



## Research on Bank Hall Service Management Strategy of Rural Commercial Bank

Jianhong Shang<sup>1,2,\*</sup>

<sup>1</sup>Linyi University, Linyi 276000, China

<sup>2</sup>Center for International Education, Philippine Christian University, Manila 1004, Philippines

\*Corresponding author. E-mail: Shangjianhong@lyu.edu.cn;

**Abstract:** With the transformation and upgrading of financial technology, people's demand for personalized banking services is getting higher and higher. In order to meet people's growing financial needs, commercial banks have carried out a series of branch transformation and upgrading. As the main business place of physical network, the hall of rural commercial bank plays an irreplaceable role in electronic channels and virtual places. After decades of development, rural commercial banks have carried out a series of reforms and innovations. At present, the external layout of hall outlets, such as intelligent machinery, electronic equipment, and standardized network construction, has achieved initial results. Under the background of network transformation, the network construction of rural commercial banks has undergone great changes, but the concept of hall operation service has not matched the network construction in time, and can not adapt to the requirements of banking development under the new situation. In view of this situation, this paper explores the hall management and operation services of rural commercial banks, with the purpose of improving the hall service efficiency of rural commercial banks, improving the enthusiasm of employees, improving the service quality and efficiency, and increasing the profitability of banks. Taking the branch hall management of commercial banks in rural areas as the entry point, this paper uses literature research, process reengineering, salary management and other relevant theoretical research methods, SWOT analysis and other methods to analyze the problems existing in the transformation and upgrading process of branch halls of rural commercial banks, such as unreasonable staffing, cumbersome processes, low efficiency and low customer satisfaction. This paper explores the causes of such problems according to the problems, that is, backward management system, market positioning, low entry conditions for competitors, and low scale effect. Finally, it aims to improve system management, optimize organizational framework, integrate hall zoning, refine the division of labor, increase scientific and technological support, and innovate service modes. Improve the assessment mechanism, and put forward constructive suggestions on hall management and marketing strategy in the process of network transformation and upgrading to employees. The research in this paper can improve the service quality and efficiency of hall staff, improve the post adaptability of hall staff, thus improve marketing performance, realize the transformation and upgrading of outlets, and achieve greater economic benefits of rural commercial banks.

**Key words:** rural commercial bank, hall operation, transformation and upgrading, SWOT analysis, policy suggestion

### 1. Introduction

There are a lot of researches on the transformation and development path of hall management in commercial banks. Yumin Zeng (2021) analyzed the theory and background of the hall service transformation of commercial banks and applied the case analysis method. From the aspects of hall service theory, hall marketing theory and process re-engineering theory, it is pointed out that commercial banks should carry out differentiation strategy, improve system construction, strengthen customer maintenance, and strengthen corporate culture construction to improve bank hall management<sup>[1]</sup>. Xiao Zehua and Hui Ke (2023) put forward suggestions on innovating service mode, increasing the configuration of electronic equipment such as smart teller machines, optimizing office equipment to improve the image of commercial banks' outlets and enhance the service level of halls by analyzing the current situation of unreasonable staff allocation, cumbersome service process, and low business efficiency in the halls of commercial banks. To improve the image of the hall network and improve the service level<sup>[2]</sup>. Liu Jing (2022) took a branch of the Bank of Communications as an example, studied the concept, development history and latest trend of bank transformation, and applied 4R marketing theory and long tail theory to study, and proposed strategies in the process of bank branch transformation<sup>[3]</sup>. Xu Shanshan (2021) used ABC analysis method and Bartley curve to analyze the queuing problem in bank halls, and systematically formulated solutions to solve the inefficiency caused by long queuing time, so as to determine the path to improve service quality<sup>[4]</sup>. Wei Lu (2018) took the problems encountered in the transformation from traditional physical outlets to intelligent outlets under the background of Internet finance as the starting point. He pointed out the changes in environment layout, customer service, business operation, hall marketing, etc., and proposed to explore the hall management mode under the intelligent modes of hall outlet performance management, customer management, marketing management, and risk control<sup>[5]</sup>. This paper believes that in the process of realizing the operation management of rural commercial banks, the key is to realize differentiated performance assessment in human capital, and realize differentiated assessment strategies for different branches and personnel in different positions, so as to improve the operation management service efficiency of the entire branch.



## **2. Overview of the status quo of bank hall and service management of rural commercial banks**

Due to the particularity of its development history, rural commercial banks serve the vast customer groups in rural areas. For a long time, they have not paid enough attention to the image of outlets, functions of outlets, personalized services and differentiation strategies, and have problems such as backward management system, unreasonable division of labor, obsolete equipment and lack of incentive policies. It has seriously affected the development of the bank hall service management of rural commercial banks, which is not conducive to the improvement of service efficiency and economic benefits of banks.

(1) Backward management system. Rural commercial banks came from the rural credit cooperatives in the early stage. Although they have gradually narrowed the gap with major commercial banks after nearly ten years of development, it is difficult to completely eradicate the consciousness of many years, restricted by the management system and mechanism as well as conceptual factors, there is a big sense of performance distribution and assessment, and staff enthusiasm and work efficiency are difficult to effectively improve.

(2) Unreasonable division of labor. Due to the large number of customers in rural areas and the large number of elderly customers, the counter business volume of rural commercial banks is large. The homogenized business volume is large, resulting in large counter business volume, unreasonable distribution outside the cabinet, and serious backlog of customers in the hall. The lobby managers of some rural commercial banks are mostly labor dispatch employees, and they are relatively limited both in experience and authority.

(3) Equipment aging. At present, the equipment in the halls of rural commercial banks is generally relatively backward, the models of electronic machines are relatively old, the equipment is backward, and the replacement speed is slow. Coupled with the nature of the customer group, the degree of intelligence of the equipment is not high, the maintenance cost is increased, the security is reduced, and the equipment affects the office efficiency and service quality. The use cycle of the counter operating system of Rural commercial Bank is long, the system update speed is slow, and some of the use cycle is as long as decades. The business system is not updated in time, which does not adapt to the general background of economic and financial reform under the new normal system.

(4) Lack of incentive policies. Setting positive and reasonable incentive policies is an important link to promote the enthusiasm of employees. Due to long-term mechanism reasons, the assessment of rural commercial banks is mostly based on the overall unit, and the egalitarianism is serious. In terms of individual assessment, the assessment policy is relatively loose, so it is difficult to achieve long-term incentive effects in business assessment and service marketing. Affect employee enthusiasm and initiative play.

## **3. SWOT analysis of bank hall service management of rural commercial banks**

SWOT analysis is an analysis method aimed at the competitive situation of enterprises, and is one of the basic analysis methods of marketing. By evaluating the existing advantages and disadvantages of enterprises, analyzing the opportunities and threats of external competition, SWOT analysis is used to comprehensively position the advantages and disadvantages of enterprises as well as the existing competition and opportunities before formulating competitive strategies. To develop strategies in line with the development of the bank.

### **(1) Strengths analysis**

First, the number of employees is huge, the number of rural commercial bank outlets throughout the township and urban outlets, because of the large number of outlets, the number of employees is also more. Second, the region's deposit and loan scale coverage are relatively high. Due to historical reasons, as the earliest local bank, rural commercial Bank has always occupied the rural market. Before other banks entered the market, the pillar position of rural commercial bank was unshakable. This makes the branch in the region of deposits and loans has been in a leading position. Third, customer trust is high, bank credit compared with Internet finance, bank borrowing costs are lower, more secure and reliable. Customers have more trust in the perfect bank credit body, which is more conducive to the development of banking business.

### **(2) Weaknesses analysis**

First, there are loopholes in the management system. In terms of personnel management, there are two kinds, one is the bank staff. The other is the agricultural fund agent, the level of staff is uneven, affecting the enthusiasm of the play. As an agent of the bank, the agricultural fund agent helps the bank to absorb deposits, but is not a formal employee of the bank itself, and has insufficient financial knowledge and weak risk awareness. Second, the scale effect of business expansion is insufficient. As a whole, the scale of business is concentrated in this region, and there are fewer branches in other regions, it is difficult to form scale effect, and it is difficult to carry out business in other cities. As major banks seize the market in rural areas, the market share of rural commercial banks is getting smaller and smaller.

### **(3) Opportunity analysis**

First, rich policy opportunities, the 20 report pointed out that deepening the reform of the financial system, strengthen the financial stability guarantee system, the report pointed out the importance of financial stability, rural commercial bank as the main force of rural finance, under the policy incentive, broad prospects for development<sup>[6]</sup>. Second, the rapid development of new agricultural subjects, promote the rural financial market, develop new agriculture, and help rural revitalization, with the support of the new agricultural policy, rural commercial banks inject financial vitality into agricultural development.

### **(4) Threat analysis**

First, the elderly account for a large number of customers. In rural areas, although the market size is large, but the customer group is relatively simple, as young people continue to work in the city, they also take away high-quality customers. Most of the remaining customers are the elderly group, the aging of customers is serious, and the demand for

loan funds is low, which leads to excess bank deposits and loans, and the interest spread of bank deposits and loans is large, which greatly reduces the bank's income. Second, the market access conditions are low. More and more banks settle in rural areas and compete with rural commercial banks for market and customer resources. The service and network image of rural commercial banks are difficult to maintain customer stickiness and easy to cause customer loss.

#### **4. Suggestions for the transformation and optimization of Rural Commercial Bank's hall services:**

##### **(1) Improve system management and optimize organizational framework**

The bank hall management system is a set of perfect hall management system which refers to the daily operation and management activities of the bank hall<sup>[7]</sup>. This system is conducive to the smooth development of the work of the bank hall, aiming at improving the service efficiency and service quality of the bank hall managers, ensuring the business safety of customers, and bringing economic benefits to the bank operation. A perfect hall management system at least includes personnel management system, service management system, and a clear hall organization framework, division of responsibilities, and work flow. First, strengthen personnel management, people are the first productive force, strengthen personnel management, from staff recruitment, training, assessment, performance payment, to achieve systematic management of the whole process, improve work efficiency and service quality in personnel management. Second, strengthen the service management system. As the main physical place where service business occurs, the bank hall is the most important business distribution center of the bank. When customers enter the hall, the bank's services begin to enter the standardized scene and realize the integration process from business reception, consultation, business processing and service completion. Optimize the organizational framework of the hall, clarify the organizational framework of the hall management, division of responsibilities and work flow, and ensure the orderly conduct of all business. After the organizational framework of the hall is subdivided, the business is carried out according to the subdivided process<sup>[8]</sup>.

##### **(2) Integrated hall zoning and detailed division of labor**

Most of the branches of rural commercial banks are located in rural areas, and there are still traditional bullet-proof glass counters in the branches. Although this setting plays a protective role in security, the mode of separating customers from tellers is difficult to realize effective communication between customers and staff, which will cause estrangement between people. In order to improve the customer experience, the hall is divided into separate sections in the hall area, including cash area, non-cash area, VIP service area, self-service area, customer waiting area and office area<sup>[9]</sup>. Accelerate the transformation of outlets to digital, accelerate the deployment of smart teller machines, receipt printers, deposit and withdrawal machines, self-service inquiry machines, etc., improve the level of intelligence, enrich electronic business channels, improve office business efficiency, reduce labor costs, and realize the transformation of digital outlets. In the division of personnel, it is necessary to set up special staff between various regions to be responsible for the business processing of their own regions, and realize the responsibility to people. It is also necessary to strengthen the training of employees and enhance the quality of employees. Let every hall employee become a compound, comprehensive talent. The qualities that should be possessed include professional financial quality, business skills and knowledge, laws and regulations knowledge, comprehensive quality and so on. Financial quality includes professional financial knowledge, banking and other aspects; business skills include risk management, business identification, customer service and other aspects; legal and regulatory quality includes the national laws and policies that should be complied with in the process of banking business processing, the quality of money laundering and the prevention of telecom fraud. Comprehensive quality includes interpersonal communication, emergency handling, complaint handling, teamwork and other aspects of quality. Through the improvement of comprehensive quality, the collaborative work of all staff in the hall can be realized. In the integrated service process, an effective replacement mechanism can be realized and the linkage mechanism between posts can be realized.

##### **(3) Increase scientific and technological support, innovative service model**

With the advancement of the digital economy, traditional physical outlets have been unable to adapt to the needs of customers in modern society, the rapid development of artificial intelligence and big data, hall outlets gradually to intelligent and technological transformation, increase scientific and technological support, first, improve the offline infrastructure, increase the layout of intelligent electronic machinery and equipment, timely follow up the use of equipment training situation, Organize equipment repair and maintenance regularly to improve customer service experience. Second, relying on e-banking to improve the efficiency and experience of business handling. Adhere to the annual update and upgrade of mobile banking and other channels, launch mobile banking versions that meet different age groups, launch age-appropriate services, and recommend different e-banking interfaces and channels to different age groups. The use of wechat small programs to embed electronic business, such as booking number collection, booking change exchange, etc., is to embed wechat small programs into business processing, and increase the intensity and coverage of electronic channels. The third is to speed up access to third-party payment platforms, comply with the personalized, differentiated and diversified needs brought by social development, achieve a diversified payment structure, improve payment efficiency, and meet the new payment experience. In terms of innovative service model, customer service is the center, and customers' service experience and psychological feelings are concerned. The first is to provide personalized products and services, make good use of customer relationship management system, and develop different financial products for customers of different ages and different levels to meet people's personalized needs. The second is to promote the alliance of different industries. The alliance of different industries is the union of business entities of different industries and different levels, and it can also be the union between different business entities of different levels in the same industry. Competition, cooperation and win-win cooperation can be achieved through the alliance of different industries. In the mode of inter-industry alliance, resource information sharing can be realized, and mutual benefit and

win-win can be achieved, saving time, financial resources and other costs for customers, and increasing channels for banks to obtain customers and accumulate customer resources.

(4) Improve the assessment mechanism and ask employees for efficiency

In the process of the transformation of the hall network, the staff performance is linked with the service quality and the hall benefit, and the assessment mechanism is improved to realize the transformation of the hall network from the simple accounting network to the marketing network. The first is to optimize the assessment system and realize the distribution according to work and performance<sup>[9]</sup>. from top to bottom, develop performance appraisal plans for different positions and ranks, tilt the salary to the grass-roots network and the first-line hall staff, and maximize the hall effectiveness through the positive incentive of performance. The second is to achieve differentiated performance assessment policies, which should include differentiated assessment between different positions, as well as performance assessment policies between different levels of outlets, so as to achieve differentiated strategies between outlets and different positions. For different positions of personnel to implement different assessment schemes, such as the head of the network, pay more attention to the overall benefit of the whole branch and the overall transformation of the assessment<sup>[10]</sup>. Branch accounting supervisors pay more attention to the assessment of teller service quality, risk prevention, compliance operation, risk management and so on. For the hall service teller pay more attention to their service quality, service time, error rate, complaint rate and other aspects of the subdivision project. Through the assessment and classification guidance between different posts, the effective linkage between various posts is realized, and the enthusiasm of each post is improved, so as to promote the transformation of hall outlets. Third, pay attention to tracking feedback and improve the information channels of performance appraisal. For the assessment policies formulated, the differentiated assessment mechanism in the implementation process should pay attention to the information feedback in the implementation process, improve the communication channels between upper and lower departments and branches, and prevent the information from being blocked due to information asymmetry.

## 5. Conclusions

Based on the background of the rapid development of digital finance, this paper takes the strategic transformation of operation management of rural commercial banks as the research entry point, combines the actual operation management of rural commercial banks, and uses SWOT analysis. It points out the current situation of the operation management transformation of rural commercial banks' halls, such as backward management system, unreasonable division of personnel, obsolete and aging equipment, and lack of incentive policies, and puts forward suggestions for the operation management transformation of rural commercial banks' halls, such as improving system management, optimizing organizational framework, integrating hall divisions, refining personnel division, increasing scientific and technological support, and innovating service modes. Improve the assessment mechanism, ask employees for efficiency. It has positive significance both in theory and practice. In theory, it has enriched the service mode of bank hall operation and management, and provided theoretical methods and ideas for carrying out hall business. At the practical level, it provides specific guidance for the operation and service management of rural commercial banks in halls, and puts forward targeted solutions to the problems encountered in the actual transformation process, so as to promote the improvement of hall operation and service management and create more economic benefits for banks.

## Reference

- [1] Zeng Yumin, Research on the Hall Service Transformation Strategy of J Bank [D]. Zhongnan University of Economics and Law, 2021.
- [2] Xiao Zehua, Hui Ke, Research on Hall Management Strategies of commercial banks [J]. Investment and Cooperation, 2023(8): 133-135. (in Chinese)
- [3] Liu Jing. Research on Network Transformation Strategy of XX Branch of Bank of Communications [D]. Zhongnan University of Economics and Law, 2022.
- [4] Xu Shanshan, Research on Service Improvement of X Sub-branch of S Bank [D]. Dalian University of Technology, 2021.
- [5] Wei Lu. Analysis on the transformation of banking halls under intelligent model [J]. Modern Finance, 2018, (8): 25-26.
- [6] Chen Liyang, Peng Mingxu. SWOT analysis of grid management of Rural commercial Bank of Road and Bridge from the perspective of inclusive finance [J]. Journal of Taizhou University, 2024, (1):53-59.
- [7] Chen Jiani. Research on Problems and Strategies of network transformation of Rural commercial banks-A case study of T Branch of S Rural Commercial Bank [J]. Business News, 2023(1): 5-8.
- [8] Wu Jingyun, Gao Zhixiong. Institutional network and Bank digital transformation: A study based on the perspective of trust relationship [J]. Fujian Finance, 2022(11): 15-22.
- [9] Wang Xiaoci. Research on transformation and development Strategy of SY Rural Commercial Bank [D]. Shenyang University, 2022.
- [10] Zou Zhe, Research on improvement of Hall Staff Management in N Branch of Bank G under the background of network transformation [D]. Southeast University, 2021.