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The success of an organisation in the long run depends upon various factors. Among these factors the most important one is the quality of manpower employed. In the era of small companies, personnel management was a relatively simple thing; with a single owner manager only a handful of employees were involved. The personnel management function was performed by the employer himself. But, with the growth in the size of the organisation, diversification, advancing technology, communication, transportation, financial reform process, and computerisation, the task of personnel manager became complex. The largest “management gap” now is unquestionably in the area of personnel management.

Somehow, the personnel manager has always faced a credibility problem as far as the view of top management of the company is concerned. Professional management demands hard, factual data for decision making. The man incharge of the inventory can say with confidence exactly how many machines and tools he has on hand. Thus, he commands the credible image. But a personnel manager, although much higher in position, yet finds it hard to convince the bosses to accept his views on manpower planning seriously. The personnel manager can not for instance say how many people in the organisation, in the officers cadre, has more than ten years of experience or have professional qualifications like C.A.I.I.B. In majority of cases, an external query takes the personnel people spend several hours, only to find that the required data was either fragmentary or erroneous. Why can’t a personnel man with the help of available information technology answers the queries with the same confidence and reliability as his counterpart from production, finance or marketing departments does? Perhaps, the technocrats are to be blamed, at least partially, for creating the impression that technology is
something too complex to be understood by a non-technical person like a personnel man. Is it really so complex? The answer is available in the software of today, which offers what is called the fourth generation languages (4GL), whereby through the user interface the programmer is made to look redundant, as all the needs of the user are met by the systems directly in a simple language known to the user.

All business functions share a common need, which is for quality information. The information requirement in case of the personnel relates entirely to the human resources employed by the organisation. The ultimate aim of any personnel function is to assist the corporate entity to obtain the most cost effective use of human resources over time.

01. WHAT IS PERSONNEL MANAGEMENT:

Personnel Management is that activity in an organisation which monitors and controls the movement of employee from the time they enter into an organisation to the time they get separated. It moulds the human resources into an effective organisation, provides maximum opportunities for individual growth and development, motivates them to make optimum contribution, encourages constructive cooperation between peers, superiors and subordinates and compensates them for their contribution.

The above discussion brings forth the point that as an individual enters an organisation, he is constantly being monitored and controlled by the personnel department through its different functions. They are familiarised with the organisation, culture in the organisation, and the career opportunities available to him through induction training. They are further trained in skill requirements of the job assigned. Their performance is being appraised on a regular basis. They are promoted, transferred and so on and so forth. The whole objective is to make the individual pursue their career goal and in process achieve the overall objective of the organisation. According to Peter Drucker, “an effective organisation must
direct the vision and efforts of all managers towards a common goal.

Recently, the term "Personnel Management" has been rephrased as the "Human Resource Management" signifying that people are resources, rather than problem. The expression 'human resources' is misleading and dangerous, say the European Managers. "People are not resources and resent being treated as such". They are not even "human capital". Today's "knowledge workers" need to be valued and involved. As the nature of the workforce is changing, what is to be managed in the modern context is people's talent. People are not themselves resources, but possess resources like knowledge, skill and experience. Thus, a further rephrasing of the term human resource management to 'Human Talent Management' should not be wrong. Whatever may be the perception of scholars with regard to different expressions, our objective is to understand the spirit rather than expressions. Therefore, we will continue considering the expressions "Personnel Management", "Human Resource Management" and "Human Talent Management" to be synonyms and avoid any debate on the issue.

During the last two decades, the application of computer technology to the problems and challenges of managing human resources has come into its own. In the Western world as well as the Far East we find substantially large number of application packages available, popularly known as "Human Resource Information System" (HRIS) or "Human Resource Management System" (HRMS).

02. HUMAN RESOURCE INFORMATION SYSTEM:

Human Resource Information System has been defined as "a computer based method for collecting, storing, maintaining, retrieving, and validating data needed by an organisation about its employees, applicants, and former employees".

Human Resource Information Systems are required for two main purposes:

i. To store detailed record of an employee (past, present and future applicant);

ii. To provide a basis for decision making in almost all areas of personnel
functions and sub-functions, e.g., manpower planning, recruitment and selection, training and development, promotions, transfers, compensation management, health and safety and appraisal system.8

03. GROWTH OF COMPUTERISATION IN PERSONNEL:

Historically, it was in the U.S, where computerisation in any form started. The period following the Second World War saw use of computer for payroll automation on a limited basis in the defence services.9 During 1950s and early 1960s with the growth of computer industry, its use too, grew, but personnel department outside the defence services had little use of computers.10 It was only during the 1980s that increasing use of computer in personnel could be noted. But even at this time it was mostly confined to large organisations 11.

Although the required technology for computerising personnel function was available even during the '70s, but installation took quite some time. There are several reasons for this reluctance. The Human Resource Department was not willing to conduct cost-benefit analysis.12 It was also due to the lack of trained staff and in cases resistance from them to computerisation.13 Once the initial apprehensions were over, the adoption of computer became a necessity rather than a matter of choice. A survey of the subscribers of the Personnel Journal conducted in 1988 suggests that as many as 82 per cent of them were using computers in managing the personnel function.14

04. COMPUTER- THE INDIAN SCENARIO:

In India, too, we find computer entering the personnel function gradually. There has been more emphasis in computerising other functional areas then personnel. Computers were initially employed in areas like R&D, Education, Agricultural Research, Nuclear Physics etc.15 Till the late 1970s because of lack of indigenous equipment, the process of computerisation was slow. The equipments were
mostly imported and expensive \(^1^6\) [See Appendix, Tables.1, 2 & 3.]

The Bhabha committee laid down basis for development of indigenous computer/electronics industry after the Sino-Indian border dispute but it the was the New Computer Policy of November 19, 1984 along with the Policy of Liberalisation \(^1^7\) which set the pace of development. Since then the computer industry has grown both in terms of physical output as well as the range of products introduced in the market. \(^1^8\) This phenomenal growth in the computer industry provides a technological base to Indian industries at reasonably low cost.

The Indian industries no longer need to wait for the imported machines which used to take years and were mostly outdated versions from the West. The total computer requirement of various sectors in India such as education, banking, insurance, railways, steel, oil, and different ministries and departments of the government during the VIII Plan period has been estimated to be Rs. 8811 crore. \(^1^9\) The available computers in India have been classified into four classes, namely Super, Large, Mini and Micro, costing Rs. 8 crores, Rs. 2 crores, Rs 15 lakhs, and Rs. 50,000 respectively. \(^2^0\)

One may ask the question as to whether it was the technological growth or the changing circumstances which forced the Industries to adopt computers? Whatever may be the reason, but, one thing is clear that the required technology by the organisation is made available by the Indian Electronics Industry at a reasonable cost. \(^2^1\) On software front too, we have achieved self-sufficiency and over and above the export. \(^2^2\)

To cope with the increasing use of computers in the industrial sector, Ministry of Human Resource Development in collaboration with U.G.C, Directorate General of Employment and Training and the State Government has promoted different courses in computers. This is in addition to the Engineering Colleges/Institutes providing degree courses in Computer/Electronics. A large number of academic institutions received grants to establish
computer education resulting in courses like MCA, PGDCA and Diploma in Computer Engineering, B.Tech, and M.Tech. in Computer Science and Technology. In 1990 there were over 353 institutions providing computer education at degree and Diploma level, which increased to 362 in 1991 and the number has been rising constantly. The figure for qualified manpower rose from a mere 1000 in 1983 to 10,000 in 1988. If we take the rate of growth and calculate the present figure then it would be around 100000 in 1994. This is in addition to the in-house training of manpower in respective industries.

Computerisation in banking industry in India started in a big way after a series of bi-partite settlements between Indian Bank’s Association (IBA), Bank level settlements on computerisation and the Rangarajan Committee Reports 1984 and 1989, [for details see Chapter-II]. But so far as computerisation in personnel function is concerned, it remained neglected like other countries. Joshi and Dingakar found that the weakest link in the banking system is the information system. Personnel information being part of the total system had no better shape.

The face of Indian banking is changing. While nationalisation placed premium on more banking, the stress now is on better banking. In the post nationalisation period, business was achieved mainly by expansion in the number of branches and accordingly increasing the manpower. But now the scenario has changed with consolidation, it is the management of new technology and manpower. The total branch network of banking industry stood at 61,235 in March 1993 and the overall workforce at about a million. During March 1993, the aggregate deposit of the scheduled commercial banks stood at Rs.37814 crores (comprising of demand deposits Rs. 1373 and Time Deposits Rs. 36441 crores). The bank credit stood at Rs. 26390 crores (Food credit Rs.2073 and Non-food credit Rs. 24317 crores).

There are various arguments in support of computerisation in banking
industry. To some, it is an ingredient of the financial reforms process. To others, it is for better customer service, better housekeeping, improvement in exchange of information and control of the head office over zonal/regional offices. But a large section feels that computers are needed to improve management information system.\(^\text{29}\) One more factor may be added to the above in the present context, that is the likely intensification of competition as a result of Uruguay Round of GATT which Indian banks have to cope with in near future.\(^\text{30}\)

The computerisation of banking is at three levels:

1. **Branch Level**: The main objective of branch level mechanisation/computerisation was to improve customer services, housekeeping and speedy transmission of statistical data.\(^\text{31}\) Later, the report of Second Rangarajan Committee (1989) which drew plans for computerisation during 1990-94 apart from considering the issues taken up by the previous report gave emphasis to single window service through computerisation of about 2000-2500 selected branches mainly in the metropolitan centres or industrial centres considered as high intensity branches.\(^\text{32}\)

2. **Zonal/Regional Level**: These centres are to be equipped with mini computers for data capturing and processing. The main objective is to provide a link between branches and the head office. The Zonal offices also perform certain functions independently. For example, they need to maintain a list of persons for training, prepare payroll, maintain leave accounts, and a seniority list of employees at the zonal level etc. Therefore Electronic Data Processing (EDP) centres are established at this intermediate level.

3. **Head Office Level**: The head offices are to be equipped with mainframe computers. The objective is to store data in a meaningful format, to analyse it to exercise control, generate reports for management to formulate policy etc. The major personnel data is maintained at the head office. It is at this level that data relating to all the departments have been computerised. The personnel inventory, training records, provident funds account of the personnel are also part of the
computerised database (DBMS) at the head offices. Business data such as credit information system, management information system, and portfolio are also part of the database.

In this study of the “Computerisation in Personnel Functions in Banking Industry in India”, we are concerned with the last two levels i.e. Zonal/Regional level and the head office level. A substantial progress in computerisation can be noted at these two levels. Since a large number of employees are involved, the data relating to award staff is decentralised and maintained at Zonal Office level. The data at the head offices are mainly for officers in the form of bio-data, and other service details. The semi-fixed records are updated at a regular interval. The data regarding training of officers, retirement, resignations, death and dismissals are generally updated annually. On the basis of the above inventory system, generally maintained in UNIFY C interface, or microfocus COBOL, a large number of reports are generated. Some of them are a ‘mirror image’ or an ‘in camera’ view of an officer or a group of officers giving complete detail termed as “work force profile review”. It can also generate a moving image of the employee termed as “workforce dynamics report and analysis”. The above when combined with the “Decision Support System (DSS)”, helps in manpower planning exercise.

The inventory system can also generate a large number of ad hoc reports. For example, item wise list of officers with regard to seniority, training, experience, special category, length of service etc. These reports are required for internal use in the organisation apart from fulfilling the statutory requirement of filing the reports to various agencies.

In the absence of Networking (LAN & WAN), the data transfers from zonal to the head offices are mostly on magnetic media like floppy or tape reels. The network has already been planned by the banks which will enhance the efficiency of operation as well as accuracy of decisions. As data could be captured
on line and at source as well as any up dating, too, would be on-line. Some banks are using PCs for the maintenance of personnel records.

In Indian banks, personnel departments are no longer treated as a step daughter. But there seems to be an environment of mistrust between the EDP personnel and the personnel people as the latter are found to perform manual calculations to verify the records provided by the former. There also exists certain amount of resistance to change in the organisation at all levels. The training at the training colleges is picking up and some banks have even computerised the administrative section of the Staff College(s) and the Regional Staff Training Centres.

The committee on computerisation(1989) has suggested some modifications for on-line banking. It also suggested use of communication facilities like BANKNET, SWIFT, PSTN etc., for Electronic Funds Transfer (EFT)- Email, Message Switching (MS) and ATMs and POS for office automation. The RBI has already computerised the entire operation of their select branches. It has installed NOVEL facilities such as Telebanking, Pass Book Writer, DD Writer, Signature Scanner and Display Systems.

The achievements so far in computerisation in banks have neither been satisfactory nor dismal, but definitely, it is far from the target envisaged by the committee on computerisation. As on March 1, 1993, some 6249 ALPMs were installed in 2303 branches, 307 mini computers at zonal/regional offices, 13 mainframes at the head offices and 28 branches have been fully computerised in the country. For the same period, nearly 34000 officers had received various types of computer training. 18500 persons have been trained in for ALPMs and data entry. On the communications front there are 30 banks as member of BANKNET. The ATMs mainly to be installed at high intensity business centres for twenty four hours banking are also at the ready stage of installation. The State Bank of India installed an ATM on May 31, 1994 at New Delhi, main branch.