PREFACE

In recent years there has been considerable extension of interest in Human Resource Management. The introduction of technological change has brought changes in the demand for labour in the firm. It has also forced the management to give more emphasis to manpower planning, Human Resource Development and other related areas of personnel management. The developments in the business sphere are so fast that obsolescence has become the order of the day. The obsolescence of management practices and human resource skills is no exception in the era of technological change.

Early in the 1950s, Peter Drucker wrote about the importance of future human resource to a firm. He said “the prosperity, if not the survival, of any business depends on the performance of its managers tomorrow”. Today, both the survival as well as prosperity of an organisation is dependent on successfully harnessing the change.

The introduction of computer in Indian banks is one element out of many changes that banking industry came face to face during the last twenty five years. ‘The change is liked by everybody but nobody likes to change’. The introduction of computer created some anxiety among workers and trade unions in the early years. When Life Insurance Corporation of India wanted to introduce computer (in Calcutta), the employees started an agitation against the move. The unions took the view that the computer has no place in a labour surplus economy, though employers found in it, a tool for better management control and decision making. The Reserve Bank of India and the State Bank of India when started computerisation also met with similar fate as LIC. When we talk about introduction of computer in banking industry, we are not only talking about labour opposition but also the question of management of change and the management of technology. The management of change required a total overhauling of the system: the
organisation as a system, and different functional systems comprising a bank. The personnel system is one such system that bank management could not overlook.

The changes in the personnel system is as important and far reaching as the other functional systems. So far as Human Resource Planning and Recruitment and Selection is concerned, there is a need for reallocation of employees from within to avoid worker redundancy and at the same time to employ suitable persons from outside to fill the skill gap as a result of computerisation and many other changes. The reallocation requires retraining, the fresh employees need induction where as the existing staff needs training to upgrade their skills. But all employees need training and/or orientation in computers to make the process of computerisation smooth. The new department within bank that has emerged within banks (CPPD/EDP) to facilitate the process of computerisation and also as a result of computerisation need to be staffed with suitable persons from within and outside but restrictions posed by the unions on the one hand and the RBI on employment on the other needs an extra effort in planning and placement in banks. The charting of a career path for the employees of the organisation in general and CPPD staffs in particular are some of the issues unresolved. Then comes the question of performance appraisal which has to be a part of an integrated personnel system to make it an effective agent of development. The question of compensation in the form of payroll and increments to employees along with other benefits are to be provided. All these issues require a thorough probing. The present study aims at resolving some of the issues stated above. In this study an attempt is made to look at the issue of change in the form of “computerisation in personnel function in banking industry in India”.

For the sake of convenience, the thesis is divided into six chapters; the first chapter deals with two very important parts of the research. First is the review of literature where an attempt is made to provide a review of the western literature where computerisation first started and then turn to the Indian writings on the
subject, and the second is research methodology describing the objectives of the study, scope of the study, sampling procedure, the methods of data collection etc.

In the second chapter, an overview of computerisation in India is provided before going into the details of computerisation in the banking industry. Along with this the emergence of a new department called Computer Policy and Planning Department (CPPD) and EDP has been dealt with. The third section looks at the effects of computerisation on both organisation and individuals. In the fourth section resistance to change and how the organisations can cope with it and finally the personnel inventory system, procedure for building an inventory system and different problems are emphasised.

The third chapter is divided into three parts: the first one deals with manpower planning; how it is done in the banking industry and how it is affected by the computerisation. The second part delves upon the recruitment and selection function including equal employment opportunities and role of computer in recruitment makes the third part.

The fourth chapter seeks to explore the following functions: training in the banking industry, training in the changed scenario and how computers are used in training the employee. Then we turn to performance appraisal system explaining its various steps and use computers in it. The third section deals with career planning which has become an important problem due to low productivity and increasing frustration of employees in the industry.

The fifth chapter deals with compensation management where payroll computerisation is taken up first and then we have looked at different increments given to employee after the 1993 settlement and other benefits like medical, leaves and leave encashment.

At the end, in the sixth chapter findings of the study are presented. It also provides a brief list of recommendations and finally some guidelines for the future research are provided.