

Discussion on the Reform of the Organizational Structure of My Country's Joint-stock Commercial Banks——Take China Minsheng Bank as an Example

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Abstract: In recent years, my country's financial market has gradually accelerated the pace of opening to the outside world. Domestic banks and foreign banks that only competed internationally have also transformed into direct domestic competition. my country's joint-stock commercial banks have a short history of establishment and an old core system. A series of reforms have been carried out, but many deficiencies are still exposed in the current international integration. In order to better adapt to market demand and international demand, it is imperative to reform the organizational structure of joint-stock commercial banks. Joint-stock commercial banks must establish a new The aim of this paper is to become an informatized and modernized commercial bank with the purpose of serving customers as the center. This paper focuses on the research on the organizational structure reform of my country's joint-stock commercial banks, taking China Minsheng Bank as an example, and deeply analyzes its shortcomings, such as the head office managing branches. , the branch manages the sub-branch, the regionalized management model is easy to form the group of the administrative system, and the corresponding suggestions are given, that is, the principle of change is established, the front, middle and back offices will develop and cooperate together, and the original head office should be properly handled. , the relationship between branches and sub-branches. In the reform, the original departments should work together to achieve a smooth transition without affecting the business situation of the year. In this way, we can explore a reform road belonging to China's joint-stock commercial banks. It provides some theoretical reference for China's financial construction and bank construction.

Keywords: Joint-stock commercial bank; China Minsheng Bank; reform

1. Introduction

Joint-stock commercial banks, as the largest commercial banks in my country other than state-owned commercial banks, occupy 9 of the 19 systemically important banks in the central bank, and can be called the "basic market" in my country's banking industry. Based on the existing theoretical literature of joint-stock commercial banks, this paper analyzes the problems existing in the organizational structure of joint-stock commercial banks. Combined with the actual problems of China Minsheng Bank, it proposes an organizational structure suitable for my country's joint-stock commercial banks.

2. Research literature on organizational structure

To promote the reform of the organizational structure of joint-stock commercial banks, management should be vertical and flat (Li Ming, 2013). In terms of business, vertical business should be carried out to facilitate the communication and smooth progress of business. To break down hierarchical barriers and communicate effectively.

The responsibilities of domestic joint-stock companies are unclear (Yao Wenling, 2014), the responsibilities are incomplete, the managers are not competent for management positions, the company's equity structure is chaotic, and the entrusted agency business is even more lengthy and complicated. The basic characteristics of the organizational structure of the research book "Research on the Organizational Structure Reform of Small and Medium-sized Joint-stock Commercial Banks in my country" (Lin Shunxi, 2007), the reform model of joint-stock commercial banks in foreign socialist countries, and the successful

experience of foreign countries are used for reference. national conditions of the country. my country's joint-stock commercial banks and state-owned commercial banks have many similarities in organizational structure. Top-down policies are difficult to implement (Gao Fei, 2012), the institutional setup is complex and unreasonable, business processing is inefficient, and the competent authorities ignore clues that lead to business loopholes. At present, most domestic scholars have the same understanding of the development direction of the organizational structure reform of the banking industry, namely flat development and matrix management (Wang Xianyu, 2012), but the research on this is still insufficient.

3. The Theory of Organizational Structure of Joint-stock Commercial Banks

3.1. Organizational Structure, Definition of Organizational Structure of Joint-stock Commercial Banks

Organizational structure generally refers to the structural model of various constituent elements that constitute an organization. It is to establish the relationship between people and people and between people and things at all levels and departments of the organization. The ultimate goal of the organizational structure is to effectively and reasonably members organize.

The organizational structure of a joint-stock commercial bank specifically refers to the rational arrangement of the internal and external departments of the bank and the elements required for the bank's production, and it is the organizational guarantee to ensure the management and operation of the bank. There is also a corresponding organizational structure between the sub-branches, which is managed and operated under an organic whole.

3.2. Types of Organizational Structure of Joint-stock Commercial Banks

3.2.1. Type of function

In the early days of joint-stock commercial banks, most of them adopted a functional organizational structure. This organizational structure usually gathers personnel with the same functions and is functionally oriented to obtain maximum benefits in the process of specialization and intelligence. The advantages of intelligence the power is highly concentrated, the division of functions is clear, the communication between departments is convenient, and the management and operating costs are low, which is conducive to leaders to directly lead the overall work, and the efficiency is very high. The disadvantage is that it is not suitable for large-scale banking applications, and excessive centralization will keep grass-roots employees under the direct leadership of high tension.

3.2.2. Business Unit Type

Regarding the organizational structure of the type of business department, it divides the bank as a whole into various business departments according to the bank's products, regions, and other factors. Among them, the head business department is responsible for the overall decision-making of the bank, and each subordinate business department is only responsible for the internal business department. Each business department is independent of each other and is responsible for all affairs within the business department. The advantages of the business unit type improve the autonomy and flexibility of bank management, and create competition among various business units, so that excellent talents and management talents can be cultivated. It is beneficial for the head office to improve its overall decision-making ability. After the head office becomes independent, there is no need to conduct business management and analysis of the subordinate divisions, and more energy can be devoted to the future development and overall policy of the commercial bank. The disadvantage is that each business department has the same part, which will cause some duplication of functions and waste of human resources. Due to the competitive relationship between business departments, it often leads to the generation and intensification of internal conflicts.

3.2.3. Matrix type

The matrix type is a summary of the absorption of functional types and business department types. It absorbs the advantages of intelligent type functionalization vertically, and horizontally absorbs the independent and positive advantages of business departments. It is a commercial bank in a complex financial environment. It has the advantages of absorbing the advantages of various types, strengthening cooperation between departments, and solving problems independently. It also has strong mobility and

can match the corresponding capabilities according to different environments. The disadvantage lies in its own There are many problems in the resource management of the company, and it is impossible to distinguish its own rights and responsibilities, resulting in unclear powers.

4. Current Situation of the Organizational Structure of China Minsheng Bank

4.1. China Minsheng Bank Organization Structure

China Minsheng Bank was established on January 12, 1996. China Minsheng Bank was the first national commercial bank in mainland China that was established by non-public ownership and private capital. On December 19, 2000, China Minsheng Bank was listed on the Shanghai Stock Exchange A Its shares were listed on the public listing, and it was listed on the H-shares of the Hong Kong Stock Exchange on November 26, 2009. After years of development, the organizational structure of a joint-stock commercial bank has gradually formed an organizational structure based on the business analysis of the front, middle and rear departments. Management and risk control, and the back-office department is responsible for providing business assurance and risk protection for the front-office and middle-office departments.

4.2. Current Situation of the Organizational Structure of China Minsheng Bank

Since its establishment, China Minsheng Bank has formed a core corporate team based on the company's shareholders' meeting, executive board of directors and management team in accordance with the rules and management requirements of modern enterprises. A safety-focused experience concept has been established. For a long time, in order to meet the needs of modern joint-stock commercial banks, Minsheng Bank has been continuously adjusting its organizational structure, taking the president of the business office as the assessor and the employees of each business office as the assessment object, implementing a strict last-rank elimination system, and strictly implementing the bank's authorization. The credit business system and the credit executor implementation system have strengthened the intensive management and centralized management of first-level legal persons to ensure that all business activities of the bank are implemented in accordance with regulations and laws. In the strict organizational structure reform, Minsheng Bank's performance is far ahead of its peers in the industry, and its revenue growth has steadily increased. However, in the rush to expand, and the profit model of the bank as a whole with deposit and loan interest rates as a whole, a regionalized governance structure has been formed. The head office manages the branches, and the branches manage the sub-branches. The modern banking industry promotes marketization, flattening and specialization, and the administrative system of Minsheng Bank is obviously inconsistent with this.

5. The reasons for the change of the organizational structure of China Minsheng Bank

5.1. Changes in the business environment industry

The current social and economic development is very rapid, and the business environment faced by enterprises is more changeable and difficult than before. The current market environment of Minsheng Bank is very different from that of a year ago. This is partly due to the epidemic. The bigger reason is that due to the development of Internet finance, the financial industry has undergone great changes. Mainly as follows:

(1) Peer competition is under great pressure. At present, the composition of the domestic banking industry is complex, and there are more and more banks with different attributes. The banking industry has a high degree of market concentration, low product differentiation, and high market access requirements, which is a typical oligopoly market. In particular, the participation of local commercial banks and policy banks has further intensified the current competitive pressure.

(2) Changes in market demand. In the past, the income of banks was mainly based on the difference between deposit and loan interest rates. Banks with high deposit interest rates and low loan interest rates could easily obtain benefits, but now, with the increase of banks, the difference between deposit and loan interest rates on the market is basically not large. The number of banks and businesses that Chinese customers can choose from has greatly increased, and the current market has changed from a shortage of supply to an oversupply of today.

(3) The source of funds has changed. At present, major banks have special preferential policies for their customer groups. Taking local commercial banks as an example, fund holders deposit funds in local commercial banks, and the interest rate is significantly higher than that of joint-stock commercial banks. Customers who hold funds have more options and easier access to negotiating opportunities with banks.

5.2. Changes in the strategic objectives of the organizational structure

The organizational structure strategy of joint-stock commercial banks has changed. As a tool for the bank to complete the organizational strategy, it is very important whether the organizational structure can adapt to the current industry needs. With the intensification of urbanization and industrialization, the original strategic plan is no longer suitable for with today's social needs, the formulation of new strategies requires the development of new business activities, and the corresponding management departments and design departments for business activities must also change simultaneously.

5.3. Employee capability requirements and informatization levels have changed

At present, joint-stock commercial banks have different requirements for employees' personal abilities. In the past, employees only needed to master basic financial knowledge and have competent business skills to enter the bank. However, today, ordinary employees need to be proficient in various basic skills. And skilled operation of electronic equipment. The main management personnel of the bank are required to have sufficient management capabilities and the ability to handle various emergencies in different scenarios. At the level of informatization, the requirements are even stricter. In the 21st century, the popularity of smart devices and electronic devices has a huge impact on banks. In the past, business that needed to be done at a physical business point can now be easily done with the help of the equipment around you. Completed, the improvement of informatization provides great convenience for banks to process business integration resources, and also provides platform support for banks to innovate new financial models.

6. The Strategy of China Minsheng Bank's Organizational Structure Reform

6.1. Determining the direction of Minsheng Bank's organizational structure reform

China Minsheng Bank has carried out organizational structure changes since 2007. In October, its corporate finance department was officially changed into the office of the corporate financial management committee, and according to business needs, three new product businesses including financial market, trade finance and investment banking were established. department, and set up four industry departments and small and medium-sized enterprises department, and there are business indicators and profit requirements between all established business departments.

6.2. Determining the preconditions and principles for the reform of Minsheng Banking Division

Minsheng Bank first established the principle of change in the reform of the business unit, that is, the front office, the middle office and the back office will develop and cooperate together, and properly handle the relationship between the original head office, branches and sub-branches. In the reform, the original departments should work together to achieve a smooth transition without affecting the performance of the year.

For a commercial bank, especially a young joint-stock commercial bank, the change of organizational structure is a major event that affects the fate of the bank. Before that, Minsheng Bank invited a professional team to plan and estimate this change, manage the bank has determined that the bank has the conditions for implementing the change, that is, the rights and responsibilities are matched, the daily work is effective, and the product innovation is lasting and competitive. These prerequisites can avoid the failure of the reform, and the business ability of Minsheng Bank will be frustrated.

6.3. Determining the problems to be solved in the reform of Minsheng Banking Business Department

At present, Minsheng Bank is still facing five major problems that need to be solved

(1) The system construction does not match or adapt to the original banking system. The specific operating rules and implementation rules still need to be adjusted and matched in the formal work. In the

past, the management model of Minsheng Bank was still the traditional platform used. Layers of management make managers at different levels have different rights.

(2) There are vacancies in key positions and leadership positions. Due to the original functions of managers at each level, after the reform, key positions cannot adapt to new positions, and leadership positions are difficult to control for the new business unit leadership model.

(3) The department that has transformed into a business unit must be authorized by the leader of the head office as soon as possible, so that the new business department can make new personnel arrangements and management, clarify the scope of power and responsibilities of each business department, and clarify the approval process for product development.

(4) The reform of the organizational structure is not only a reform of the banking system, but also a reform of the work cognition and job responsibilities of bank staff. How to train employees to adapt to new business positions, so that each employee can fully and deeply understand the change and understand the change, so as to truly actively participate in the change and cooperate with the change.

(5) There is a lack of risk management system. The financial industry, especially the banking industry, is indispensable to establish a risk management system. After establishing a new organizational structure model, a new risk management system should be established accordingly, and specific risk management issues should be clarified. Divide risk responsibilities, prompt risk crises, and avoid risk crises to the greatest extent possible.

6.4. Determining the general idea of Determine the general idea of the reform of the Minsheng Banking Division

Clearly position the company's strategy, fully realize the matching implementation of rights and obligations, and give full play to the positive role of the company's human, financial and material resources, from sales specialization to management specialization to risk control specialization, of which sales specialization refers to specific Products and specific customer groups, build a professional sales team, determine a collaborative sales model, management specialization refers to improving managers' own management capabilities, system management regulations, management systems and management regulations, risk control specialization refers to using internal and external to conduct a comprehensive risk assessment of the company's business and formulate preliminary plans.

6.5. Determining the specific measures for the reform of the Minsheng Banking Business Department

Regarding the reform of the corporate financial sector, according to the plan, the reform of the corporate financial sector of Minsheng Bank will be carried out in three stages.

The first stage: the reform stage of the main customer lines and product lines of the business unit. In 2007, it completed the reform of business divisions in three product divisions: trade and finance division, financial markets division, investment banking division, and five customer divisions including real estate, energy, transportation, and metallurgy.

The second stage: the expansion and promotion stage. Over the past three years, the company has invested to improve the overall management capability of the company's business lines, improve the business operation mechanism of the profit center, formulate central and back-office management procedures and standardization, and complete the relocation and functional coordination of branches. Comprehensively revamp and upgrade IT systems; build platforms for leasing companies, fund companies and trust companies to form a more comprehensive corporate financial system in the domestic banking industry.

Stage 3: This is the overall operational stage of the business unit. At that time, the headquarters of the corporate finance department will be established, and the business will be concentrated in the headquarters to fully implement the management and operation of the department.

Regarding the reform of the retail finance sector, Minsheng Bank will initially establish a headquarters model and set up a special working group to strengthen retail finance reform and promote the operation model of sub-branches. Establish a long-term growth mechanism for the retail business. After the implementation of the business division system, the retail business department of the headquarters of Minsheng Bank will not only be responsible for the design and development of new products, but also guide the retail business departments of each branch and conduct independent accounting. On the surface, branches and sub-branches have lost certain power and work independence,

but have achieved in-depth management and services. The retail business sector will develop into a real private bank-retail bank, and the management model will adopt the vertical and stripe sector system of western commercial banks. This means that the business model of old branches and sub-branches no longer needs to be changed.

Regarding the reform of the investment banking business department, the investment banking department of Minsheng Bank has formed two business levels: traditional business and new business. The current policy is to firmly secure legacy businesses and aggressively expand new ones. Among them, traditional business mainly includes recovery of non-performing assets, restructuring loans and credit business, mainly carried out by the investment banking sector of commercial banking business, new business mainly includes structured financing, asset securitization, mergers and acquisitions, stock financing consulting, debt restructuring consulting, syndicated loans, institutional financial management, agency sales of non-performing assets, purchase and disposal consulting and other businesses. This part is completely off-balance sheet business.

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