continuous basis and improvement in processes, operations and service levels. It will be outcome focused and customer centric innovation hub.

It will be a state-of-the-art lab facility to be developed and managed by hiring from market for the required skillsets (design, UI/UX, mobility, social media etc.) with flat organization structure, promoting a culture where failures are acceptable. Research will be focused on exploring key trends and identify consumer behaviour and their needs, innovate-ideate to address consumer demands, design working prototypes of customer focused products and services, sandbox-test the designed products and services for customer acceptance & market adoption.

Collaborating and partnering with Fintechs: Through the innovation lab and a defined partnership/ collaboration framework, SBI will be able to drive new products in the market. Fintechs have 'out of the box' thinking. It can create technology and business models based on existing customer relationships and financial resources of SBI. Therefore, this collaboration will be a win win for both. Fintechs can be grouped based on the use cases into lending, payments, artificial intelligence, robotics, wealthtech, account aggregation etc. Barclays bank has built a set of partnerships across emerging fintech and payment players through investments, M&A, incubation and partnering for specific products capabilities.

Redefining the branches: SBI is planning to go where the customers are. Next generation branches would for delivering value-added services. The drive is to make the branch network cost efficient in a modern and trendy setting.

There would be Flagship Center Branch with technology focus which will used to build brand, test innovations and provide a fascinating customer experience. There would be

Supermarket Branches with product diversity focus. They will have high customer autonomy with self-service for a very large offer of products and services. There would be Concept Store Branches with design focus for creating and using branch designs that focus on the needs of local users, with a special concept. There would be Kiosks and Self-Service Branches with location and convenience focus. Focus would be on minimizing cost of branches while maintaining presence through smart technology enabled retail location. There would also be Mobile Branches with accessibility focus to enable remote customers with cash in and cash out in various locations.

Using Big Data technology: Big Data technology is becoming mainstream. It is estimated that 2.3 trillion gigabytes of data are produced every day. More than 4 billion+ hours of video is watched on YouTube each month, 400 million tweets sent each month, more tank 30 billion pieces shared on Facebook every month. Velocity (Rate at which data changes), Variety (Different forms of data), Volume (Scale of data) are dimension s of data.

Financial Institutions are leveraging analytics for insights and intelligence for better decision making. NYSE captures 1 TB of trade data during each trading session, Telecom operators process 500 million daily call records in real time. Intelligent Decision Making, Data Discovery and Market research, Development of new product ideas, Portfolio Management, Superior Customer Experience, Deepen KYC insight, Enhance Customer segmentation and analysis, Predict and prevent customer churn, Enhanced compliance and monitoring, Implement aggressive fraud detection and prevention and Monitor communication channels for compliance are some of the uses to which big data analytics can be put. For banks, understanding the customers better by data analytics and behavioral profiling of customers to help SBI to achieve a far deeper insight into its customer base and their needs. It will help in understanding who are your customers and know them better by micro-segmentation of the customers based on demographic and socio-economic data. It will possible to understand from the mazer of data available to know what customers do, how much they earn, where they stay and where they spend to identify the emerging needs and avenues of embedding SBI in their lifestyle. It will help in knowing what they want by predicting the financial and lifestyle related needs of the customers in terms of savings, investments, payments, insurance, and finance, travel, entertainment, health & fitness, shopping, e-commerce, luxury etc. Interacting with the customers to address their apparent and latent needs and deliver services where the customers are present will be possible. Millennials are the future revenue pool and banks need to be present where they interact in the digital world. Serving the customers, the way they like, detailed understanding of the customers based on their banking / non-banking interactions, advising on financial and investment matters, WOW customers on their lifestyle needs (e.g. predict a future international travel, offer best forex deals) etc. are future directions of SBI digitisation. An example is HSBC. Given that WeChat has become a way of life in mainland China, HSBC is building banking solutions on WeChat platform.

e-SMART SME: SBI is in the process of creating digitized lending to e-commerce sellers where sellers can apply for loans at partner e-tailer platform (like Flipkart, Snapdeal, Paytm etc.). E-tailer platforms transfers performance data along with demographic details of sellers. There would be centralised processing and in-principal sanction by specially designed Credit Underwriting Tool. Sanction would be shared with Seller and SMECC for disbursement. Mapping of account on e-trailer platform for the capturing the cash flows would be done.

P.A.C.E. Tool (Package for Accurate, Convenient and efficient recasting): SBI has redesigned their SME Credit underwriting process and it is now based on cash flow-based lending. It uses the bank account statements (SBI or others) to arrive at latest turnover of the unit. Advanced logics are applied to remove the non-trade transactions (e.g. Kite flying, Transfer to subsidiaries, System transactions etc.) for computation of real turnover. Key ratios are validated with company & industry standards to redraw the P & L and balance sheet on the latest date. Key benefits include fully automated process with minimal manual intervention which reduces subjectivity and increases speed of processing, projections are objective and minimizes window dressing.

Use of digital tools in various banking- HR- Performance Management: Approximately 2,70,000 users with individual accountability. Its advantages include KRAs aligned to business. Continuous assessment. Monthly scores on performance. Automated data capture. Scores calculated from system data. Relative scores as it eliminates externalities. It has HR- Postings optimizer tool used by 500 HR managers.

Find "Right man for the right job": It uses 200+ parameters. Transfer policies are digitized on click of a button to detects officers due for transfer. It does bank wide optimization and checks 1 trillion possibilities for best match. Process time is reduced from 3 months to 2 weeks.

CTS: Digitisation of journeys may result in huge efficiencies for the bank outward clearing by use of cheque drop kiosk where customers will scan the cheque, fill all the details and the cheque will go in the queue of outward clearing post authentication by an official for National Cheque Truncation Clearing (CTS).

Digitisation of internal customer journey has imparted tremendous benefits to the bank. It has empowered employee training and imparting knowledge with e-Learning portal Gyanodya with about 1,000 hours courses launched. To enhance domain specific knowledge, bank has subscribed to off the shelf e-Learning content in partnership with Harvard University Knowledge sharing and collaboration through a Knowledge Helpline (intranet based) and Intranet Social Platforms called SBI Aspirations. Certification programs on processes like Loan Life Cycle is conducted both through online and offline channels and employees are evaluated based on an in-house developed software. Each employee now has annual target to complete e-learning modules, which are integrated with the Bank's Performance Management System Besides the e-learning modules, information is made available to the employees through the intranet portal State Bank Times, e-Circulars, SMS alerts and digital library Continuous feedback to drive improvement, developmental agenda and feedback tracked via an internal 'learning app'.

Technology Driven Employee Life Cycle Management: (From recruitment to on boarding): Revamped recruitment process and made cutting edge, ensuring SBI is the candidate's preferred choice of employer. SBI has best in class recruitment portal. Digital advertisement targeting select Colleges.

Performance Management System: Performance Management System is more objective, transparent and individualised to bring business focus with objective 'metrics based' performance evaluation; user friendly front-end platform that gives information (targets, achievement, etc.,) and insights to guide forward planning (percentile ranking amongst the peers, worst performance metrics, etc.). It is compatible with all devices – desktop, iPad, mobile. It ensures transparency to controllers with real-time visibility of individual performance to employees to drive business action.

Transfer & Posting: Transfer optimization tool to identify the right person for the right role and uses scientific algorithm that analyses employees past roles, experience, educational background, specialization choice, etc., to identify the 'perfect next role'

Employee Engagement: For succession planning integration of employee journey data points (postings, specialization exposure and interest, educational qualification, etc.) to plan for employee's career path and develop them for a succession, rewards and recognition. It ensures driving motivation through instant gratification on exceptional performance, while creating organisational memory through 'Digital GEMS'.

Grievance Redressal: IT enabled system rolled out for timely resolution of staff grievances. The escalation mechanism is automated such that, if any grievance is not responded within stipulated time, it will be escalated to next higher authority.

Industrial Dispute Management Information System (IDMIS): IT enabled portal to track and monitor HR legal cases of the bank

Impact and Learnings in the Digital Employee Transformation: The largest accomplishment (and also the biggest challenge) was to drive change in a huge bank with about 3 lac employees, in about 24,000 branches spread across length and breadth of the country Substantial impact on employee engagement and satisfaction in the organisation. Fairness and transparency of processes. Greater recognition of talent, regular appreciation, feedback and development program. Greater stability, lesser probability to move them to unrelated roles.

The results can be seen in overall business performance as well. Individualised targets leading to a more focused approach for employees. Business get insights from performance data which is used to define future strategy for divisions. Stronger ability for people to understand and deliver on Bank's goals through greater communication, their voice being heard, and their questions being answered regularly.

Summing up: As a leader of change in SBI, Bhattacharya had made immense progress in the first two years of her term. She had reduced the bank's non-performing assets, improved its profitability and embarked on a journey of creating a digital bank, however, she knew that these gains would be fleeting without the development of a trained workforce who could address 21st century industry problems with speed and creativity. This would require transforming SBI into a performance-oriented bank supported by a new career development and remuneration system. She left behind a dream of attempting to change the culture of a 206-year old mammoth organization as a feasible dream.

Rajnish Kumar, who took over as Managing Director & Chairman of SBI's national banking group on October 7, 2018, felt that banks are unable to match the high touch service that microfinance institutions provide and banks cost of service is much higher since bank needs to pay a bank employee in a rural area the same salary as a person in a city. He felt that SBI needs to find a new financing model. Solution is to expand the BCs current role of loan disbursal and recovery and engage them in loan origination. While this would reduce the bank's cost, it carries more risk. Another alternative is to purchase a loan portfolio from a microfinance institution. The strategic and technology change management initiatives taken up by SBI during his regime are enlisted as under.

iii) 2019-2020 Shri Rajnish Kumar, Chairman & MD: During 2019, SBI has undertaken certain strategic initiatives to give an additional thrust to each business segment, some of which are as under: Strategic Initiatives include the following;

i)SBI conducted a mass communication program, Nayi Disha Phase 1, for all the employees to improve the customer centric approach in the Bank. SBI has revised the assessment of customer satisfaction measures and redesigned its 'customer service index' with weightage to critical parameters.

ii)To revamp the corporate credit structure and systems, SBI has strengthened the credit risk process and credit review process independent of the Appraisal/Sanction process. The credit risk function has been reinforced by onboarding sector specialists and improved due diligence.

iii)For HR, SBI has taken efforts in identifying potential leaders and developing them through customized training programs to create leadership pipeline. SBI was ranked top among the PSBs in EASE Index for "Developing Personnel for Brand PSBs". SBI's performance management system, Career Development System (CDS) has now made 95% of the roles measurable.

iv)To increase the reach of its subsidiaries, your Bank is at the forefront in driving Cross Sell Products of the subsidiaries. The Bank expects cross selling income to grow more than 50% over the medium term, for which, your Bank has initiated a CRM Platform for SBG entities (Project IMPACT) to leverage data analytics for lead generation by leveraging the technology enablers in the bank. The Bank is also training more and more officials/employees and encouraging them to acquire the professional certification to cross sell products.

v) SBI has introduced niche products such as 'SBI Smart Home Top-Up' for existing Home loan customers, 'Wealth' for HNI/High-end customers and Flexible Margin Schemes for real-estate developers.

vi) SBI has started an IFSC Banking Unit (IBU) at International Financial Services Centre (IFSC) located at the GIFT-SEZ, Gandhinagar, Gujarat which aims to provide suitable regulatory regime and create a business environment to attract talent and capital.

vii) As a responsible corporate citizen, SBI has taken several initiatives for a better and cleaner environment. Under the Green initiative and cleanliness drive, SBI has discontinued printing of transaction slips for 43 types of unsuccessful transactions. It has installed solar panels on around 2,400 ATM sites. SBI intends to become a plastic free organisation as part of its sustainability commitment.

viii) Financial year 2019 may be a turning point for SBI as financials are improving SBI is making efforts to achieve a more sustainable mix of business, both domestically and in overseas operations. It has set the goal to achieve a credit growth of 10-12% by portfolio reordering to reduce the ratio of Credit RWA to total advances in FY2020 as well as internal reorganisation of the corporate banking.

Sustainable recovery requires deep structural transformation and strategic shifts in portfolio to improve the RoA, minimise asset liability mismatches and reduce the payback period of investments. SBI is planning to focus transformation strategy on five areas: Customer Service, Corporate Credit Revamp, Digitisation of Banking operations, Synergy between subsidiaries and Development of human resource.

SBI has a large customer base in every business segment and benefits of retaining the existing customer base outweigh the cost of acquiring new. In the coming year SBI is rolling out revised customer satisfaction measures to gauge customer satisfaction. The training Programme 'Nayi Disha- Phase 2 will be focusing on a customer centric approach for employees linking its human resource training with customer service.

Revamping of Corporate Credit structure and system within to widen the client base and focus on new segments has brought results in terms of growth. Strengthening of credit processes and increased product penetration across high priority relationships has been and will be SBIs policy. It plans to mitigate deficiencies in human resource and human resources will be strengthened by on-boarding sector specialists.

The use of technology in delivering banking services has become more broad-based is SBI. It is in leadership position in digital channels, ATMs and mobile banking. Asset and liability side product offerings through the YONO platform is being scaled up. Successful implementation of e-DFS (Dealer Finance Scheme) has encouraged taking up more technology enabled products for corporate clients.

SBI subsidiaries have leading market share in their respective products and services and SBI is planning to explore technology options to leverage upon the synergies with subsidiaries for distribution of Life and General Insurance, Mutual Funds, Credit Card and Demat Account ensuring instant Customer satisfaction.

SBI is committed towards environment protection and to reduce its carbon footprints is prioritising responsible interaction with environment to avoid depletion and degeneration of natural resources to maintain its long-term quality. Some of these initiatives are as under:

-Waste to gold: It is an initiative to motivate and develop the skills of vulnerable youth to address waste management in the city to develop small sustainable businesses for their livelihood.

-SBI Corbett: it is an initiative to provide villages a sustainable waste management system and conduct trainings of SHG Workers to spread awareness in nearby schools and hotels.

-Swachh Belur Math: SBI Foundation has supported Ramakrishna Mission for construction of 201 toilets at new Pilgrims Abode in Belur Math that will serve 13 lakh visitors each year by contributing 1.67 crore to this project.

-Beat Plastic Pollution: SBI in Mumbai organised Cleanliness Drive with the theme 'Beat Plastic Pollution', on the eve of "World Environment Day" at Dadar Beach. More than 125 staff members actively participated collecting 2 tractor loads of garbage.

Adoption of New Technology and Innovation:

Technology driven innovations necessitated by changing customer preferences, has transforming the retail banking landscape of State Bank of India. It has a multi-channel delivery model, which allows it to offer its customers a choice to carry out transactions through any channel, at any time and at any place. In the financial year 2018-19, it has increased its offerings across various channels - digital, mobile, internet, social media, along with additions to its branches, ATMs and Customer Service Points.

Its digital application, YONO is bringing paradigm shift in customer convenience by more efficient deliveries at lower costs and greater reach for the Bank. It is increasing reach as well as value and caters to various banking and financial services as well as lifestyle requirements. It delivers world class customer experience through distinctive, omni-channel and seamless customer journeys and has achieved 2 crore downloads and around 73.49 lakh registered users. Over 10 lakh users log in daily and 25,000 digital accounts are opened per day (over 75% of all eligible accounts being opened by the bank) with 30-40% higher balances than regular accounts.

With 29.67 crore active Debit Cards as of March 2019, SBI leads in Debit Card issuance in the country and has launched various innovations and functionalities around Debit Cards such as Contactless Debit Cards, Bharat QR, Samsung Pay, Visa Checkout and Personalized Image Debit Card "My Card". It has set up over 2,200 e-Corners across the country where customers can avail the entire gamut of services through ATMs, ADWMs, SWAYAMs, Check deposit Kiosk and online banking kiosk.

To ensure safety of ATMs and customers, coverage under electronic surveillance is being enhanced. SBI has covered approximately 13,000 ATMs under e-surveillance as on 31st March 2019, while process for 15,000 ATM sites is slated to commence shortly.

Your Bank has installed around 3,200 SWAYAMs (Barcode based Passbook Printing Kiosks) during FY2019, taking the total number of SWAYAMs deployed to 17,400 units. SBI has deployed "Through the Wall" SWAYAMs, offering extended working hours for printing. More than 3.45 crore transactions are recorded at these kiosks per month.

Green Channel Counters (GCC) installed at all retail branches extend services such as cash withdrawal, cash deposit, funds transfer within State Bank of India, in addition to balance enquiry and Mini Statement. On an average 8.20 lakh transactions are being routed through GCC per day.

SBI's Unified Payments Interface (UPI) based App is an interoperable offering, which provides the convenience of transferring funds across different Bank accounts using Virtual Payment Address (VPA), Bank Account Number + IFSC and scanning a QR Code. Over 553 lakh users have registered and are availing UPI services, resulting in more than 129 crore transactions, amounting to more than Rs.2.96 lakh crore, processed through the SBI UPI channel during FY2018-19.

With the introduction of new features and several add-ons provided on the 'Onlinesbi' to enhance customer comfort and experience, the platform handled transaction volume exceeding 162 crore with transaction value of nearly Rs.127.78 lakh crore, recording a quantum jump over the last year. This reflects the growing customer confidence in offerings and deliverables.

The Recovery in Written-Off Accounts, however, registered a robust growth of 57% and the trend is expected to continue with better recoveries in FY2019-20.

IV: SWOT Analysis of SBI: SWOT Analysis is a proven management framework which enables a brand to benchmark its business & performance as compared to the competitors and industry. SWOT analysis is used to analyses the brand/company with its strengths, weaknesses, opportunities & threats. In State Bank of India (SBI), the strengths and weaknesses are internal factors whereas opportunities and threats are the external factors.
SBI is one of the leading brands in the banking & financial services sector. Top competitors, market segmentation, target group, positioning & Unique Selling Proposition (USP) are attempted hereunder.

Strengths are: 1. SBI is the biggest bank in India 2. State Bank of India (SBI) has a separate act for itself which is a special privilege for the bank 3. Biggest branch, BCs and ATM network in the country gives it good reach 4. It is public sector bank which has taken up modern technology like digitisation and changed its processes and has many core banking solutions at work 5. SBI has close to 2,70,000 people employed with it 6. Backing of the Govt of India gives a huge boost to the bank as well as responsibility 7. SBI offers whole gamut of financial services like consumer banking, enterprise banking, insurance etc. 8. It has a good brand visibility and awareness due to extensive marketing and goodwill 9. SBI has its presence in more than 35 countries with close to 200 offices 10. SBI is leveraging on change management programs extensively to beat the competition and enhance its performance and quality of lifecycle of employees and customers. 11. SBI is partnering with fintechs with open banking to offer paradigm shift products 12. SBI is using big data analytics, artificial intelligence and robotics for understanding customers and creating business opportunities.	**Weaknesses are:** 1. Immense competition leaves limited market share growth for SBI 2. Lesser International presence as compared to global banks
Opportunities are: 1. Pool of talent to replace the going top management to serve the next generation with good succession planning 2. SBI can make better use of Customer relationship management (CRM), technology and online space. CRM refers to practices, strategies and technologies that are used to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving business. 3. Expansion into rural areas will boost its business with MSME and Agri specialisation 4. With focus on India going cashless, SBI can dominate the market with its extensive reach	**Threats are:** 1. Consolidation among public and private banks can reduce market share for SBI 2. New bank licenses by RBI to Small Finance Banks (SFBs) and Payments Banks (PBs) can affect operations 3. Foreign banks that have sophisticated products can compete in corporate loans and hedging products like credit default swaps and External Commercial Borrowings. 4. SBI operations are often disrupted by slow government decisions and red tapism as well as 'phone banking" or directed behaviour. 5. SBI staff is still used to walk in customers and not going out for marketing business. 6. Efficient customer service and higher deposit rates offered by SFB (totally riding on modern technology and low burden of employee expenditure) may snatch away customers.
Probable top 6 competitors of SBI:	1. ICICI Bank 2. HDFC 3. Axis Bank 4. Bank of Baroda 5. Punjab National Bank 6. India Post Small Finance Bank

Table 1: Swot analysis

VI. Conclusion

The hypothesis is substantially proved as every change management initiative has invariably increased and improved the performance of the bank.

Comparison of styles of change leaders throws light on the consistency of change efforts and survival instinct of the bank and all the three leaders faced their challenges through external and internal change agents and involved communication as the main strategy.

When a large bank transforms itself while staying within the constraints of being a public sector bank vis a vis a private sector bank in India, the story of such change management is indeed unique. It challenges conventional wisdom in many ways countering stereotypes of leadership, motivation, and change management. The transformation exercise attempted consciously to reinvent itself by SBI under the leadership of O P Bhatt is unique and McKinsey was associated with the change from the beginning which and this metamorphosis was achieved in a very short period with the help of its executives and staff. The leadership by the top management led by O P Bhatt was key to change. These transformational initiatives have helped SBI cement its leading position. It is a people story, achieved through well planned communication strategy, breaking hierarchies and reviving sense of team play and employee participation.

SBI’s transformation is well documented in a story form by Prof Rajesh Chakrabarti (Grits, Guts and Gumption, Diving Change in a state-owned Giant by, 2010, Penguin Books, 987654321, ISBN 9780143415657). This book tells the story how SBI transformed from 2006 onwards under the leadership of O P Bhatt CMD up to 2013. It is based on 4 comprehensive volumes on this subject with SBI and interviews covering changes that have happened in the bank from July 2006 in a conscious voyage of transformation. There was no part and product of the bank which was not touched by this change. Although the reality of transformation cannot be broken down into perfectly watertight compartments, but the author has observed general and broad pattern adopted by the bank, which can help in mapping the change management at the bank. The story is about careful and planned resurgence of SBI from a laid-back incumbent under threat from private players to a customer oriented competitive organisation that has outperformed rivals despite several constraints of a public sector back. Reshaping the perspective and profitability by the leader. Primary thrust was on changing employee attitude towards their own organisation and customer’s transformation exercise also covered technology processes and business mix in about three years from 2006. SBI not only defended itself but competed the younger rivals with grit.

The same trend continued in the next two phases, but the challenges differed and were more complex. The challenges posed by slowdown due to recession set in after the financial crisis of 2008-9 and growing number of non-performing assets, burden of Jan Dhan Yojna as a Government sponsored program for opening large number of accounts and transfer and crediting the direct benefits along with new expectations of internet and mobile banking for the new generation in changing younger demography of the country.

But the banks were successful in facing the challenges through a bouquet of broad change initiatives which included people initiatives, technology changes, process changes, identifying new thrust areas, carrying out innovative experiments, making structural and style changes and building for the future of taking futuristic initiatives.

The bank succeeded in its efforts to improve performance and became customer oriented. The bank has adopted digitisation of services in a big way and succeeded in digitising customer journeys. Therefore, change management is an enabler for greater performance and survival of the bank. The bank has established change management as its core capability through the efforts of the three successive change leaders in the form of its Chairmen and managing Directors under changing economic scenarios.

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