

## Responding to the Winds of Change-Change Management Profile of Bank of Baroda the New Merged Entity

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**Abstract:** Setting out with the objective of understanding how Bank of Baroda is responding to the wave of changes impending on it after the announcement of creating a new merged public sector bank by absorbing Dena and Vijaya bank, including culture, technology and geographical spread, the author has examined various actions taken by bank's change leaders for managing the change. The author has concluded that the successful merger is setting up a template for reviving other weak public sector banks. If, eventually, PSBs become lesser in number, the government will have it much easier to monitor operations, allocate funds and keep a tab on performance. Such mergers can reduce government's capital burden in the long run. Besides, it could also mean better management of government-owned banks.

The study explores and establishes how the Bank of Baroda has responded to the changes in the last few years, through several strategic changes initiated in the bank by successive Chief Managing Director's (CMD's) that has significant impacts on the performance of the bank. The case provides interesting insights into the various forces that trigger changes in an organization, resistance to these changes and interventions adopted to manage the change illustrating either effective or ineffective handling of an administrative or business situations.

The study has amply established that pursuing and monitoring change management is an enabler for survival and retention of marketshare as well as growth of marketshare for the bank in competitive environment. The study has helped in depicting the impact of change triggers and how the bank has been responding by appropriate action has by the change leaders.

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### I. Introduction

Bank of Baroda established on July 20, 1908 is an Indian state-owned banking and financial services organization, headquartered in Vadodara (earlier known as Baroda), in Gujarat, India and its corporate office in the Mumbai. It was nationalised on 19 July 1969, by the Government of India and has been designated as a profit-making public sector undertaking (PSU). Bank of Baroda is one of India's largest banks with a strong domestic presence supported by self-service channels. BOB has a significant international presence with a network of 101 branches/offices subsidiaries, spanning 21 countries. The Bank has wholly owned subsidiaries including BOB Financial Solutions Limited (erstwhile BOB Cards Ltd.) and BOB Capital Markets. It also has joint ventures for life insurance with India First Life Insurance and for asset management with Baroda Pioneer Asset Management. The Bank owns 98.57% in The Nainital Bank. The Bank has also sponsored three Regional Rural Banks namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank and Baroda Gujarat Gramin Bank.

### 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 and to examine whether the change management practices are helping in creating the new merged entity and introduce the required culture synchronisation.

**Hypothesis:** Change management is an enabler for survival and retention of marketshare as well as growth of marketshare for banks. Understanding the impact of change triggers and responding by appropriate action has to be main task of the change leaders.

**Methodology:** The research is based on published research papers, books, newspaper articles and annual reports of the bank. Being a central banker himself, authors interaction with senior officials of the bank has helped in gaining understanding of the various changes introduced by the bank.


**III Key Performance Indicators:** The Key Performance indicators in the form of business indicators for past three years are as under;

Key Business Indicators (Rs. in Crore)	31.03.2019	31.03.2018	31.03.2017
Total Deposits	638689.72	591314.82	601675.17
Total Advances	468818.74	427431.83	383259.22
Total Investments	182298.08	163184.53	129630.54
Total Assets	780987.40	719999.77	694875.42
Net Profit	433.52	-2431.81	1383.14
Capital Adequacy Ratio (percentage)	13.42%	12.13 as per Basel III	12.24 as per Basel III
Net Non Performing Loans to Net Advances (percentage)	3.33	5.49	4.72
Net Interest Margin (percentage)	2.72	2.43	2.19
Business Per Employee (Lacs)	18.88	1766	1749

**Table 1:** Key Performance Indicators (KPIs) of Bank of Baroda (BOB)

**III Recent Change Management Initiatives Underway:** The major ongoing change initiatives of the Bank are detailed below:

**i) Merger with Dena and Vijaya bank-New Merged entity-BOB:** From April 1, 2019, the amalgamation of Bank of Baroda, Vijaya Bank and Dena Bank has come into effect to create India's second largest public sector bank. Since the time, the 'in-principle' approval to the amalgamation was granted by the boards of the three banks in end-September 2018, the process has been completed in record time. Post the merger, the public sector bank now has over 9,500 branches, 13,400 ATMs and 85,000 employees to serve 12 crore customers. The consolidated entity started operations with a business mix of over `15 lakh crore on the balance sheet, with deposits and advances of `8.75 lakh crore and `6.25 lakh crore respectively. The bank management has already said it will take about two years to complete the merger. The integration of its information technology platform alone is expected to take about 12 months and other processes and systems may take another year.

 Parameters	Bank Baroda	Vijaya Bank	Dena Bank	Merged Entity
Total Business (Rs cr)	1029810	279575	172940	1482325
Deposits (Rs cr)	581485	157325	103020	841830
Gross Advances (Rs cr)	448330	122350	69920	640600
Employees	56360	15875	13440	85675
Branches (Domestic)	5502	2130	1858	9490
Deposite/Branch (Rs cr)	106	74	55	89
Advances/Branch (Rs cr)	81	57	38	68
RoA (%)	0.29	0.32	-2.43	-0.02
CET-1 Capital Ratio (%)	9.27	10.35	8.15	9.32
CRAR Capital Ratio (%)	12.13	13.91	10	12.25
Net NPA (%)	5.4	4.1	11.04	5.71
CASA Ratio (%)	35.52	24.91	39.8	34.06

**Table 2:** Merger impact

**Reasons for merger:** It is important to know the basic reasons of change which can help in assessment of the success or failure of various change management initiatives taken up at BOB post-merger. In Indian banking, 80% of the ownership is monopolised and dominated by single owner viz. GOI (government of India), spread over 21 different entities neutralised the advantages of dominance. Banks with same parentage competing against each other end up in undercutting and killing each other's business. Because of the single owner, the incentive for different entities to compete strongly and innovate did not exist either. Moreover, whatever each bank achieved, was more an enterprise of individuals rather than any institutional vision. The mixture of personnel with different cultures from Dena, Vijaya and Baroda banks could cause some friction, but the advantages that would flow are many. In the merged entity, cost-cutting could be huge the procurement of technology, telecommunication could bring down costs. BOB has reduced the number of auditors from 1400 to 30. The major conflicts arising for change management in this merger pertain to creating common technology platform, human resource management (promotions, transfers, culture management) and branch rationalisation.

**Meeting the HR challenge management:** In any merger, the biggest challenge is that of personnel. While in the private sector, the easiest action for the management is to lay off people to derive cost savings, that option does not exist for the three CEOs. There are 90,000 staff whose future must be protected, and concerns addressed. While the mixture of personnel with different cultures from Dena, Vijaya and Baroda could cause some friction, the advantages that would flow are many. It will give staff more job opportunities so that there is no shortage given the retirement that is coming, there is going to be a shortage of manpower. Therefore, there won't be layoffs with the merged entity which will automatically bring in cost efficiency. Handling of staff would determine whether they become an asset or a liability. The overlapping branches are being considered for merger and allocating excess staff to suburbs. Over the past three years, BOB is going through a huge transformation and it had initiated changes like lateral hire and changes to human resources policies that prioritise merit. Its leadership programme focused on enabling technology absorption along with refurbishment of branches into paperless offices and ending the steel cupboard culture are a welcome relief to both staff and customers. BOB will remain on course with the same strategy set in the last three years which is working well and bring together all the change programmes of three banks for good success transfer opportunities to become an institution more than the sum of its parts. Formula for adequate equal opportunities and representation has been worked out for higher executives and other staff.

**Transferring to common technology platform:** Infosys is working on a tool to migrate all branches to the latest core banking solution (CBS) platform. All three banks were using Infosys' Finacle IT platform which was an important reason for the government's decision to merge them. But Dena and Vijaya were on older Finacle 7 systems whereas BoB was on Finacle 10. Infosys is now working on a tool which will help migrate Dena and Vijaya branches on Finacle 7 to Finacle 10. A pilot has been done in two branches of Dena and Vijaya in Vile Parle, Mumbai, and then will be rolled out in other branches in a phased manner. The bank management has already said it will take about two years to complete the merger. The integration of its information technology platform alone is expected to take about 12 months and other processes and systems may take another year.

**Rationalising branch network:** With so many overlapping branches (like BoB's first Mumbai branch in Horniman Circle sitting opposite sprawling Dena banks branch), consulting firm **Boston Consulting Group (BCG)** has been helping out in identifying branches in a 3-km radius, especially in metro cities which can be merged or redeployed in the nearby area. But overall there would be rise in the number of branches, like in Maharashtra alone, the merged entity's branch network would rise by 400 to 950. The bank has also started selling some properties like extra residential quarters and have already saved Rs 62 crore this year. The bank

sold executive quarters of the erstwhile Vijaya Bank for Rs 32 crore and has also surrendered some 23 surplus zonal offices of the bank. All these cost rationalisations and revenue synergies will add to Rs 9,500 crore in five years according to banks estimation. Cost-cutting could be huge. In fact, BoB has proven it by reducing the number of auditors, post-merger.

Metro	2137
Urban	1853
Semi-Urban	2525
Rural	2930
Total Branches (Domestic)	9445
Total Office (Domestic)	353
Foreign (Overseas) Branches/Offices	100
Controlling Offices (as of 30/06/2019)	Zonal Offices-18 Regional Offices-108

Table 3: The merger branch network Source Annual Report

**ii)Evaluation of the Board:** Bank of Baroda is undergoing a sea change post-merger and has planned to revamp its existing board by appointing an advisory firm (consultancy firm) to evaluate the performance of the existing board. Bank of Baroda has decided to engage a consultancy firm to conduct an independent review of the overall evaluation and effectiveness of the bank's board. The review would provide an opportunity to align and prioritise the board's focus on critical issues. Outcome of the review would also help it enhance the board's overall effectiveness through improved dynamics and strengthened processes. The consultancy firm will have to conduct in-depth interviews with individual board members through in-person meetings, analyse findings and share preliminary feedback with select members of the board and to conduct a board alignment workshop. The firm will define the 'Board Vision' as an outcome of the board alignment workshop, agree on the 'Action Plan for the Board' as well as evaluation of independent directors.

The firm would conduct an independent review of the overall evaluation and effectiveness of the bank's board. The review would provide an opportunity to align and prioritise the board's focus on critical issues. The evaluation process is in line with the guidelines stipulated by markets regulator Securities and Exchange Board of India (SEBI). The move would help in realigning the constitution of new board after the complex merger. There is difference of work culture of the all the three banks, which entails careful selection of the Board of Directors. The evaluation will also include individual directors, independent directors, chairperson and various committees of the board. The consultancy will have to define the board's vision as an outcome of the realignment workshop and chalk out an 'action plan for the board'.

**iii)Benefits accruing to the merged entity:** As per notification dated March 30, 2019 by Reserve Bank of India, all branches of Vijaya Bank and Dena Bank will function as branches of Bank of Baroda from April 1, 2019. Customers, including depositors of Vijaya Bank and Dena Bank will be treated as customers of Bank of Baroda with effect from said date and for the time being three separate logos would be retained as they count for brand value. But a new logo with tagline of power of three has been created. The consolidated bank will be the second largest public sector bank in the country. It will have a wider geographical reach with 9,500+ branches, 13400+ ATMs, 85,000+ employees serving 120 million+ customers and business mix of INR 15 lakh+ crore with deposits and advances of INR 8.75 lakh+ crore, and INR 6.25 lakh+ crore, respectively. The Bank plans to build upon the strengths of the three banks, their synergies and scale up the operations by deepening relations with a wider customer base. The complementary branch presence will add to the network in western and southern states – Maharashtra, Gujarat, Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. The Bank will have a 22% market share in Gujarat and between 8 to 10% market share in key states of Maharashtra, Karnataka, Rajasthan and Uttar Pradesh.

**Benefit accruing to the customers:** The customers of all three banks stand to benefit in the process. The 120+ million customers will experience superior banking services and benefit from wider product range including cash management solution, supply chain financing, financial planning, wealth management services etc. Foreign currency funding will now be available to customers of Vijaya Bank and Dena Bank. These benefits will be supplemented by increased number of touch points numbering 22,000+ with enhanced geographical reach. Dena Bank customers will have renewed access to credit facilities immediately. NRI customers of the three banks will now have access to a larger network in India. The customers of Vijaya Bank and Dena Bank will have access to Bank of Baroda's international presence at 101 offices.

**Benefit accruing due to technology integration and planning:** The Centers of Excellence in Analytics & Artificial Intelligence and Technology of Bank of Baroda would enable improved processes and increased cross

selling. Unique programmes of Vijaya Bank like SRTO funding, plantation financing will be available to customers of the other two banks.

The technology integration would be a two-stage parallel process. A consistency in customer experience will be established soon with uniformity in processes for delivery of customer services. The interoperability of the key banking services across all branches was introduced by end-April 2019, the scope of which will be expanded gradually. The IT integration is expected to be completed over a period of 12-18 months when customer accounts of all three banks will be migrated to single core banking system.

**Benefit accruing to cost and revenue synergies:** The consolidation offers cost and revenue synergies. The realizable revenue synergies arise from wider product offering, improved cross selling, deeper micro market penetration inter-alia on account of potential for branch relocations, improvement in fee income, etc. The branch and administrative office rationalization and tech spend optimization offers potential cost synergies. An action plan for realization of these synergies has been put in place. Bank of Baroda has been ranked amongst top 50 companies on People Capital Index (PCI). It believes that its human resources are the biggest differentiator having significant impact on operations.

**Benefit accruing to the employees:** The employees of the amalgamated bank will benefit from the diverse opportunities provided by a larger bank with significantly expanded size and scale. The employees would have improved professional exposure and prospects, including the global exposure. The service conditions of the employees will not be impacted, and the interests of employees will be fully protected. The best of HR practices adopted by each of the banks will be examined for adoption. The Bank strongly believes in creating a strong brand connect with customers. The Bank has rolled out various initiatives towards enhancing the aided and unaided recall of the brand. As per Interbrand –Best Indian Brands 2019, the brand of “Bank of Baroda” is ranked 23rd. The brand value will be further strengthened with brand power of Vijaya Bank and Dena Bank.

The banks are coming together to create the second largest bank in terms of network and customer base. The banks are working for the success of amalgamation by effective execution of all the activities to build a stronger organization and collectively deliver more to the stakeholders than that of sum of individual entities. The diverse bouquet of products from the three banks, substantial investments made in technology and Centre of Excellence on Analytics & AI and Technology will help in benefiting a wider customer base. The customers of Dena Bank will be able to avail credit facilities immediately. It is a unique opportunity to leverage upon the rich legacy of three banks to build a modern and world-class banking institution for our customers, employees, partners, and other stakeholders.

**iv)Rebranding exercise:** BOBs mission is to be a top-ranking National Bank of International Standards, committed to augmenting stake holders' value through concern, care and competence. To customers, bank seeks to be a one-stop, reliable partner who will help them address different financial needs and to employees, bank offers rewarding careers and to investors and business partners, maximum return on their investment. The bank is characterised by diversity, with network of branches spanning geographical and cultural boundaries and rural-urban divides.

**New logo-Power of three:** Banks new corporate brand identity of Power of Three with Baroda sun is a signal of recognition and for new business paradigms in a globalised world. The bank is a pioneer in various customer centric initiatives in the Indian banking sector. It is amongst first in the industry to complete an all-inclusive rebranding exercise wherein various novel customer centric initiatives were undertaken along with the change of logo. The initiatives include setting up of specialized NRI Branches, Gen-Next Branches and Retail Loan Factories/ SME Loan Factories with an assembly line approach of processing loans for speedy disbursement of loans.

**Culture of futuristic continuous change:** As per the bank's philosophy, revolutionary and discontinuous changes in the operating environment are stark reminders that business success is 'impermanent'. Bank has achieved substantial progress in technology and is continuously integrating multiple platforms of technology to generate synergies. Bank continuously attempts to adapt to the dynamic economic environment while engaging in long term relationships to provide superior customer service. Bank's constant endeavour to delight its customers, which is built on its strong fundamentals will make it stronger, more resilient and enable to achieve its vision of to be the Most Admired Bank.

**v)Project Navoday-Business Transformation:** Bank has initiated a major Business Transformation christened “Project Navoday” with various initiatives cutting across Business Units and Support functions across the Bank. The three pillars of the Project Navoday viz., (1) Transform and monetize the core business (2) Build Next-gen capabilities in priority areas viz, Digital, Shared Services, Analytics and Relationship Management (3) Nurture

the Organisation and unleash the talent pool while building a strong control and compliance culture across the Bank.

Bank has established Shared Services Centre (SSC) first of its kind in the nationalized banking space through a wholly owned Subsidiary undertaking all back-office functions of the Bank which are happening in silos in different geographies at one centralized place at GIFT City, Gandhinagar. This will enable reduction in Turn Around Time (TAT), Higher Transparency, Standardization, Economies of scale etc. besides freeing up man-hours for front end staff for sales and service.

**vi) Digital Initiatives\*:** Bank of Baroda provides various of Alternate Delivery Channels like ATM, Debit Card, Mobile Banking, Internet Banking, Cash Recycler, Self-Services Passbook printer, e-lobby and Cash Management services and many new customer centric products. These Products helps customer in banking without walking into the branch. All the Digital Products will make your banking experience smooth and save time & money.

(\*Baroda M-Connect plus (Mobile Banking); Baroda Connect (Internet Banking), BHIM Baroda Pay, Baroda mPassbook, Baroda m-Invest App, BHIM App, BHIM Aadhaar Baroda Pay, Digital Portable Branch, Green PIN, Baroda Gift Card, Baroda Travel Easy Card, Debit Cards, E-lobby, Express Lobby, Account Opening, Kiosk (AOK), ATMs, Self Service Passbook Printers (SSPBP), Digital Signage System (DSS), Cash Recyclers (CRs), Internet Payment Gateway, Baroda DigiNext Cash Management Services, Bharat Bill Payment Service (BBPS), Contact Centre, Missed Call facility, Multifunction, Kiosk (MFK)

**vii) People Initiatives:** Bank is endowed with a competent and motivated employee base which is engaged in handling the extensive business operations of the Bank across the globe. 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. People initiatives were blended with IR initiatives to create an effectively harmonious workplace, where everyone prospered. Bank's HR policies and strategic human resources development initiatives have made the Bank a breeding ground for business leaders. The Bank provided several leaders to the industry- men who went on to build other great institutions. Bank's Human Resources initiatives are given in detail in the following link. <https://www.bankofbaroda.in/human-resources.htm>

**viii) New Technology Platform:** Bank has made substantial progress in its end-to-end business and IT strategy project covering the Bank's domestic, overseas and subsidiary operations. All Branches, Extension Counters in India, overseas business and five sponsored Regional Rural Banks are on the Core Banking Solution (CBS) platform. Bank has been providing to its customers Internet Banking, viz., Baroda Connect and other facilities such as online payment of direct and indirect taxes and certain State Government taxes, utility bills, rail tickets, online shopping, donation to temples and institutional fee payment. Bank has a wide network of ATMs across the country and has also launched mobile ATMs in select cities. Initiatives have been taken to provide corporate customers with facilities like direct salary upload, trade finance and State Tax payments etc. Bank has introduced Mobile Banking (Baroda M-connect) and prepaid gift cards.

Bank has implemented the Global Treasury Solution in its key territories like UK, UAE, Bahamas, Bahrain, Hong Kong, Singapore and Belgium. Bank has taken various technological initiatives in overseas operations such as implementation of Centralized SWIFT activity through Data Centre in Mumbai, Payment Messaging System with Anti Money Laundering check, Anti Money laundering Compliance and Online List Matching solution. While Bank implemented Transaction-based Internet Banking facility for its customers in Uganda, Botswana, UAE, New Zealand, Kenya, Mauritius and Seychelles, a View based e-banking facility was made available in Fiji, Oman, Tanzania and UK.

**The bank has adopted the philosophy of leveraging technology for augmenting business growth and profitability.** Technology is an integral part of banking. Right from sourcing and acquiring the customer to servicing and delighting the customer, bank depends upon technology. Technology needs to be leveraged to make the Bank's routine operations cost-effective. **To achieve this, the Bank has engaged the services of McKinsey & Co. to advise it on Business Process Re-engineering and Organizational Restructuring** so that its branches can devote maximum time to sales and marketing functions and handle the newly acquired business in an effective manner. The newly created robust technology platform would also facilitate supervision and control and building up of rich management information system to aid the business decision making.

**ix) Highlights of IT Infrastructure and IT-enabled Services at Bank of Baroda:** The Bank's Technology initiatives are clearly focused on the customer. The Business Transformation Programme encompassing technology is being implemented by the Bank with a view to provide its customer, convenience banking on 24 X 7 basis in India and abroad through deployment of a single Core Banking Solution platform across globe with integrated delivery channels like ATM, Internet, Phone, Mobile, Kiosk, Call Centre etc. As compared to other banks BOB technology deployment is not restricted to only core banking solution. It also covers other applications like Enterprise wide General Ledger, Risk Management, Anti-Money Laundering, Cheque Truncation, Credit Cards, Mutual Funds, On-line Trading, Data Warehousing, Customer Relationship Management, SWIFT, RTGS, NEFT, Internet Payment gateway, Global Treasury, Human Resources Management System, Employee Pay Roll, Cash Management, Mobile Banking, SMS delivery, Retail Depository, Phone Banking, Risk Management, Knowledge Management etc. which are well integrated and provide a seamless experience to customers of all segments and lines of business. These applications also provide critical MIS through Data warehouse for timely business decision. BOB is one of the few Public Sector Banks having our Internet Payment gateway offering E-commerce services. With 100% CBS and various initiatives, Bank has enabled its customer with the state-of-the-art technology; duly complemented with the human interface.

Disaster Recovery Site (DRS) for Treasury has also been operationalized. Bank has built and commissioned its own State-of-the-Art Global Data Centre (DC) for running its centralized banking solution and other applications in 9798 branches across India and 22 other countries where the Bank is operating. The Data Centre will function as a central data hub of the Bank for both its domestic and international operations. It conforms to critical technology standards and is equipped with full Communication and network infrastructure, meeting all the attributes of a Tier III Data Centre. Disaster Recovery Site (DRS) which is a replica of Data centre is fully operational. Bank has set up "Near Data Centre" for online "near real time" replication of data to avoid any data loss.

**Green Initiative:** Bank has adopted environment friendly systems and technologies in the design of the new Data Center (Green Initiative), which includes. Energy efficient electrical and HVAC design Environment friendly construction material. Chiller based HVAC. Temperature monitoring. Intelligent building management software. High efficiency Precision air-conditioning units. The Bank's ultimate objective is to reorient itself as a highly technology enabled Bank and Bank of first choice for its customers in order to emerge as a leader in the global marketplace on every single parameter including technology.

**x) Marketing Initiatives:** Ever since its rebranding in 2005, Bank has consistently promoted its major strengths viz. large international presence; technological advancement and superior customer service etc. Bank had introduced the sub brand BARODA NEXT-State of the Art-Straight from the Heart to showcase how it has utilized technology to nurture long term relationships for superior customer experience. The sub brand has been reinforced by alternate delivery channels such as internet banking, ATMs, mobile banking etc and robust delivery outfits like Retail Loan Factories, SME Loan Factories, City Sales Office etc. Bank's constant endeavour to strengthen its branch/ATM network combined with well-informed staff offering personalized service at its various touch points have enhanced customer interactions and satisfaction. Thus, the Bank has firmly positioned itself as a technologically advanced customer-centric bank.

**xi) Corporate Social Responsibility (CSR) Initiatives:** Bank has a long legacy and tradition of contributing actively to the social and economic development of the communities in which it operates through various development activities in the realm of education, health, human welfare and other social activities. Bank of Baroda always transcends from business interest and reaches out to weaker section of society, with a view to make a meaningful difference to them.

In order to promote self-employment on sustained scale to the unemployed rural youth by providing them training and hand holding support, bank has set up 49 Baroda Swarojgar Vikash Sansthan (Baroda-R-SETI) in seven states. Upto 30.09.2016 Baroda RSETIs have trained 283171 youth out of which 44999 are SC, 70808 ST, 30519 minorities and 75855 are other backward communities.

Bank has also established 51 Financial Literacy and Credit Counselling Centres (FLCC) in the name of 'SAARTHI' in nine states to provide the financial counselling services, financial literacy and awareness of banking services in rural and urban areas. Since inception 660353 persons have been benefited from the services of FLCCs.

During year 2015-16, Bank has made expenditure under CSR in different activities as under:

Segment	Amount (Rs. in Lacs)
Education & Skill Development	1,421.14
Health & Care	132.68
Socio-Economic Development	386.38
<b>Grand Total</b>	<b>1,940.20</b>

**Table 4:** CSR efforts of BOB

### **III. Conclusion**

The merger of BOB, Vijaya bank and Dena bank means a great deal for the banking landscape in general. The government had announced the merger in September last year as part of the reforms aimed at making public banks healthier and more competitive.

In the last three years, banks have seen a large portion of loans turning bad, while demand for fresh loans has remained low. Addressing the issue of such toxic loans was the big reason behind creating such a mega bank.

The successful merger is setting up a template for reviving other weak public sector banks. If, eventually, PSBs become lesser in number, the government will have it much easier to monitor operations, allocate funds and keep a tab on performance. Such mergers can reduce government's capital burden in the long run. Besides, it could also mean better management of government-owned banks.

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