Organisational Structure and Management: In Reference of Banking Sector

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Abstract

Currently, there are several cooperative banks that perform the multifunctional functions of finance, administration, monitoring and development in the form of expansion and development of cooperative credit institutions. In other words, a cooperative bank must be a friend, a philosopher and a guide for the entire cooperative structure. It provides clients with research on bank performance and lending practices. The customer receives several types of loans from the bank. They also suggested that banks use state-of-the-art financial technologies such as ATMs, Internet / banking, and credit cards to bring banks to private banks.

Keywords: Cooperative Banks, Loan, ATMs, Credit Cards, Private Sector Banks.

Introduction

Banking has brought wonders to the world economy. A simple way to lend money to a borrower after receiving a deposit from a depositor is to stimulate cash flow through productive use and investment. It can grow the economy again. In the absence of bank activity, savings in our homes will not move, entrepreneurs will not be able to raise money, and ordinary people dreaming of new cars or homes cannot buy cars or homes(1). In 1904, the government of India launched a partnership movement in India. The government has decided to develop cooperatives as institutional bodies to address the wiser and rural debt problems that have become a curse for the population. In this situation, the cooperative bank acts as a balance center(2).

Cooperative banks are small businesses organized into cooperative organizations operating in both urban and non-urban areas. These banks have traditionally focused on communities, regions and working groups and are primarily lenders to micro-borrowers and businesses. The term Urban Co-operative Banks (UCBs) refers to major cooperative banks in urban and semi-urban areas, although not officially defined(3).
These banks were able to borrow only for non-agricultural purposes until 1996. At the end of March 2011, there were 1,645 UCBs in the country, the majority of which were unplanned UCBs. Also, most UCBs operate in a single state, but more than 42 UCBs operate in more than one state.

Today, however, this limitation is no longer known. Cooperative bank funds in agricultural activities mainly in rural areas including agriculture, animal husbandry, milk, hatchery, personal finance, etc., with some small industrial activities in the field of independence, whereas urban areas cooperative banks are essentially a variety of people Categories for industries financing, small units and home loans(4).

The bank offers most of its services to individuals and business customers, such as savings and bills, vaults, loans or mortgages. Facilities such as Internet banking and telephone banking are not important for middle-class users who can save money. Although not superior to private banks in terms of facilities, the interest rate is certainly competitive. However, unlike private-sector banks, the process is not rigorous and the documentation process is slow if it is difficult to get approved loans quickly(5). The criteria for obtaining UCB loans are less stringent than commercial bank loans.

**Organisation**

An organization is a systematic organization to achieve specific goals. Each organization is made up of three components: people, goals, and systems. Every organization has a clear purpose. This goal is usually expressed as a goal. Each organization is made up of people. Each organization has a systematic structure that defines the limits of each member. Some members are administrators and some members are agents(6).

An organization is the social integration of people who organize and manage to meet needs or pursue common goals. Every organization has a management structure that defines the relationship between the various activities that can perform various tasks and the roles, responsibilities, and powers that share and assign to members. An organization is an open system that affects and is impacted by the environment.

Arrangements for people with different backgrounds, different educational qualifications, and different interests to work towards a common goal are called organizations. It is important for an employee to manage the inevitable staff in the organization(7). Organizations form the basis upon which the entire management structure is built. It means the development of a framework that divides the entire organization into management components to facilitate the achievement of objectives or goals. Therefore, an organization is an act of moving things into action(8).

Pfinner and Sherwood organizations have defined many people as patterns of how they relate to each other in establishing a deliberate system of mutual consent that deals with too much intimate contact and complexity of work with all others.
Organization Management
Organizational management helps you get the most out of all your employees so they can work within a specified time frame. Organizational management brings together employees to give them loyalty. Organizational management refers to a technology that enables people to collaborate on a common platform and work on a common set of predefined goals.
- Organizational management enables optimal use of resources through careful planning and control at the workplace.
- Organizational management gives employees a sense of direction.

Individuals are aware of their roles and responsibilities and know what to do in their organizations. Effective management ensures your organization's profitability. In lay language, the organization speaks about the efficient treatment of organizations and employees.

Organisational Structure
Good organizational structure is the key to company success. Organizational structure enables coordinated and controlled coordination to achieve common goals by systematically combining interdependent parts to form a united entity. The organizational structure plays an important role in the administration. The efficiency of management depends on the health of the organizational structure.

Objectives of the Bank
The following are the goals of the bank.
- Banking (banking means repayment by check, design, order or other means within the meaning of the Bank Check Act (1949 Banking Act);).
- With the permission of the registrar, open the branch at the appropriate place in the district.
- Develop, support and coordinate the business of the society in which it belongs.
- Promote the economic interests of bank members in accordance with the principles of cooperatives and promote the operation of union cooperatives registered in accordance with the law.
- As a center for helping and balancing the Himachal Pradesh cooperative society registered under the Act.
- Social supervision regulation
- Regular cooperative meetings Rules for taking the necessary measures in relation to the holding of meetings and the functioning of resolutions at meetings.
- Farmers' lending institution in Himachal Pradesh.
- Loans and loans create and open design and cash credit accounts for member organizations.
- Receive accounts, designs, checks and other bargaining arrangements on behalf of members and nonmembers, and provide payment options.
- Sell securities for surplus funds investment and become agents of buyers and sellers of government securities.
- Currently, to receive money from savings, fixed or other accounts, and to collect or borrow money from time to time, such funds are deemed necessary for the purposes of the Bank to the extent the Board deems it appropriate.
• Start and maintain calculated funds to benefit employees and dependents.
• Acquisition, construction, maintenance or alteration of buildings necessary or convenient for the purpose of the Bank
• Provisional loans for purchase and construction of buildings and purchase of vehicles for bank employees.

Based on the above analysis, it can be concluded that banks can play a crucial role by supporting the needy co-operative societies.

Organization And Management Of The Bank

The work of partner organizations should be resolved through democratic procedures. At a minimum, bank executives need to be aware of at least some management practices and should keep in mind the development of the Banks and, ultimately, the BOD and the cooperative banks with sufficient knowledge and experience to assist them. It depends on the strength of the member. As the population grows, many people fall into the collapse of cooperative banks. Sound membership growth will mean Yeoman's services in the development of cooperative banks.

What is really needed for the development of a cooperative bank is a serious and honest member. Collaborative banks should play an important role in achieving the everyday development of a field of functioning by meeting the financial needs of every individual, without distinction of caste, religious interests, community or income levels. RBI has urged the board of existing and newly formed cooperatives to change attendance to abolish such restrictions for all members.

For the success of a cooperative enterprise, the efforts and interventions of individuals and organizations at different levels of government are responsible. In general, we talk about top management, middle managers and low management as part of the overall organization.

Management is the last authority responsible for the success or failure of a business company. The board makes policy decisions and entrusts executive management with these decisions. In general, the board is considered a trustee of the membership funds in the cooperative and is responsible for the management and management of the funds. It is not involved in routine management.

In fact, however, I learned that the role of government differs depending on the situation. In addition to the role of the Board of Directors, which is composed of elements identified in a determined interest, the role of the General Board of Directors depends on the role of individual members and the perception of democratic control principles. His role in the role of the Vigilance Commission or decision-making committee tends to deal with the details of the internal issues of society rather than the broader problems that can cause strategic planning problems.

This problem of observing democratic controls that contradicts the board's desirable governance direction can best be addressed by exposing systematic training, training, and leadership to external practices,
The inclusion of cooperative education as one of the cooperative principles(13).

The Board of Directors is the primary governing body and all responsibilities of the banking business are established by the general supervision, direction and management of the bank. The central organization, as is known by all organizations, whether public or private, is set up to manage and achieve the goals of the organization.

The Board acts in accordance with sound business principles that take into account common interests and the welfare of the cooperative community. It establishes organizational policies and makes decisions about the preparation and enforcement of plans. The management of the bank determines the number of groups and public officials. There is also a senior officer. Banking is organized through the headquarters of the bank, namely head office and branch offices(14).

![Organisational Structure and Management: In Reference of Banking Sector](image)

**Figure 1:** Distribution of Workforce in a Banking Sector.
Problems Faced By Cooperative Banks

1. The cooperative financial institution is facing severe problems which have restricted their ability to ensure smooth flow of credit
   - Limited ability to mobilize resources.
   - Low Level of recovery.
   - High transaction of cost.
   - Administered rate of interest structure for a long time.

2. Due to cooperative legislation and administration, Govt. interference has become a regular feature in the day–to-day administration of the cooperative institution. Some of the problem area that arise out of the applicability of the cooperatives legislative are:
   - Deliberate control of cooperatives by the government.
   - Nomination of board of director by the government.
   - Participation of the nominated director by the government.
   - Deputation of government officials to cooperative institution etc.

3. The state cooperative banks are not able to formulate their respective policies for investment of their funds that include their surplus resources because of certain restrictions.

4. Prior approval of RBI is mandatory for opening of new branches to RBI through NABARD, whose recommendation is primarily taken into consideration while according permission.

Suggestions

1. The banks should adopt the modern methods of banking like internet banking, credit cards, ATM, etc.
2. The banks should plan to introduce new schemes for attracting new customers and satisfying the present ones.
3. The banks should plan for expansion of branches.
4. The banks should improve the customer services of the bank to a better extent.

Reference


