CHAPTER - SIX
6. CONCLUSIONS AND RECOMMENDATIONS

6.1. CONCLUSIONS:

The present chapter seeks to recapitulate various findings of this study, the objectives have been laid down in Chapter-II, the presentation and analysis of data is in Chapters- IV, V, and VI.

Banking Industry in India is over 100 years old. But the real breakthrough as already pointed out came only after the nationalisation of banks in 1969 and subsequently in 1980. The banks which were mainly involved in class banking at urban centres prior to nationalisation of the major banks became an active participant in the economic programmes of the country. After the nationalisation the banks transformed themselves into a new role where mass banking became the target. During the last decade the premium has been placed on “better banking”, while retaining its former role.

There has been tremendous expansion in the banking industry specially in the last two decades. The branch expansion phase of 70s led to massive growth in manpower both in quantitative as well as qualitative terms. It saw an expansion in terms of services offered ranging from the merchant banking, mutual funds, housing finance, to leasing and factoring. Now the banks have to cope with competition from within the country and outside, at the same time they have to survive the financial reform process and various changes accompanying the reforms. There is also a change in the demands of customers. They require better, efficient and round the clock service. The computerisation is a means to achieve these ends. But the machines alone cannot be expected to perform all the required functions demanded by the present customers. The banks need quality of manpower to offer the kind of services required and perform other operations.
Ironically, the quality of manpower was felt inadequate, compared with the diversity of operations, in many banks.

The computerisation in the banking industry in India is having a short and checkered history. It started with the Central bank (RBI) and the State Bank of India - the largest bank in India now it virtually covers the whole industry. The computerisation has been going on at all levels: the apex, zonal/ regional and the branch levels. So far only about fifteen banks have acquired and operationalised mainframe/large computers at their head offices, there are approximately 300 mini computers at the Regional offices/Zonal offices. With regard to branches, there are approximately 6000 ALPMs installed in the entire country; while in the metropolitan centres, 28 branches have been fully computerised. According to an estimate there are about 50,000 trained manpower available, apart from a large number of officers who have undergone appreciation programme in computerisation (out of a total workforce of about a million). The above figures indicate that the computerisation in banking is still partial; there is no networking available either in the form of the Local Area Network or the Wide Area Network.

The second Rangarajan Committee (1989) emphasised the computerisation of branches i.e., a single window service. The 1993 Settlement allowed for a liberal deployment of the computers at all levels in banking operation. As a result of the above Settlement the employees got one advance increment in their pay. But if we have a look at the pace of computerisation, it does not seem likely that the computerisation target of 4000 branches by 1996 can easily be met unless there is a fresh agreement on the issue.

In terms of availability of manpower for computerisation, the scenario is not very positive. Although the recommendations of the Committees (1984 and 1989) and Settlements (1983, 1987, 1989 and 1993) clearly specified the target, but the practical results are far from impressive. The target set by the 1984 report was to train 40,000 - 45,000 Data Entry Operators, and 1,000 Systems Analysts
and programmers. In September 1989 the progress achieved was 12,761 Data Entry Operators and 2,372 Systems Analysts and Programmers. About 20,655 officers attended brief appreciation programmes. This speaks volumes against the in-house facilities available with banks to train employee in computers.

The Rangarajan Committee (1989) recommended the need for the number of trained staff as follows: 56,250 Operators, 5,625 Supervisory staff (officers), 8,100 EDP Managers, and 2,000 Specialists. There are about 400 trainers required to perform the above job. The appreciation programme for about 1,00,000 managerial staff has also been envisaged. Although a systematic effort is in progress to train the required number of employee for computerisation, but the pressure from the unions till late delayed the whole programme. The restriction on recruiting people from outside except under exceptional circumstances has further accentuated the problem. The restriction that all the employees have to be picked up from within the banks, and trained to perform the job, has gone against the fast growth envisaged in the area of computerisation. Under these circumstances, the number of candidates willing to be relocated and get training and also have proper aptitude can not be ensured. In addition, there is governmental restriction on employment of not more than 1 per cent of the existing workforce during a year. As a result of computerisation, within the banks a new department called CPPD has emerged. But there are problems of various kinds to be resolved for the above department to make it an effective agent of change. For instance, the staffing of the CPPD is one of the problems. The objectives of the establishement of the CPPD are not very clear. The assimilation of the department in the mainstream banking is yet another problem which has not yet been resolved. And finally comes the question of charting a career path for the employee of this department.
The resistance to change in general, and computerisation in particular, seems to be subsiding with the passage of time, inspite of disruptive activities of the unions. The resistance has already done enough harm to the process of computerisation. This is inspite of every assurance from the banks to the unions that there would not be any worker redundancy as a result of computerisation. But there still prevails an atmosphere of mistrust owing to the sensitivity of the issue. Like any other industry, the resistance to computerisation from lower cadre employees are observed to be higher. The elders, too, are not found to be very positive for whatever type of phobia they suffer from.

Banks have been making systematic efforts to minimise the employee resistance to change through various training programmes, appreciation programmes and meetings. But training and orientation of such a large staff require time and cost, whereas the requirement is to train them at a short notice so as to go ahead with the programme of computerisation.

A large number of banks have tried to computerise a number of sub-functions of the personnel. Majority of banks have developed a manpower inventory system/personnel inventory system. They developed it either in-house in UNIFY “C” Interface or Microfocus COBOL or procured it from the CMC limited, in the form of a package called “PINS”. The banks are using PCs, Mainframe as well as the Mini computers for maintaining Personnel Inventory System. Most of the systems are based at the EDP cells where the EDP manager works as the database administrators. But a low priority is given to the personnel records by the EDP personnel.

The banking industry is yet to have a near total computerisation of personnel function. There does not exist any Computerised Personnel Information System or the Human Resource Information System with any bank. The manpower planning in the absence of a comprehensive information system is
carried out manually and on the basis of the data that the computerised inventory system provides. The complexities in business has brought banks face to face with an integrated system of manpower planning, recruitment, placement, training and appraisal system. The restriction on employment coupled with the work redundancy will more than offset the future requirement of manpower by the banks. Now there has to be an emphasis on career planning for mainstream as well as CPPD staffs. The computerisation has intensified the need for an integrated manpower planning on the one hand, and it will facilitate the process of planning by providing accurate data on the other.

The recruitment and selection and to some extent even the promotions are based on tests conducted by the BSRBs and the allied institutions. In the present context, at the entry level, preference should be given to computer literates without minimising the scores on other parameters. This will be in the interest of the organisation in the long run. There is no dearth of applicants for bank jobs from diverse field. Therefore, the selection tests should have an element of computer to send a signal as well as to select the persons with some knowledge of computers. We are not at a stage where computerised test can be conducted but we are definitely at a point where computers can be used to assist very few.

Performance Appraisal systems are found to be both - semi transparent and confidential. The data generated by the performance appraisal system is computerised only in few banks where it forms an integral part of the personnel inventory system. The performance appraisal system data is used for promotions, transfers, punishments and in some cases for the development purposes, too. But the system is not yet development-oriented. Some banks have included trait-based data with the performance appraisal in key performance area(KPA) which is serving the purpose well. But in a highly hierarchical organisation like banks a radical change in the performance appraisal system is not possible.
As far as career planning is concerned, the state seem to be a bit confusing. The majority of employees are not very clear about their career goals and are found to have a vague idea about it. This is because the fact that proper counselling from the bank is not available. The banks following the career planning exercise are doing it on a limited basis. They are mostly using it for filling up the next available vacancy, whereas a career planning is to be done at individual, bank and industry level, to serve a long term purpose.

Computerisation of payroll and other components of the compensation management are found to be limited, but on the rise. Payroll at Head Offices and Regional offices/Zonal offices are mostly computerised, but for the branches only a limited computerisation of payroll, on a centralised basis is available. Payrolls are maintained both on mini computers and mainframes at Zonal and Head offices respectively. The data regarding pension, provident funds account and loans etc are fully computerised, though in limited number of banks only.

6.2. RECOMMENDATIONS:

It is customary to attach a long list of recommendations at the end of the work. We, too, will follow the tradition, but keep the list as limited as possible.

i. Computerisation of personnel function in banks are having a low priority whereas there is a need for not only proper attention to computerisation programme but an immediate and extra attention. The Personnel Information System/ Human Resource Information System should serve the purpose as an integrated personnel system.

ii. There is need for development a fullfledged and non-redundant inventory system, where up-dating is done at the pre-determine intervals and data should always be up-to-date, accurate and available as and when required for all the employees of the individual bank. This would call for a total computerisation
of all zonal/regional offices with full networking facilities. The EDP cells in
many cases are located miles away from the main offices, whereas it should
brought to the adjacent location, preferably in the same building or the same
complex. The proposed networking needs to be expedited to reap the full benifit
of computerisation.

iii. The banks need to develop an integrated personnel information
system where the manpower planning, recruitment and selection system, training
system, career planning system, performance appraisal system and compensation
management system etc should be made part of the total system called personnel
information system. This information system should be capable of generating
reports for the management for decision making purposes. This will enable banks
to meet the statutory requirement of filing reports at regular intervals as well help
in both strategic and administrative uses.

iv. Training sub-function is found neglected and without much
automation. There is a need for a training system at the same time fully computer
trained faculty is required to impart training to the bank personnel.

v. The Computer Policy and Planning Department which has emerged as
a result of computerisation plan remains understaffed in majority of cases. In
general a lower cadre staff is posted to head the department. There is necessity
for it to be properly staffed. The personnel of this department should be given a
clear career path and also an opportunity to participate in the mainstream banking.

vi. The resistance to computerisation though dealt with carefully by the
banks but there still remains some misunderstanding between management and
the unions which needs to be sorted out. For resistance from the elder staff and
managers an involvement in decision making process for computerisation as well
as orientation programme be continued with more vigour.
6.3. FUTURE DIRECTIONS FOR RESEARCH:
This study presents a broad and general overview of the industry and it studied a limited number of functions. Therefore, the future researches may be conducted in the following areas:

1. Individual bank as a case study in order to have a micro level picture.
2. In the wake of computerisation, the training system in banks needs a separate study.
3. Impact of computers on organisation and employment too, needs immediate attention.

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