

HUMAN RESOURCE INFORMATION SYSTEM OF EVEREST BANK LIMITED

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RECOMMENDATION

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DECLARATION

I hereby declare that the thesis entitled "**Human Resource Information System Of Everest Bank Limited**", submitted to the office of the Dean, Faculty of Management, Tribhuvan University is my original work, which is prepared as the partial fulfillment of the requirement for Mater's Degree in Business studies (M.B.S.) under the supervision of Reader Bhawani Shankar Acharya, Central Department of Management.

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CONTENTS

	Page
Recommendation	
Viva-Voce Sheet	
Acknowledgement	
Abbreviations	
Declaration	
Contents	
List of Tables	
List of Figures	

CHAPTER-I

Introduction	
1.1 General Background	1
1.2 Evolution of the MIS	3
1.3 Role and Impact of MIS	3
1.4 Evolution of the Human Resource Information System	6
1.5 History of Banking Industry	6
1.6 Background of Banking Service in Nepal	8
1.7 Banking Organization and MIS	11
1.8 Everest Bank Limited – A Glance	13
1.9 Facilities Provided by EBL	18

1.10 Organizational Chart of Everest Bank Limited	21
1.11 Statement of the Problem	22
1.12 Objective of the Study	23
1.13 Importance of the Study	23
1.14 Limitation of the Study	24
1.15 Organization of the Study	24

CHAPTER-II

Review of Literature

2.1 Conceptual framework	26
2.1.1 Management	27
2.1.2 Information	34
2.1.3 System	35
2.2 Model of a Computer- Based Information System	37
2.3 Human Resource Management	38
2.3.1 Conceptual Framework of Human Resource Information System	41
2.4 Review of Related Studies	45

CHAPTER-III

Research Methodology

3.1 Introduction of Research Methodology	49
3.2 Research Design	49
3.3 Nature and Sources of Data and Information	50
3.4 Analysis Tools and Techniques Used	51

CHAPTER-IV

Analysis and Presentation

4.1 General Background	56
4.2 Analysis of HR Planning System	57
4.3 Recruitment and Selection	63
4.4 Job Analysis and Design System	67
4.5 Training and Development System	72
4.6 Performance Evaluation	77
4.7 Attendance and Leave System	81
4.8 Design of New System	83

CHAPTER-V

Summary, Conclusion and Recommendation

5.1 Summary 89

5.2 Conclusion 90

5.3 Recommendation 91

Bibliography

Questionnaire

Appendix

List of Tables

Tables	Page
1.1 Commercial Banks of Nepal	9-10
4.1 Human Resource Status of Everest Bank Ltd.	56-57

List of Figures

Figures		Page
1.1	Equity Participation of EBL	16
1.2	Organizational Chart of EBL	21
2.1	Management level can influence the relative emphasis on the management functions	30
2.2	Relation of Data to Information	34
2.3	Parts of a System	35
2.4	A model showing how the CBIS subsystems are used in problem solving.	38
2.5	Derivation of HRIS	43
4.1	An Existing System of HR Model in EBL	58
4.2	Stepwise HR Planning Process	61
4.3	Suggested HR Planning Model	62

4.4	Recruitment and Selection System of Everest Bank Limited	66
4.5	Existing System for Job Analysis	68
4.6	Proposed Job Analysis System for Everest Bank Limited	71
4.7	Steps involved in Training Process	73
4.8	Training and development cycle	73
4.9	Model of Motivation	75
4.10	Existing Training and Development System of EBL for new employees	76
4.11	Rating Scale for PE of EBL	78
4.12	Suggested Attendance and Leave System	83
4.13	Suggested HRIS Model of EBL	85
4.14	New System of HR Structure	86

ABBREVIATIONS

AAP	=	Affirmative Action Program
ABB	=	Any Branch Banking
ADB	=	Agricultural Development Bank
AIS	=	Accounting Information System
ATM	=	Automatic Teller Machine
BOD	=	Board of Director
BS	=	Bikram Sambat
CDRD	=	Central Department of Rural Development
CDM	=	Central Department of Management
CDS	=	Cumulative Deposit Scheme
DFD	=	Data Flow Diagram
DSS	=	Decision Support System
EBL	=	Everest Bank Limited
EEO	=	Equal Employment Opportunity
ER	=	Entity Relationship
HR	=	Human Resource
HRD	=	Human Resource Department
HRIS	=	Human Resource Information System
HRM	=	Human Resource Management
HRRS	=	Human Resource Research subsystem
HRSP	=	Human Resource Professionals
IDB	=	Industrial Development Bank
IS	=	Information System

IT	=	Information Technology
LAN	=	Local Area Network
MIS	=	Management Information System
NABIL	=	Nepal Arab Bank Limited
NBB	=	Nepal Bangladesh Bank
NBL	=	Nepal Bank Limited
NRs	=	Nepalese Rupees
NRB	=	Nepal Rastriya Bank
OSHA	=	Occupational Safety and Health Administration
PE	=	Performance Evaluation
PNB	=	Punjab National Bank
RBB	=	Rastriya Banijya Bank
RDP	=	Recurring Deposit Plan
SCT	=	Smart Choice Technology
T.U.	=	Tribhuvan University
UAE	=	United Arab Emirates
UK	=	United Kingdom
US	=	United States
USA	=	United States of America

CHAPTER - ONE

Introduction

1.1 General Background

An effect of changing technology alerts the way of business operations, which ultimately change the way in which people perform their jobs or leisure activities, crimes, politics and social activities in general. Many of these changes are beneficial, whereas some have deleterious side effects. As a manager of a modern organization we have an obligation to examine the potential side effects of our decision in particular. We need to consider how our use of technology affects customer employee and society at large.

Management Information System (MIS) is a process of gathering data in an effective manner and presenting it in the form of information so that the people involved in different level of organizations feel easy to make decision as well as function to enhance organizational effectiveness. In every organization there are three levels of decision: Strategy, Tactics and Operation.

Here the one important term INFORMATION TECHNOLOGY [IT] represents the various types of hardware and software used in information system including computer and networking equipment.

MIS is a dynamic concept, subject to change with time as well as to the change in the business management process. It continuously interacts with the internal and external environment of the business and provides a corrective mechanism in the system so that the changed needs of information are met effectively. The primary objective of MIS is to provide information for decision-making and it is developed considering the organizational fabric giving due regard to the people in the organization, the management function, and the managerial control. So the goal of MIS is to enable managers to make better decisions by providing quality information.

Henry Mintzberg (Mintzberg, 1973) a psychologist classifies managerial tasks in three categories viz. Interpersonal, Informational and Decisional.

Interpersonal role refers to teaching and leading employees. Informational task is based on the transfer of information throughout the organization such as relaying information to subordinates or summarizing the information for executives. Decisional activity involves evaluating alternatives and choosing direction that benefits the firm.

Fred Luthans (Luthans, 1985) also classifies managerial task. He, in his research work finds that 50% of managers spend time on traditional management, 30% in formal communication and 20% in networking information. Informal networking consists of contacts with colleagues and workers that tend to be social in nature but often involve decisions regarding businesses and job.

In many ways managers expend a lot of their effort in making decisions and contributing information so that others can make decisions. If we look at future job of managers we find a focus on administration, human behavior, quantitative modeling and problem solving, decision theory and elements of business ethics, and globalization.

In sum, MIS is one of the important tools to make decision and to solve business problems in every organization. It supports the management of business in each phase by giving the information, which is crucial in that phase. Every business has critical success factors in each phase of growth cycle and the MIS gives more information on the critical success factors for decision making.

Management Information System in the Nepalese context is an innovative concept. We are still in the ancient era. It is because of our backwardness in information technology. Today's Information System [IS] is confined around information technology, especially in computers software and networking device. When the practices of Nepalese management information system are measured on the information technology scale, we are just starting to move upwards. Nevertheless, the pace of imitation and adoption is slower. We have our own typicality and specificity that prevents us from adopting the practices of the

developed economies comprehensively, which are regarded as 'so called' measuring rod for such an evaluation.

1.2 Evaluation of MIS: Formal organization to information base organization

The importance of information systems and their development can be seen in many different trends during the past 10 to 20 years. The emergence and growth of companies involved in the development of information technology is the most obvious. Within most other organizations, this growth is mirrored by the growth of data processing and information system department.

The idea of an information system to support management and decision making predates the use of computers, which have extended the organizational capabilities for implementing such a system. Many of the ideas, which are part of MIS, evolved as part of the other disciplines. G.B. Davis has suggested four major areas of concept and system development, which are especially significant in tracing the evolution of MIS concept- "managerial accounting, management science, management theory and computer processing. (Davis, 1974) According to this idea, the MIS concept may be viewed as a substantial extension of the concepts of managerial accounting taking into consideration the ideas and techniques of management science and the behavioral theories of management and decisions making. The capabilities of computers have added to the development of the MIS concept because new hardware in conceptualizing the information system for an organization.

1.3 Role and Impact of MIS

The major role of MIS is to provide information to managers in the functional areas. A MIS produces the following reports: Routine, scheduled reports: they are produced at scheduled ranging from hourly quality control reports to report on monthly absenteeism rates. Ad hoc (demand) reports: managers frequently need special information, which is not included in the routine report, but a different time. Such out-of-the routine reports are called ad hoc reports. They also may include requests for drill-down reports, which show a greater level of

detail, key-indicator reports, which summarize the performance of critical activities, and comparative reports, which compare, for example, performances of different departments.

Exception reports: some managers favor a management by exception system. To implement such a system, management first sets standards (such as the budget). The systems are set up to monitor performances (Via the incoming data about business transaction), compare actual performance to the standards, and identify the exceptions. Management is alerted to the exceptions via exception reports. The exceptions themselves then need to be managed. Exception reports include only information that exceeds items that are larger than 5 percent of the budget, or sales that fall 3 percent or more short of quota. Reporting exceptions save managers' time (since they do not need to read the long complete reports) and helps them concentrate on the essentials.

MIS plays a very important role in the organization's function, performance and productivity.

The impact of MIS on the functions is in its management. With a good MIS support, the management of marketing, finance, production and personnel becomes more efficient. The tracking and monitoring of the functional targets becomes easy. The functional managers are informed about the progress, achievements and shortfalls in the activity and the targets. The manager is kept alert by providing certain information indicating the probable trends in the various aspects of business. This helps in forecasting and long-term perspective planning. The manager's attention is brought to a situation, which is exceptional in nature, including him to take an action or a decision in the matter. A disciplined information reporting system creates a structured database and a knowledge base for all the people in the organization.

MIS calls for a systemization of the business operations for an effective system design. This leads to streamlining of the operations, which complicate the system design. It improves the administration of the business by bringing a discipline in its operations, as everybody is required to follow and use systems

and procedures. This process brings a high degree of professionalism in the business operation.

A well designed system with a focus on the manager makes an impact on the managerial efficiency. The fund of information motivates an enlightened manager to use a variety of tools of the management. It helps him to resort to such exercises as experimentation and modeling; the use of computers enables him to use the tools and techniques, which are impossible to use manually. The read-made packages make this task simpler. The impact is on the managerial ability to perform. It improves the decision-making ability considerably.

Since MIS works on the basic systems such as transaction processing and database, the drudgery of the clerical work is transferred to the computerized system, relieving the human mind for better work. It is observed that a lot of manpower is engaged in this activity in the organization. MIS has a direct impact on overhead. It creates an information based work culture in the organization.

Thus a basic knowledge of information system is almost becoming a generic skill need by every professional. To the top management, MIS is a tool to gain insight into the overall health of the organization itself. The recent information revolution has pushed information systems to the center stage of modern management. Getting competitive advantage, balancing market strengths and increasing market shares, acquiring more attractive finances, introducing new products and services, reaching out to more customers and quickly gaining customer preferences, etc. are all made possible in numerous way by the introduction of information technology.

The internet, which is emerging as the largest commercial market in the world, the planned information highway, the electronic trading system introduced at National Stock Exchange and video on demand serving being introduced in some countries in the US are some other examples which are likely to significantly change the lifestyle of humanity at large. Obviously, understanding the working and appreciating the impact of information systems or the contemporary and

future business are prerequisites to the education of today's computer science and management student. It is important that contemporary managers be kept abreast of current developments that have potential impact on future business. In short, the study of management information system is extremely vital in today's context.

1.4 Evolution of the HRIS

Until recently, management did not pay as much attention to personnel data as it did to data describing money and material resources. The stimulus for elevating the status of personnel data was provided by such governmental legislation or initiatives in USA as EEO (Equal Employment Opportunity), OSHA (Occupational Safety and Health Administration) and AAP (Affirmative Action Program), which were enacted during the 1960s and 1970s. Firms in the US were required to provide the national government with statistics that showed the extent to which the firm's personnel practices complied with the laws. The firms quickly learned that they could not keep up with the increasing reporting requirements without the aid of computer-based systems.

The firm's top management began allocating additional resources to the development of information specialists from information services, who worked with users in HR. The processing was done on the large-scale computer located in IS.

When microcomputers came onto the existence, HR began installing them in their area. Some were used in a stand-alone manner, some were networked together to form LANs, and some were networked to the firm's central computing facility. Some organizations even installed their own minicomputers and even mainframes.

1.5 History of Banking Industry:

The institution involved in monetary transaction is called bank. It is an institution, which purchases and sales of the use of money and credit. The origin of the word "Bank" is linked to: Latin word "bancus", Italian work "Banca" and French work "banque". The meaning of all these words is bench (Dahal B. and Dahal S.2002).

Bank plays a vital role in developing the economy of any country. Before fifth century, only of few banking activities were exercised, like exchange of money, transfer of money, issuance of paper money, handling of loans and acceptance of deposit.

At first such establishment was simply like depositories. The depositor's worlds leave their gold and valuables for safe keeping and were given a receipt by the goldsmith. When ever the receipt was presented, the depositors would get back their gold and valuables after paying a small fee for safe keeping service (Samuelson, 1993).

In 1157, the first bank was established in Italy which is known as "The Bank of Venice". The goldsmith of Italy were also involved in safe keeping services of gold and valuables, when they realized large profit in these activities, they established the bank.

The England, Goldsmiths were the bankers in an ancient period. They used to lend money to the government and also at the time of emergency to keep deposits for safety purpose. The people used to keep their ornaments to goldsmith because they had safe box. In ancient time, the function of foreign exchange also used to be done by such goldsmith, merchant and money lenders (Regmi, 1969).

Before BS 1848, the goldsmith used to store people's gold and other valuable and charge nominal charges against the deposit. At that time, people deposited their gold and valuables goods for the sake of security rather than earning interest (Ojha, & Rajbahak, 1965).

Banking sector plays a vital role for the country's economic development. Bank is a resource mobilizing institution, which accepts deposit from various sources, and invests such accumulated resources in the fields of agriculture, trade, commerce, industry, tourism, etc. The commercial bank has its own role and contribution and its is a source for economic development. It maintains economic confidence of various segments and extends credit to people (Grywinshki, 1993).

The bank means an institution which deals with a money. A bank performs several financial, monetary and economic activities which are very essential for economic development of any country. Broadly speaking, bank draws surplus money from the people who are not using a present and are hoarding for future, and supplies loan to those who are in a position to use it for productive purposes. Modern banks can be considered as the involved from of ancient goldsmith (Ojha & Rajbahak,. 1965).

1.6 Background of Banking Service in Nepal

The origin of banking activity can be traced back to 1956 B.S. when the then Prime Minister Ronodip Singh established an institution called "Tejatarthe Adda" in Katmandu. This institution provides loan to government employees and general public against the bullion. However, it didn't collect deposit from the public and so it didn't incorporated the characteristics of modern banking system. Tejarathe Adda used to provide loan at the rate of 5% interest. The process of modern banking in Nepal was set by Nepal Bank Limited (NBI) established in Kartik 30, 1994 B.S. Bank of Venice is the first commercial bank established in 1157 A.D. over the year, bank have been established classified on the basis of functions performed by the bank.

To regulate the monetary policy of the country, a central bank, Nepal Rastriya Bank was established in 2014 B.S. This bank has been the government's bank and has contributed the growth of financial sector. Bank of England is the first central bank established in 1694 A.D.

Another government owned commercial bank is Rastriya Banijya Bank. It was established in 2022 B.S. This bank served the financial needs of people in urban and rural areas. To enhance agrarian economy of the country, Agricultural Development Bank was established in 2024 B.S.

The Industrial Development Bank was established in 2016 B.S. to provide financial and technical assistance to the industries in the private sector. The industrial and agricultural revolution in U.K. pioneered this type of bank.

Nepal Arab Bank Limited established in 1984 was the first joint venture bank. This bank pioneered with the marketing concept (i.e. considering customers as the top priority), in Nepalese banking system. The success of Nabil Bank in the operation of many commercial banks, which are, as follows:

Table: 1.1 Commercial Banks of Nepal

S. N	Name	Operation Date	Head Office
1	Nepal Bank Ltd.	1937/11/15	Kathmandu
2	Rastriya Banijya Bank	1966/01/23	Kathmandu
3	Agriculture Development Bank Ltd.	1968/01/02	Kathmandu
4	Nabil Bank Ltd.	1984/07/16	Kathmandu
5	Nepal Investment Bank Ltd.	1986/02/27	Kathmandu
6	Standard Chartered Bank Nepal Ltd.	1987/01/30	Kathmandu
7	Himalayan Bank Ltd.	1993/01/18	Kathmandu
8	Nepal SBI Bank Ltd.	1993/07/07	Kathmandu
9	Nepal Bangladesh Bank Ltd.	1993/06/05	Kathmandu
10	Everest Bank Ltd.	1994/10/18	Kathmandu
11	Bank Of Kathmandu Ltd.	1995/03/12	Kathmandu
12	Nepal Credit and Commerce Bank Ltd.	1996/10/14	Siddharthanagar , Rupendehi

13	Lumbini Bank Ltd.	1998/07/17	Narayangarh, Chitwan
14	Nepal Industrial and Commercial Bank Ltd.	1998/07/21	Biratnagar, Morang
15	Machhapuchchhre Bank Ltd.	2000/10/03	Pokhara, Kaski
16	Kumari Bank Ltd.	2001/04/03	Kathmandu
17	Laxmi Bank Ltd.	2002/04/03	Birgunj, Parsa
18	Siddhartha Bank Ltd.	2002/12/24	Kathmandu
19	Global Bank Ltd.	2007/01/02	Kathmandu
20	Citizens Bank International Ltd.	2007/06/21	Kathmandu
21	Prime Commercial Bank Ltd.	2007/09/24	Kathmandu
22	Sunrise Bank Ltd.	2007/10/12	Kathmandu
23	Bank Of Asia Nepal Ltd.	2007/10/12	Kathmandu
24	Development Credit Bank Ltd.	2001/01/23	Kathmandu
25	NMB Bank Ltd.	1996/11/26	Kathmandu
26	Kist Bank Ltd.	2009/05/08	Kathmandu
27	Janata Bank Ltd		
28	Megha Bank Limited		
29	Commerze and Trust bank Ltd		
30	Civil Bank Ltd		
31	Century Commercial Bank Ltd		

Source: www.nrbank.com.np

Nepal Postal Saving bank was established in 1996 to encourage the thrift among the poor people. To collect deposit among members and give loan mainly to members only a cooperative bank was set up, the origin of this type of bank

dates back to 1800 A.D. in U.K. in the name of Credit Unions. Navajeevan Cooperative Society Ltd., Dhangadi is the first cooperative bank in Nepal, which was set up in 2048 B.S.

1.7 BANKING ORGANIZATION AND MIS

Bank is generally understood as a place where the financial services are offered; viz. checking, savings and providing credit to the customers. The Bank has a wide range of customers like individual, institution, trusts business organization, government and local bodies. The banks deal with a number of transactions, which also vary widely in terms of length and complexity. Like in other service industry, the bank customer also wants quickly terminal results. The distinctive service in banking is solving the customers' financial problem and quick service in transaction execution. For example, the time taken for crediting amount, withdraw of cash, the sanction of loan facility, etc. The MIS of banking organization evolves around these aspects.

To avoid the inconvenience of going to a number of places for payment of small amounts, customer need service at the counter to pay electricity bills, telephone bills, taxes and duties to the local bodies and the government. Hence, MIS is to be designed to identify, decide and design a service strategy for offering a distinctive service to the wide range of customer seeking variety of service demand.

Generally, the following points should be taken while designing MIS for Bank.

1) Customer database

The service expectations and perceptions revolve around the following factors:

- Customer- individuals, company, institutions, etc.
- Operator-housewife, employee, officer of the organization.
- Range of service-savings, credit checking and payment other financial service
- Class of customers-income group, corporate bodies, etc.
- Working hours-morning, afternoon, evening, etc.

The management of the bank should create customers from time to time to create suitable service packages.

2) Service to the account holder

The customers (account holder) need constant advising on the status and its operations. The MIS should give following reports to the management:

- The non-moving account
- The account having balance more than say Rest 50,000/-
- The account going down below minimum balance.
- The routine payments not made.
- The routine credit not arrived.
- The defaults on loan repayment.
- The delays on crediting cheque amount.
- A sudden rises and falls in the account movement.

Based on these reports, the management of the bank should alert or warn the customer to act on his account to correct the situation. The MIS built around such demands would help not only the bank manager but also the account holder.

3) Service for business promotions

The bank finances can be utilized in a number of ways to increase the banking operations by offering credit to the right kind of customer. Therefore, it is necessary to study the trend in the business industry and solicit the customers from the upcoming and growing business sector. The MIS should concentrate on data collection from the various sources to analyses and conclude the business strategy. Such information help the banker to reduce the risk of account going into the red and bad debt as well as move to talk to the customer to obtain business for the bank.

4) The index monitoring system

One more feature of the MIS is to monitor the variety of indices and ratios related to banking operations which are internal to the banking business .It is necessary to build to MIS applications to support the bank manager in making decision to keep a different index, norms and ratios within the acceptable limits.

5) Human resource upgrade

A lot of human need in banking operations. The service may become faster and quicker but stills it requires a human touch and skill. Any amount of mechanization and computerization is not a substitute to a service with a smile. It is, therefore, necessary to upgrade the skills and knowledge of the bank employee to offer a proper service to the customers.

The financial world changes so fast and competitive that to establish in this globe world the financial services must be offer a good distinctive service is only the solution to improve the business prospects. The MIS should identify such needs and offer help to the management in designing training courses for the employees to improve their knowledge about banking and the financial world.

1.8 EVEREST BANK LIMITED -A GLANCE

INTRODUCTION

Everest Bank Ltd. (EBL) has been established with the objective of extending professionalized banking services to various sections of society in the kingdom of Nepal and thereby contributes in the economic development of the country. It started its operations in 18th October 1994 with a view and objective of extending professionalized and efficient banking services to various segments of the society. EBL joined hands with Punjab National Bank (PNB), India as its joint venture partner in 1997. PNB is providing the top management services to EBL under a Technical services agreement signed between the two institutions. EBL thus has the advantage of the Banking expertise and financial strength of its partner.

PNB is the latest nationalized bank in India having 110 years of banking history with more than 4500 offices all over India, of which 1400 branches are interconnected. PNB has over 1000 ATMs spread across the India. As on 31/3/05, PNB had a total business of INK 163000 mores and posted a net profit of INR 1410 crores.

Drawing its strength from its joint venture partner, EBL has been steadily growing in its size and operations and established itself as a leading Private Sector Bank. EBL is ranked as No. 2 bank by NRB as per CAELS.

Despite fragile law and order situation especially during last 3-4 years, the Bank has recorded spectacular performance. As per audited accounts of FY 2004/2005, the Bank's operating profit was Rs. 375.20 million registering a growth of 18.9 % over the previous year. The Bank's credit recorded a growth of nearly 30 % over the last year reaching a figure of Rs 7900.09 million. Similarly, the total deposits of the bank posted a growth of 25.22 % amounting to Rs 10097.69 million over the preceding year.

This sustained growth of the bank is attributable to its strong systems and procedures, professional approach, quality lending and highly motivated staff members.

The bank is providing its services through a wide network of 44 branches across the nation and over 5100 correspondents across the globe. All the major branches of the bank are connected through Anywhere Branch Banking System (ABBS), a facility which enables a customer to do banking transactions from any of the branches irrespective of their having accounts in other branch.

The Bank in association with Smart Choice Technology (SCT) is providing ATM services for its customers. EBL SCT Network can be accessed at more than 800 ATMs and over 1400 Point of Sales across the nation. The bank is managing the SCT ATM at Tribhuvan International Airport for the convenience of the

customers and the travelers, the first and the only bank in Nepal to place ATM outlet at the airport.

EBL is playing a pivotal role in facilitating remittance to and from across globe. Being the first Nepalese bank to open a representative office in Delhi, India, the Nepalese in India can open account in Nepal from the designated branches of Punjab National bank and remit their savings economically through banking channels to Nepal. The bank has a Drafts Drawing Arrangement with 5000 branches of PNB all over India.

With an aim to help Nepalese citizens working abroad, the bank has entered into arrangements with banks and finance companies in different countries, which enables quick remittance of funds by the Nepalese citizens in countries like UAE, Kuwait, Bahrain, Qatar, Saudi Arabia, Malaysia, Singapore and U K.

The bank recognizes the value of offering a complete range of services. We have pioneered in extending various customer friendly products such as Home Loan, Education Loan, EBL Flexi Loan, EBL Property Plus (Future Lease Rentals), Home Equity Loan, Car Loan, Loan Against Shares, Loan Against Life Insurance Policies and Loan for Professionals. We at EBL have always endeavored in delivering innovative products suiting the consumer's requirements and needs thus enriching, enabling and beautifying their lives.

As a sequel to the policy of Nepal Government to open the banking sector for private and foreign participation starting from mid-eighties, Everest Bank Limited was set up in the private sector and commenced its operations in October 1994. India being the major trade partner of Nepal, the promoters of the bank decided to join hands with an Indian Bank and entered into a joint venture agreement in January, 1997 with PNB, one of the leading commercial bank in India.

PNB has 20% equity participation in its shareholding and has also undertaken management responsibility under a Technical Services Agreement. Other institution (12%) and general public (68%) hold the balance equity of the bank.

EQUITY PARTICIPATION OF EBL

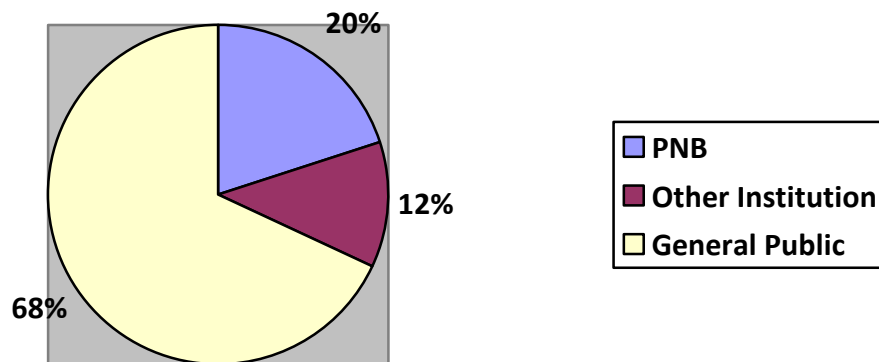


Figure 1.1: Equity Participation of EBL

Source: Operative Circulars, EBL 2011

EBL has got an authorized capital of NRS.2,00,00,00,000 issued capital 1,28,14,06,500 and paid up capital of NRS.1,27,96,09,490. Presently the bank has 44 branches operating at different areas of nation.

The main aim of EBL is to extend professional banking services to various section of the society of Nepal and therefore contribute in the economic development of the country. The joint venture with PNB, which has successful banking experience of over 100 years and are known for its strong systems and procedures, has greatly helped the bank in laying down sound banking systems and procedures. In addition to the usual facilities offered by all banks, some new

banking products have been introduced. Three innovative deposit schemes have been started for the first time in Nepal, which have helped in inculcating banking habits amongst the common people. The schemes are Cumulative Deposit Scheme (CDS), Unfixed Fixed Deposit (UFD) and Recurring. The bank has also introduced a facility for the Nepalese living in Gulf Countries for transfer of their savings to their homes in Nepal by entering into drawing arrangements with exchange houses in United Arab Emirates (U.A.E), Bahrain and Kuwait.

The most important aspect of the joint venture has been the way it has achieved a turnaround in the very first year of the joint venture operations, after an accumulated loss to the tune of NRs.25 million for the bank's initial three years of operations. The bank earned a net profit of NRs.26 million during 1997-98 and is poised for further progress during the current year. The bank has declared a maiden interim dividend of 10% to its shareholders, on the basis of the operating result of the first six months of the current fiscal year. Likewise, the deposits and advances of the bank have increased many folds - the deposits have increased to NRS.1540 million from NRs.180 million and the advances to NRs.1270 million from NRs.80 million during the two year period of joint venture.

The bank lays great emphasis on the quality of assets and has introduced Scientific Technology of Credit Appraisal and Monitoring. Human Resource Development has been accorded a high priority and the bank has started its own training facilities of the joint venture partner, PNB in India are also used frequently to give exposure to the senior officers of the bank in the company of their counterparts from PNB.

EBL, though one of the youngest joint venture banks in Nepal, is now poised to scale new heights. The ultimate aim is to provide maximum customer satisfaction through excellence in service and thus, become a premier banking institution of the Nepal in the times to come.

EBL's Corporate Vision

Evolve & position the bank as a progressive, cost effective & customer friendly institution providing comprehensive financial and related services;
Integrating frontiers of technology & servicing various segments of society;
Committed to excellence in serving the public & also excelling in corporate values.

EBL's Corporate Mission

Provide excellent professional services & improve its position as a leader in the field of financial related services;
Build & maintain a team motivated & committed workforce with high work ethos;
Use latest technology aided at customer satisfaction & act as an effective catalyst for socio-economic developments.

1.9 Facilities Provided by EBL

A) DEPOSITS

Savings

Current

Term Deposits

Special Deposit Schemes

- a. Cumulative Deposit Scheme (CDS) This scheme offers a lump sum amount inclusive of interest on maturity on quarterly compounding basis thus helping the customer to plan for heavy expenditure in the future. For eg. children's higher education / marriage, construction of house etc.

- b. Unfixed Fixed Deposit Scheme (UFD) An extension of CDS, this scheme allows the depositor to withdraw money against his deposit anytime he requires it without any further formalities with the help of a cheque book issued to him along with a deposit receipt. In addition, he is free to redeposit the amount at his convenience.

c. Recurring Deposit Plan (RDP) Designed to inculcate a regular saving habit. The plan involves the regular saving of a particular portion of ones monthly income, wherein he interest is compounded on a quarterly basis insuring high returns.

B) LOANS AND ADVANCES

EBL provides credit on competitive terms by way of term loans as well as working capital of all kinds of productive and income generating activities.

Direct Housing Loan	Home Equity Loan
Vehicle Loan	Education Loan
EBL Property plus	Professional Loan Scheme
Loan Against Mortgage	Loan Against Shares

C) FOREIGN CURRENCY DEPOSITS AND LENDING

EBL accepts foreign currency deposits at attractive rates of interest. Foreign currency lending to exporters at competitive rates is also available.

D) TRADE FINANCE ACTIVITIES

We provide our customers with letters of credit and guarantees to facilitate their business transactions.

E) REMITTANCE FACILITIES

Remittances can be made to any part of the world by way of SWIFT Transfer instantly in addition to the conventional facilities like demand drafts, travelers cheque etc. EBL has drawing arrangements with about 130 PNB branches all over India.

F) FOREIGN EXCHANGE

Facilities for the financing of export and import business, sale and purchase of foreign exchange, forward exchange contracts, etc.

G) FACILITIES FOR NON-RESIDENT NEPALES

The customer have drawing arrangements with the various Exchange Companies in the Middle East to provide easy remittance to the Nepalese expatriates in that region.

H) OTHER FACILITIES

Our other facilities include merchant banking activities like underwriting of public issues, locker facility, standing instructions etc.

1.10 ORGANIZATIONAL CHART OF EVEREST BANK LIMITED

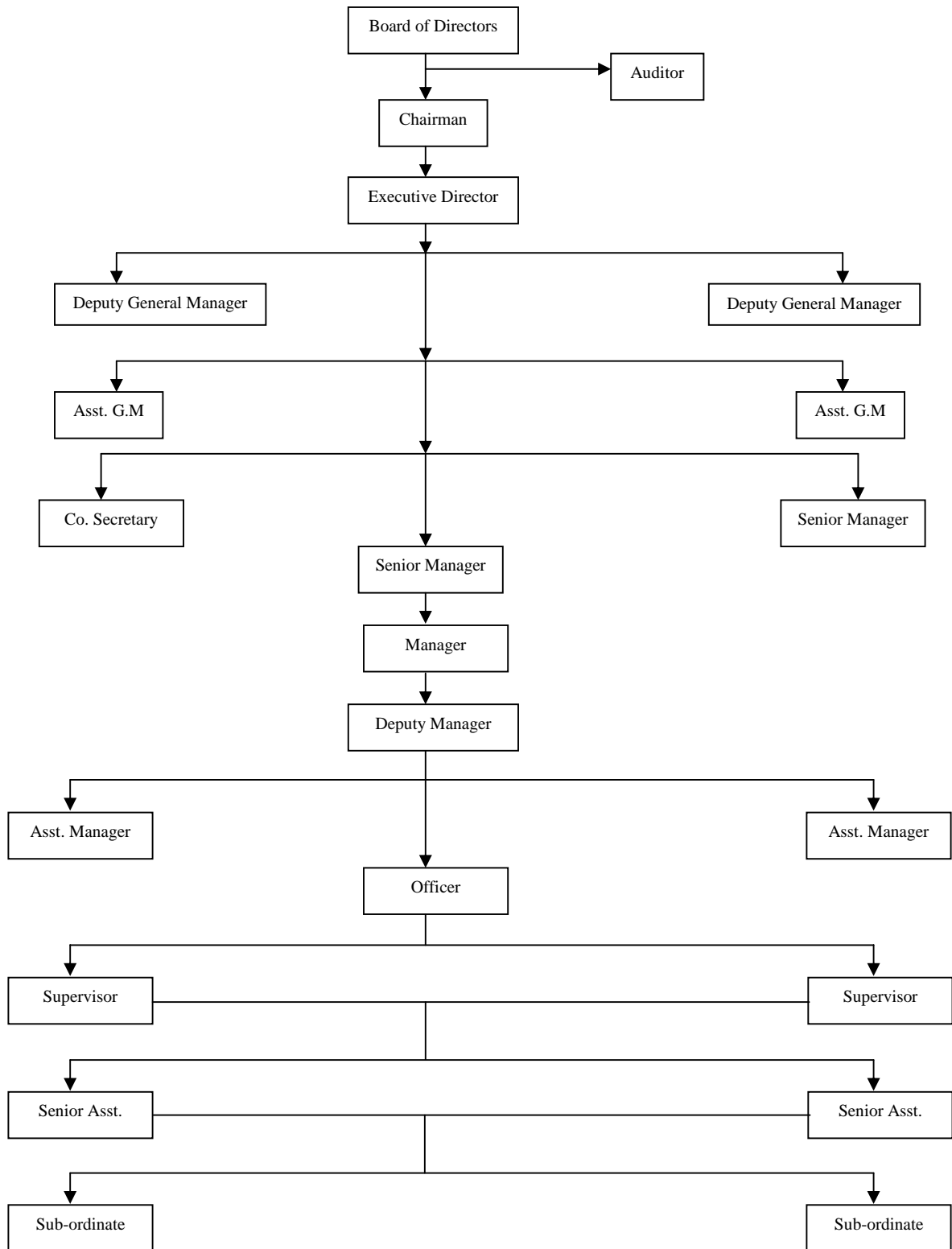


Figure 1.2: Organizational Chart of EBL

Source: HR Department of EBL, 2011

1.11 Statement of the Problem

The ability of any organization to exploit opportunities in the changing environment (or to step up the development path) depends upon the strength of management and technical skills of its human resources. Human Resource Management should be proactive with its full strength to maximize outputs in the way of getting success and achieving goals. While conducting a business organization with social responsibilities, although being the dominant factor, profit is not only measuring scale for the success. Therefore such organization should focus on its performance, which ultimately benefits the organization itself. In the context of dynamically complex and challenging business environment, information system plays the vital role for making better decisions than others. So the problem of the study is to assess the role of Human Resource Information System in supporting the effective decision-making.

Another purpose of the study is to find out the effectiveness of the HRIS in Everest Bank Limited. Information in the organization needs to be updated, scrutinized and refined. Mishandling of information generally creates the service delay and decreases the organizational effectiveness. The HRIS data have been analyzed and processed for tracking past events to secure the futures.

This thesis has put an effort to go into the root of the problem of providing information and it also has attempted to provide and recommend some areas where the bank should address with the help of available information and data.

In this way, the research is an attempt in the direction for analyzing the HRIS and its role in decision making while extending and affiliating. So the study has

taken an effort to ponder in the root of the problems of providing information and utilization of HRIS and making better decisions over The HR.

1.12 Objective of the Study

The study is a try to explore the present situation of the HRIS in the Everest Bank Limited. The specific objectives of the study are:

- I. To examine the existing system and practices of HRIS in EBL.
- II. To find out the problem areas regarding the HRIS in EBL.
- III. To examine the HR Managers efforts towards the HR information and its Management for effective decision making.
- IV. To recommend and suggest the appropriate HRIS.

1.13 Importance of the Study

Present age is the era of the Electronics and Computer where Information systems and technology are the most crucial part. Information System is the heart of any organization these days. Human Resource is the major assets for the business organization and service providing organization. HRIS provides the HR planning for long terms. While expanding the organization, HR plays the vital role to make success over the new challenges. Banks of this global village need to manage well; they could be able to manage the apparently conflicting forces of cost control and quality for the services. Providing better quality to its customers is a big challenge to Nepalese banks in the current context. This could only be easy when the organization has sufficient HR who is able, competitive and knowledgeable and backed by updated information. So, in general, the success of any organizations depends upon the Human Resource Information System.

1.14 Limitation of the Study

While conducting a research, there are generally some limitations. The major limitations are:

- i. Time and financial limitation.
- ii. The information that is made available in the study may directly or indirectly be in the safer side of EBL but the analysis of the situation would be in the correct context to find the exactness.
- iii. This is the case study conducted on the HRIS since it has been limited within the information system.
- iv. This study may not be applicable to other department.
- v. The study can not be generalized to other organization.

1.15 Organization of the Study

The research study entitled Human Resource Information System on Everest Bank Limited is divided in to five broad chapters.

Chapter One: Introduction

Chapter one deals with the introduction of MIS and HRIS. It consists of these topics relation to the evolution, needs, and types of MIS as well as DSS, statement of the problem, objectives of the study, and importance of the study and limitation of the study.

Chapter Two: Review of Literature

Chapter two concerned on the outcomes of the literature review. The book journals and other research study previously done in Nepal as well foreigners are reviewed.

Chapter Three: Research Methodology

Chapter three deals with the methodology that focused on research design, nature of data, data collection, analysis tools and techniques.

Chapter Four: Presentation of Data

Chapter four is the core area of the study which highlights all the finding of the study such as comprehensive analysis of management information system, decision making record keeping and reporting procedure and information flow system.

Chapter Five: Summary, conclusion and Recommendation.

Lastly this chapter is present summary, conclusion and recommendations of the study.

CHAPTER-TWO

Review of Literature

"Literature review is basically 'stocktaking' of available literature in one's field of research. The literature survey provides the student with the knowledge of the status of their field of research. In social science there is no dearth of literature. The library is a rich storage base for all kinds of published materials including theses, dissertations, business reports, government publications etc.

The purpose of literature review is thus to find out what research studies have been conducted in one's chosen field of study and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing. The review of literature also minimizes the risk of pursuing the dead ends in research."

2.1 Conceptual Framework

The study of information system has a long history in the cognitive psychology, engineering and more recently in management and its peripheral. Though it has emerged recently as a hot subject, lots of studies have been conducted in the short period. The main reason of popularity of the study of information system is the world business environment that is increasing cross border world widely. World market and multicultural consumer multinational company and such personnel word business and its rapidness are the main reasons to increase the study an application of the information system.

The initial concept of MIS was to process data from the organization and presents it in the form of regular reports. The system was largely capable of handling the data from collection to processing. It was more impersonal, requiring each individual to pick and choose the processed data and use it for his requirements. The system concept should be an individual oriented as each individual may have or different orientation towards the information. This concept was further modified, that the system should present information in such a form and format that it creates an impact on its user, provoking a

decision, an action or an investigation. It was later realized that even though such an impact was welcome modification, some sort of selective approach was necessary in the analysis and reporting. Hence, the concept of exception reporting was imbibed in concept remained valid till and to the extent that the norm for an exception remained true and effective. Since environment turns competitive and it's ever changing fixation of the norm for an exception became futile exercise at least for the people in the higher echelons of the organization.

The concept was then evolved that the system should be capable of handling a need based exception reporting. This need may be either of an individual or a group of people. This called for keeping all data together in such a form that it can be assessed by anybody and can be processed to suit his needs. The concept is that the data is one but different individuals can view it in different ways. This gave rise to the concept of Database and the MIS based on the Database proved much more effective.

Over a period of time, when those conceptual developments were taking place, the concept of the end user computing using multiple databases emerged. This concept brought a fundamental change in MIS. The change was decentralization of the system and the user of the information becoming independent of computer professionals. When this became a reality, the concept of MIS changed to a decision-making system. The job in a computer department is to manage the information resource and leave the task of information processing to the user. The concept of MIS in today's world is a system, which handles the databases, provides computing facilities to the end user and gives a variety of decision-making tools to the user of the system. (Jawadekar, 1998)

2.1.1 Management

The concept of management is now studied in a very scientific manner had its origin right from the beginning of the civilization. The term management has numerous definitions. A dictionary defines management as the act art or manner of handling controlling or direction and enterprise.

The management process involves a continuous resolution of conflicts of one kind or the other which affects the achievement of goals. In the management of any activity a manager comes across human conflict, conflict of goals, conflict between alternatives resources, conflict of time, conflict of approach or method and the conflict of choice. The manager uses a variety of tools techniques and skills while executing the management process of planning, organizing, staffing, coordinating and controlling.

The definition of the management by the Randall and John covers the functional aspect of the management. According to them management is the process of planning, organizing, directing, and controlling organizational resources in the pursuit of organizational goals. The resources may be financial, human, physical, and informational. (Donham & Pierce, 1989).

Managers are the organization's members and who are assigned for the primary responsibility of carrying out his management process.

Management is the art of getting things done through people. It is the process of achieving common goal through appropriate utilization of human and non human resources in the organization. The management functions are planning, organizing, staffing, co-coordinating and controlling.

Management refers as a process as a noun and as a discipline. This approach believes that management is what a manager does and it is the sum or total of all managers' functions. Thus we can say that management is a process or the art of getting things done through people in co-operations. Management is a social integrated and a continuous process.

Management is a discipline recognized as a formal discipline having an organized body of knowledge while it can also be learned from utilization and teaching. Management is a noun, which refers who carries out various managerial activities. Managers are assigned duty and also granted request authority to perform their duty efficiently.

Management is the practice of consciously and continually shaping organizations. All organizations have people who are responsible for helping them achieve their goals. These people are called managers. These managers coaches, conductors, sales executives may be more obvious in some organizations than in others, but without effective management organizations are likely to founder.

The management is the process that visualizes the future, sets goals to be accomplished, has the ability to effectively and efficiently coordinate the existing financial human material and technical resources, decentralize operation, builds a good team and has a social responsibility towards the nation and its people. (Janakiraman & Sarukesi, 1999).

Management is the process of planning, organizing, leading, and controlling the work or organization members and of using all available organizational resources to reach stated organizational goal. It is especially in dealing with matters of time and human relationship as they arise in organizations. It is an attempt to create a desirable future keeping the past and the present in mind. It is practiced in and is a reflection of a particular historical era. It is a practice that produces consequences and effect that emerge over time. (Stoner, Freeman & Gilbert, 2000)

We define management for the purpose of management information system as the process of planning organizing, staffing, coordinating and controlling the efforts of the members of the organization to achieve common stated goals of the organization. In the process of management a manager uses human skills, material resources, and scientific methods to perform all activities leading to the achievement of goals. (Jawadekar, 2002).

Early in this century, around 1914. The French management theorist Henri Fayol recognized that managers perform five major management functions; First managers Plan what they have to do. Then, they organize to meet the plan. Next, they staff their organization with the necessary resources. With the

resources in place, they direct them to execute the plan. Finally, they control the resources, keeping them on course.

All managers, regardless of their level or functional area, perform these functions to some degree, although perhaps with varying emphasis. Figure-2.1 illustrates how management level can influence the emphasis on the various management functions.

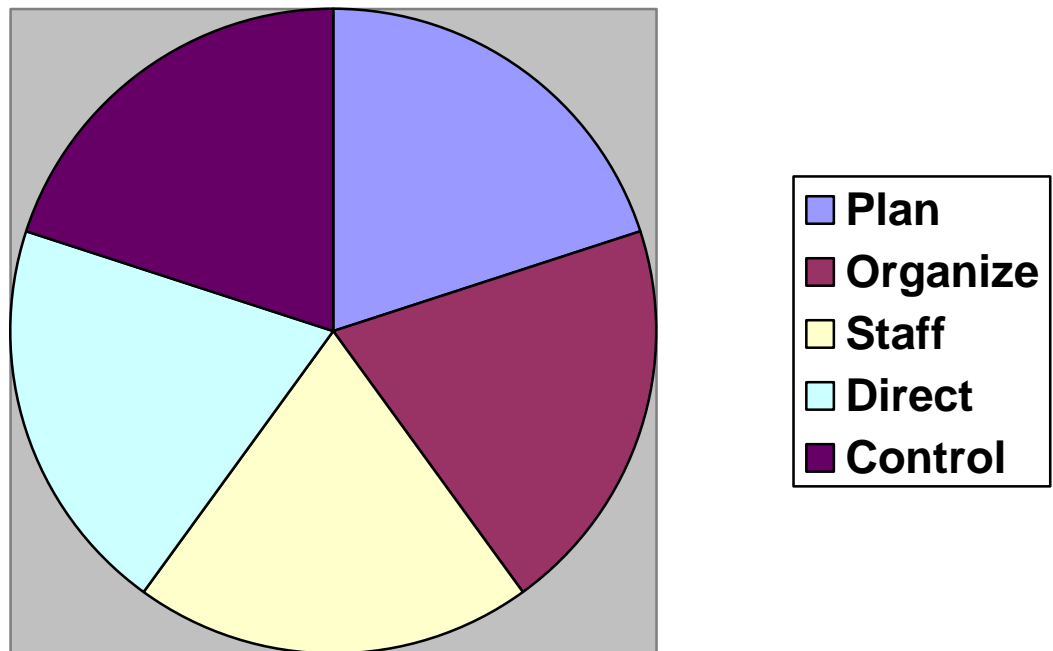


Figure: 2.1 Management level can influence the relative emphasis on the management functions.

Planning

Planning is pre-determined procedure of activities, which will perform in future. It bridges a gap between where we are and where we want to be. It is a

process of determining the goals and objectives and building strategies, policies, programs and procedures for the achievement of stated goals. To achieve these goals, decision-making is most essential as there are a number of alternatives in each of these factors.

According to Robbins "Planning is deciding in advance about what to do, how to do it, when to do it, and who is to do it. It provides the ends to be achieved."

According to Allen "Planning involves the development of forecasts, objectives, policies, program, procedures, schedules and budgets. It is a trap laid to capture the future."

Organizing

Organizing consists of the structure of the people working in the organizations and their roles. It clearly specifies the roles, responsibilities and the authority level-wise. Making of meaningful effective structure of authority and relationship is known as organizing. It is an important step in the managerial process and relates to the people in an enterprise. It deals with a quantitative and a qualitative aspect of manpower in terms of placement, the roles they play and the relations amongst them, with the aim that they work together effectively towards accomplishing the goals, objectives and the targets of the organization. In essence, it deals with organizing the manpower resources for a given plan of execution. Since organizing focuses attention on the structure and process of allocating jobs so that common objectives can be achieved, thus, it is job-oriented.

According to Koontz and Weihrich "Organizing includes identifying and classifying activities, grouping these activities, delegating authority and coordinating authority as well as information relationships."

According to Joseph L. Massie "Organizing is the structure and process by which a cooperative group of human beings allocates its task among its

members, identifies relationships and integrates its activities towards common objectives."

Staffing

Staffing plays a vital role in any organization. It is the process of tracking the right person and placement of right person at the right job at right time. It does not involve selection only but also their appraisal and development so that they perform their designated roles. This function involves activities like defining the requirements with regard to the people for the job to be done, selecting suitable persons for these positions and training and developing them to accomplish their tasks as effectively as possible. Since staffing pertains to the people in the jobs, thus, staffing is worker-oriented.

According to Koontz and Weihrich "Staffing is filling and keeping filled, positions in the organization structure."

Directing

Directing is a complex task of implementing the process of management. Without directing it is impossible to perform tasks for goal achievement. The function of directing has been identified with command by Henry Fayol. However, modern management philosophers are of the view that directing includes:

-) Communication,
-) Motivation, and
-) Leadership.

Directing is important because in order to achieve pre-determined goals and objectives, people manning the organization have to be guided, motivated and led by the manager. It is concerned with interpersonal aspect of managing so it is "management in action".

According to Theo Haiman "Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried out as planned."

According to Ernest Dale "Directing is telling people what to do and seeing that they do it to the best of their ability. It includes making assignments, corresponding procedures, seeing that mistakes are corrected, providing on- the job instructions and of courses, issuing orders."

Coordinating

Coordinating is the function, which brings a harmony and smoothness in the various group activities and individual efforts directed towards the accomplishment of goals.

According to Henry Fayol "Coordination is to harmonize all the activities of a concern so as to facilitate the working and its success."

According to Mooney and Reiley "Coordination is an orderly arrangement of group effort to provide unity of action in pursuit of common purpose."

According to George R. Terry " Coordination is orderly synchronization of efforts to provide the proper amount, timing and direction of execution resulting in harmonious and unified actions to stated objective."

Controlling

Controlling is a process which involves fixing standards for measuring work performance, measurement of actual performance, comparing it with the goals to find out its deviation or not and taking corrective actions. Controlling ensures that activities are being performed as per plan i.e. the right things are done in the right manner and at the right time. Managers control the performance of work by setting performance standards and avoiding deviations from standards.

According to Koontz and Weihrich "Controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished."

According to Inancevich, Donnelly, Gibson "Controlling consists of actions and decisions undertaken to ensure that actual results are consistent with desired results by manager."

2.1.2 Information

Information, the second component in the term Management Information System, is considered as a valuable resource required by the management in order to run a business organization. The word 'information' is used commonly in our day to day working. Information has a precise meaning and it is different from data. The information has a value in decision making while data does not have. Information brings clarity and creates an intelligent human response in mind. It consists of data that have been retrieved, processed, or otherwise used for informative or inference purposes, argument, or as a basis, which assists decision-makers for forecasting or decision-making. It contains an element of surprise value and reduces uncertainty or provokes a manager to initiate an action. Obviously data are raw materials, facts, symbols and are in the form of historical records which have no surprise value, may not be organized so that these are to be processed to obtain the information which are most essential to the decision maker. The relation of data to information is that of raw materials to finished product which are shown below:

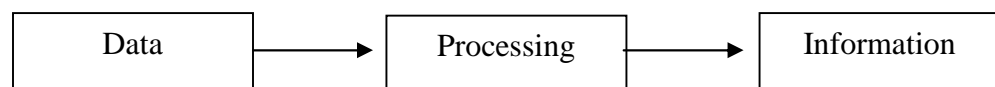


Figure: 2.2: -Relation of Data to Information.

Adams, in his study (1973) of management attitudes toward information system, 75 managers rated quantity and quality improvements as nearly identical in terms of impact on job performance; yet given a choice 90 percent preferred an improvement in quality of information to an increase in quantity.

Davis and Olson (1985) define information as a data that has been processed into a form that is meaningful to the recipient and is of real or perceived value in the current or the prospective actions or decisions of the recipient. Data is defined as groups of non-random symbols in the form to text, images or voice representing quantities, actions and objects.

2.1.3 System

System, the last component in the Management Information System, is most loosely held term in management literature because of its use in different contexts. However, a system may be defined as 'a set of connected things or parts' or 'an assemblage of objects united by some form of regular interaction or interdependences'. A system may be also defined as a set of elements, which is joined together to achieve common objectives. C.W. Churchman defines a system as 'a set of parts co-coordinated to accomplish a set of goals'.

The set of elements for a system may be understood as Input, Process and Output. A system may have single input and multiple outputs or may have multiple inputs and outputs. The set of inputs is processed through a transformation process to convert into outputs. When the outputs are produced then control has been done by management and feedbacks are given. When feedback and control elements are attached to any system to make it self regulating and self monitoring, it is known as a cybernetic system as shown in figure below:

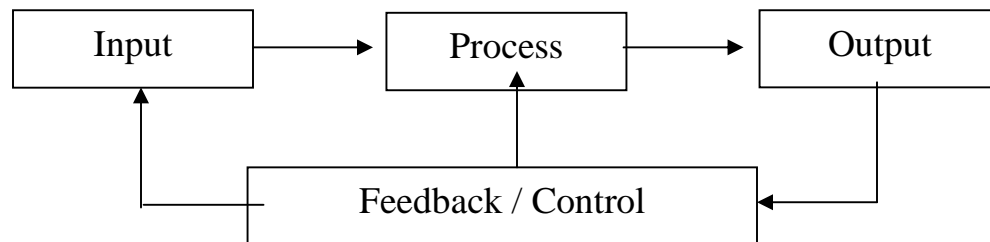


Figure 2.3: - Parts of a System.

Management Information System: Definition

Many studies had been conducted to address the concept, application, problems and prospects of the management information system in the past. However some available literature were reviewed and noted as the relevant context of the study have been briefly discussed following.

The Management Information System is an integrated man machine system than provides information to support planning and control functions of manager in an organization. It collects, maintains, correlates and selectively displays information in the proper time frame consistently to meet the specific requirement various level of management in order to take decisions and actions to fulfill the organizational objectives.

Jawadekar, defines MIS as "a system which provides information support for decision making in the organization. It is an integrated system of man and machine for providing the information to support the operations, the management and the decision making function in the organization". He also defines MIS as a system based on the database of the organization evolved for the purpose of providing information to the people in the organization and as Computer Based Information System.

An organization has transactions that must be processed in order to carry out its day to day activities. The payroll must be prepared sales and payments on account must be posted these and others are data processing activities and might be termed clerical in nature. They follow rather standard procedures. The computer is useful for these clerical data processing tasks. But management information system performs other tasks as well and is more than a data processing system. It is an information processing system applying the power of the computer to provide information for management and decision making. It is viewed as an integrated, man machine system for providing information to support the operations, management and decision making functions in an organization. (Davis, 1974)

MIS is concerned with providing management with useful information to take effective action in planning, organizing, directing and controlling the resources used in the general conduct of a business enterprise. It is useful in providing managerial information in the necessary time frame to make effective decisions. This definition stresses the idealistic role of the information system in decision –making and implementation of such decision. Jawadekar further stated that from a more positive viewpoint, the main impact of management information system has been on structured tasks and reports where standard operating procedures, decision rules and information flows are predefined. The main payoff from MIS has been on improving operational efficiency by reducing costs, turnaround time and so forth, as well as replacing clerical personnel (Theriuf, 1982).

Gupta & Sharma (1997) defines MIS as the combination of human and computer based resources that result in the collection, storage, retrieval, communication and use of data for efficient management operations and for business planning and it is defined as the Computer Based Information System.

Management information system can be taught of as a computer based information system, which is oriented to provide support to tactical and operational issues. In short management system summarizes the reports generated by transaction processing system to produce various types of non-conventional and exceptional reports. (Janakiraman & Sarukesi, 1999).

2.2 Model of a Computer- Based Information System

Managers make decisions to solve problems, and information is used in making the decisions. Information is presented in both oral and written forms by an information processor. The computer portion of the information processor contains each of the computer-based application areas- Accounting Information System (AIS), MIS, Decision Support System (DSS), the virtual office and knowledge-based systems. We use the term Computer-based Information System (CBIS) describe the five subsystems that utilize the computer. Figure

2.4 shows the model of the CBIS. All of the CBIS subsystems provide information for problem solving.

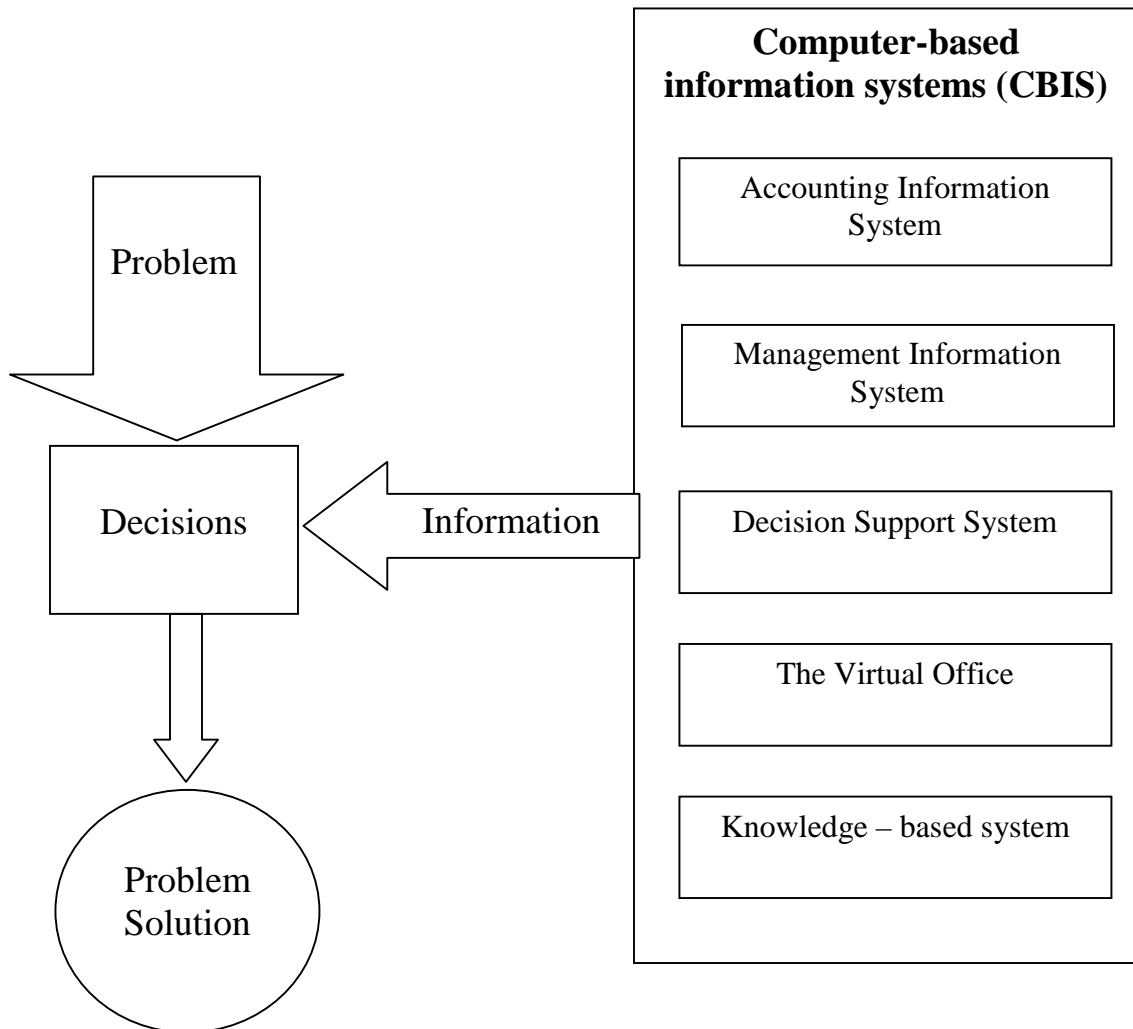


Figure 2.4 A Model showing how the CBIS subsystems are used in problem solving.

2.3 Human Resource Management:

Human Resource (HR) is the backbone of an organization. It is the combination of the elements as man, material and machines with an appropriate application of methods to attain the stated organizational goals. HR is taken as most

valuable assets of the organization. With the absenteeism of the HR, the other means of activities remains idle.

Human Resource Management (HRM) is the one which plays a vital role in an organization by attracting and recruiting the trained, qualified, experienced and energetic personnel and in retaining them in the organization and motivating them to accelerate the company's goodwill. Success of an organization mainly depends on the talent, skill, knowledge, creative and aptitude of the organization's workforce.

Thus, the organization's performance is directly proportional with the quality and quantity of its human resources. In the absenteeism of well experienced, trained, skilled and motivated workforce, an organization will not foster, rather perish.

According to Vincent R. Ceriello, until the 1970, most organizations referred to the departments that handled employee hiring, firing tracking as personnel. These records keeping and reporting procedures concentrated on personnel transactions. Through them, the company learned who had been hired, fired, promoted or transferred. Staff could determine how many full-time, permanents, part-time, temporary employees worked in a particular section, unit, department, division region or company. They could report on the present and to some degree on the past but these procedures did not aid significantly in developing strategic or tactical plans.

While describing the function of management, we pointed staffing and coordinating which is directly related to human resource. The essence of the concept of human resource management is that people working in the organization are viewed as a valuable resource. They should be managed to increase the productivity and to compete in the market.

People possessing energy and physical strength alone are not human resources. People become human resources only when they also acquire competencies, such as knowledge, skills, attitudes, experiences and potential for growth. Human resources are people who are ready, willing and able to contribute to organization goals.

Pant (1993)

The term HRM is the improved version of the older personnel management. Personnel management is concerned with personnel functions such as recruitment and selection, reward, appraisal, development, human relations, grievance and discipline, retirement, resignation, redundancy and dismissal. HRM lays special emphasis on the importance of the integration of these personnel functions into the overall strategic management of the organization. This involves the integration of HR outcomes as top quality recruits, appropriate compensation, effective training and development with business strategy as a chosen way of competing in the market place.

Adhikari(2005)

"HRM can be defined as a process concerned with the management of human energies and competencies to ensure competent and committed workforce to achieve organizational goals in a changing environment."

Agrawal(2001)

"Human resource management involves all management decisions and actions that affect the nature of relationship between the organization and employees-its human resource."

Beer et al., 1984, p.4

" Personnel and human resource management is the recognition of the importance of an organization's workforce as vital human resources contributing to the goals of the organization and the utilization of several functions and activities to ensure that they are used effectively and fairly for the benefit of the individual, the organization and society."

Schuler, 1984, p.7

Human resource management (HRM) is concerned with the "people" dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives."

2.3.1 Conceptual Framework of Human Resource Information System

The challenges often facing by the management today is concerned with the adaptation of advanced development of Technology and competitors. Besides these, the acute challenge in the management is managing the "human resource" on which the success or failure of whole management depends upon. Human nature is the one, which changes with respect to time and is difficult to understand the nature of human beings, which may create serious problem in business activities. The way tracking human nature is possible only through Human Resource Information System (HRIS). It is the system, which gathers the data related with personnel and track the right person in right time and placed at right place.

At the time of 1950's, all larger firms have adopted the computerized calculation system basically related with payment of employees called payroll system. This system is designed to handle and provide all the information relating to the processing of an employee payroll.

Human Resource Information Systems

Mostly larger organizations have a human resources function that handles much of the specialized processing concerning the firm's personnel. The conceptual system that is used in managing the personnel is called the human resource information system or HRIS.

Top management today places emphasis on the HRIS. Government legislation, aimed at ensuring equality in firm's personnel practices, requires top

management to give the HRIS the attention that it deserves enjoying its new status. The HRIS has begun to migrate from IS to HR and in the process it takes advantage of microcomputer technology.

HRIS conforms to the same basic format as the other functional information systems. The AIS provides personnel data of a financial nature, the human resources research subsystem conducts special research projects to gather new data, and the human resources intelligence subsystem gathers personnel-related data and information from the environment.

HRIS database complements the personnel data with data describing both organizations and individuals in the firm's environment that influences the personnel flow. Although much of the HRIS processing in large firms has been downloaded from the mainframes in IS to HR, the HRIS database is still largely contained within the central computers. The six output subsystems trace the flow of personnel through the firm. Many of the applications contained within each of these subsystems which have been implemented by a large number of firms but some are still in the process of development.

HRIS has come a long way in past decade and many executives. Now it is regarded as being just as valuable as other functional information systems. However, there is still room for growth as the HRIS tackles some of the most difficult management problems.

Human resource information system is a system that supports planning, control, coordination, administration and management of human resources of organizations. It also includes a large number of subsystems that addresses the information needs of various human resource functions. They provide managers with information, policies and procedures concerning recruiting, layoffs, employee evaluation, promotion, termination, transfer, salary equity monitoring, training, job descriptions and responsibilities.

Since HRIS also facilitates vital information on matters such as payroll, central and state taxes, health benefits, child care, grievance procedures and other personal information that affects the employees' personal and professional lives, it is imperative that these systems are highly responsive to employee needs. The HRIS is derived from the strategic business plan, the strategic human resources plan and strategic information plans as shown below.

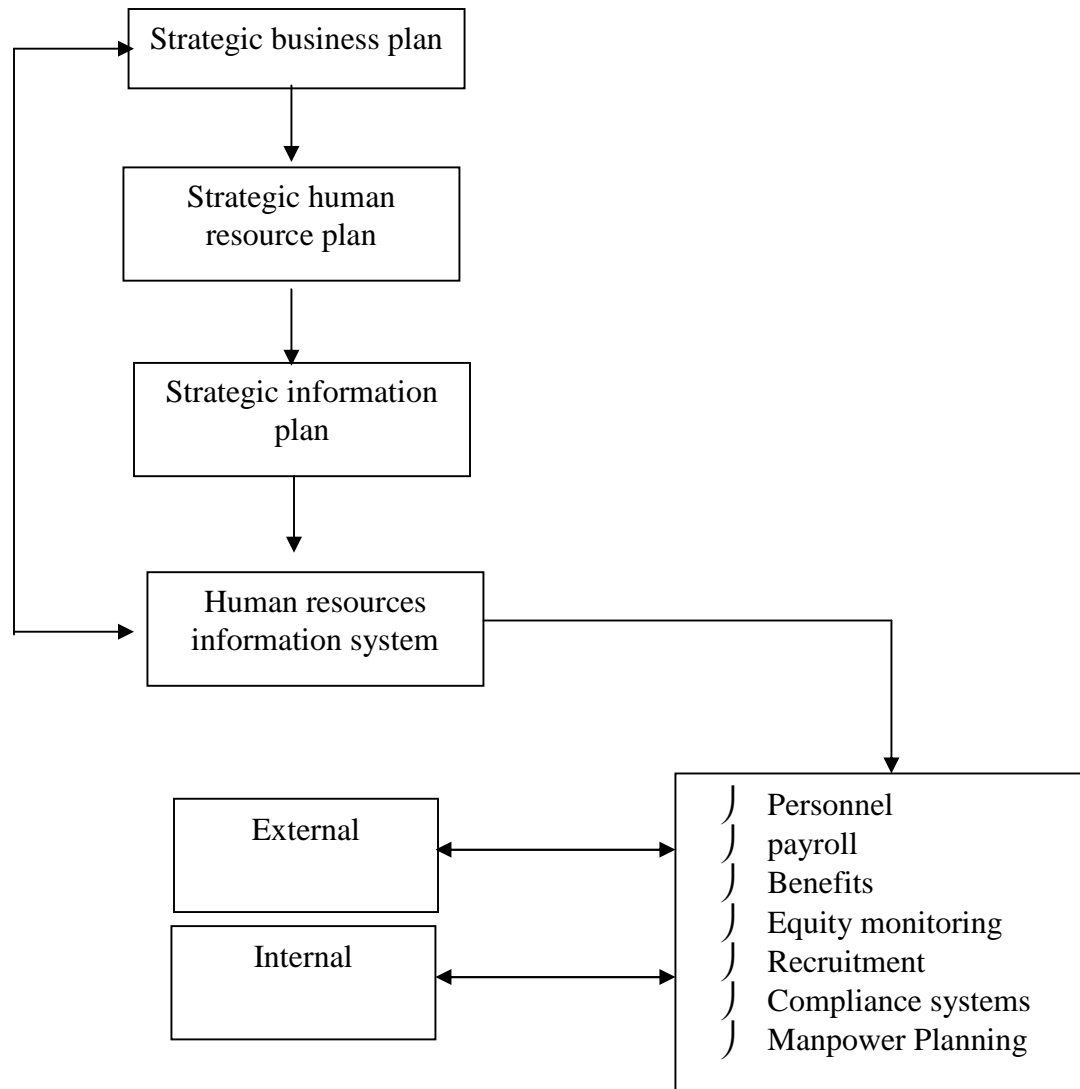


Figure 2.5: Derivation of HRIS from the strategic business plan, the strategic human resources plan and the strategic information plans.

Some subsystems within the HRIS are personnel data, payroll, benefits, administration, equity monitoring, processing job application, monitoring position, training and development, safety, employee compensation, union negotiations and collective bargaining. The core of the HRIS is a database that contains detail of personal and professional information about each employee in the organization. Personal data include name, age, gender, address, and social security number; professional data include education level, job title, job description, department code, years of employment, number of promotions, performance evaluations and so on. All other human resource subsystems are derived their information from this core database.

An important subsystem of the HRIS is the compliance system, which closely tracks and monitors the organizations record of compliance with government laws and regulations, such as affirmative action, equal employment opportunities and others. In the last two decades, the amount of regulatory paperwork has increased manifold and organizations are actively looking for ways to cut down the time and money which they spend on these activities. One way to achieve this objective is through compliance subsystems.

Another vital HRIS subsystem manages records and generates information regarding recruitment, transfer, promotion, layoff and termination of employees. Often, when any of the above situations occur, a large amount of information is generated and the organization needs a system that processes it. As the number of lawsuits for improper hiring, promotion and firing policies increases, accurate and timely record keeping becomes even more important.

Other subsystems of the HRIS include systems that develop and maintain job titles and job descriptions for all jobs in the firm, compensation and benefits information systems and manpower planning systems. A performance appraisal system that provides employees with real-time information or corporate performance measurement, thus making continuous performance improvement a way of corporate life rather than an annual chore, is another important

subsystem in the HRIS. Per testing compensation Policies, ensuring that employees meet certification requirements, identifying problem areas in employee turnover, and providing training and employee empowerment programs are some other functions of the HRIS.

2.4 Review of related studies

Shrestha, 1985 entitled "Information System and its Management in Nepal." In her article, she tries to discuss about the managerial areas in which information supports better decision making, the types of information used in various managerial levels according to hierarchy and their integration, the criteria on which to base the type and volume of information to be gathered, and the information processing in manual vs. computer. She has outlined the problems in Nepalese organizations regarding information by following ways.

Some of the problems generally seen in Nepalese organizations regarding information collection are that

- a. Sometimes data processed in some section are not used at all, thus, leading to wastage of everything involved in it.
- b. Similar types of data are processed in more than one sections in the same organization, thus, causing unnecessary duplicate or work.
- c. Some necessary data are not collected due to some limitations.

According to her conclusion, integration among the hierarchical level information is needed for the minimization of overall expenditure of the organization. The chain of information should be one to one and some one should use all information processed.

In 1990 and 1991, a study was conducted by the Association of Human Resource Professionals (HRSP) and the findings from that study shed considerable light on the "current status of the HRIS". HRSP is an international organization of over 3,000 members, who represent over 2,000 organizations in all fifty states in U.S., Canada and many other countries. Most of the HRSP members are assigned to their firm's HRIS units, but some work in other areas.

A wide variety of industries were represented in the study and there was also wide variation in terms of the firms scope of operations. More than one third of the 513 firms that responded to the survey (35.5 percent) are multinational. At the other extreme, 11.3 percent operate in only single metropolitan areas.

Approximately 10 percent of the HRSP firms reported that they had no formal HRIS units but for those that did, it could be located in various places. Most of the units (73.5 percent) resided in HR but some (8.4 percent) were a part of information services, some (1.8 percent) were found in the payroll section of the accounting department and some (4.9 percent) were located outside the firm in such places as service organizations and outsiders.

The number of full-time HRIS employees ranged form 0 to 260. On an average, there were 5.87 programmer analysts, 4.28 data entry operators, 4.20 systems analysis and various other management and support personnel.

The study (Maharjan 2004) entitled, Human Resource Information System in Buddha Airways, find that,

- The model use is Human Resource Department is personnel and payroll model. Besides these models, Human Resource Department mostly hires experts for effective decision-making. The decisions are basically related with recruitment, selection, placement and manpower planning.

- Manpower planning is not able (in Buddha Air) managers from various department recommend the required manpower includes the details of manpower needed through employee's information system.
- The decisions taken in all the activities are of structured type.

The study (Kayastha 2005) entitled" Human Resource Information System in NB Bank Ltd." shows that,

- Turnover of human resources in NB Bank is very high. However the management is more focusing in training & development.
- There is no provision of feedback to entire employees about their performance. Without feedback process, performance evaluation won't be completed and also it's useless.

The study (Baral 2005) entitled" Human Resource information System in Nepal Investment Bank Ltd." finds that,

- Information system in this bank are based on traditional paper based information and manually filing system.
- Bank has its department, but there is no system of collection, gathering, analyzing and processing information as per the different department need.
- Computers are used in each department but the system was not fully computerized

- Information do not flow systematically due to absence of network based computerized information system to co-ordinate and communicate different division and units.

CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Introduction of Research Methodology

Research in common word refers to a search for knowledge. Research methodology is mostly being designed to study of the fact & figure for the better understanding, explanation, prediction, control, reliability and validity. It refers to the various sequential steps to be adopted by a researcher in studying a problem with certain objects in view. The working knowledge of research methodology is a must for both the thesis writing and for the better understanding of the subject. In order to achieve the objectives of the study, the following research methodology is followed which includes research design, source and nature of data & information and analysis tools and techniques used for analysis.

3.2 Research Design

Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance (Kerlinger, 1986). In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collation, measurement, and analysis of data (Kothari, 1995). It is purposeful scheme of action proposed to be carried out in a sequence during the process of research focusing on the management problem to be taken (Michael, 2000). The basic aim of this study is to examine the human resource system of Everest Bank, its effectiveness in decision making and other areas and to provide suggestion for betterment of information system in Everest Bank. Being a case study, this research is mainly based on the primary data and information, which are obtained from observation and other sources. Unstructured interview with

personal of the bank, are done and banking activities are observed for the study. The study has attempted to give a picture of HRIS in Everest Bank.

3.3 NATURE AND SOURCES OF DATA AND INFORMATION

As the nature of research is case study, it is based on the primary data and secondary data. The primary data's are collected through observation, informal interview, unstructured questionnaire, etc. and the secondary data have been collected through various sources i.e. bank profile, business magazines, library, web sites, journals, etc.

Data Collection Techniques:-

Following two methods has collected data and information.

- i) Primary data and information
- ii) Secondary data and information

1) Primary data and information: -

While collecting primary data and information the different methods has been taken into consideration. They were: -

- a) Observation Method: Observation method is more direct way to gather information from the particular field, area and event. It is one of the best ways for researcher to get the real information. By following this method the researcher has frequently visited the organization, observed different department, concentration has been made system department, observed different divisions and units of the system department, existing system, procedures, technology employed in communication department.
- b) Questionnaire Method: - During the course of research study Structure and unstructured questionnaire schedule has been designed as per the

requirements of the research study. The list of questionnaire and their types are attached in the APPENDIX-I of the research study. The list of the questionnaire has been distributed to the officer level of HR department to receive information of existing system.

2) Secondary data and Information: -

Secondary data are actually the results and data collected by previous study. It provides the researcher with a considerable amount of useful information.

With reference to research study the different secondary information has been collected from different sources. The different sources are: - Information and records kept by department/divisions, Journals of Everest bank, profiles, Bank's Operating plans and budgets, Business Magazines, Banks Magazines, Bank's Official Web Site, Library of central department of management, etc.

3.4 Analysis Tools and Techniques Used

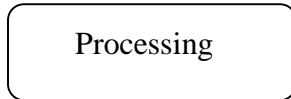
With reference to research methodology, researcher to Present and Analyzed Existing Information System has used different tools and techniques.

Context Data Flow Diagram Symbols

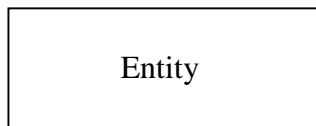
A context data flow diagram (DeMarco, 1978) defines the scope and boundary for the system and project. Because the scope of any project is always subject to change, the context diagram is also subject to constant change. A synonym is environmental model (Yourdon, 1990).

SYMBOLS

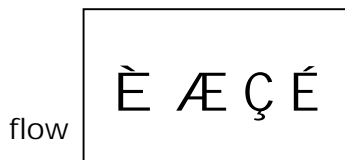
REPRESENTS



A group of program instruction which perform a processing function of the program.



The entity means the name of the objects and it becomes the unique.



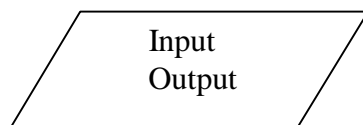
Flow Direction: The direction of processing or data

Flowchart Symbols

The process flowchart has been utilized since the early 1900s to portray physical flow of material and products. Each symbol represents an activity or a delay in the flow.

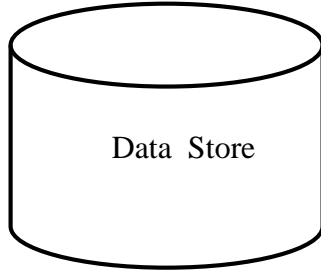
SYMBOLS

REPRESENTS

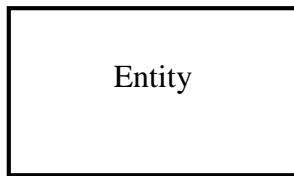


Any function of an input/output device (making information available for processing, recording,

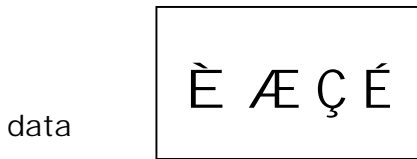
processing information, tape positing, etc.



The collection/gathering of information is said to be data store.



The entity means the name of the objects and it becomes the unique.



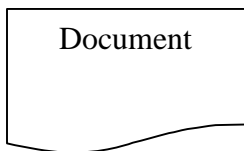
Flow Direction: The direction of processing or flow.

Data Flow Diagram Symbols

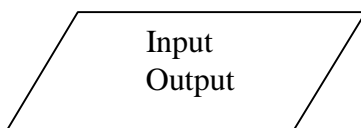
Data flow diagram that depicts the existing and /or proposed process in a system along with their inputs, outputs, and files.

SYMBOL

REPRESENTS

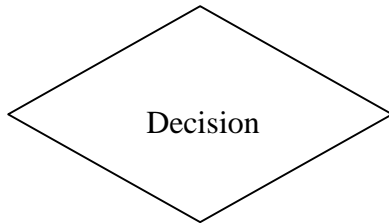


A group of program instruction, which perform a processing function of the program.

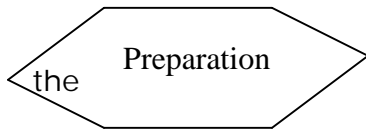


processing

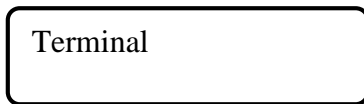
Any function of an input/output device (making information available for processing, recording, information, tape positing, etc.



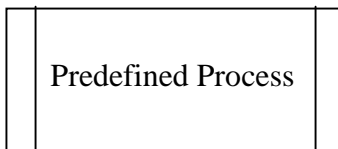
The decision function used to document points in the Program where a branch to alternate paths is possible based upon variable conditions..



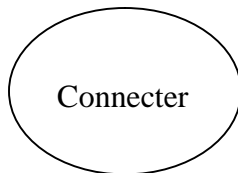
An instruction or group of instructions, which changes the program.



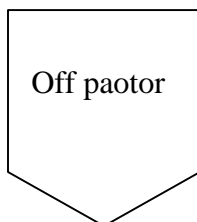
The beginning, end, or a point of interruption in a program.



A group of operations not detailed in the particular set of flowcharts.



An entry from, or an exit to, another part of the program flowchart.



A connector used instead of the connector symbol to designate entry to or exit from a page.



Flow Direction: The direction of processing or data

CHAPTER FOUR
ANALYSIS AND PRESENTATION

4.1 General Background:

HRM is concerned with people dimension in organizations. People as human resources are vital for achieving organizational goals. In this chapter, focus is on the information system in HR department of Everest Bank Limited (EBL). HR department is responsible for recruitment, assessment, selection, placement, training and development, performance evaluation, compensation, employee welfare, promotion etc and providing top management with information for strategic planning.

Board composition of EBL:

The EBL board consists of eight person, among them one president and seven members including two members nominated from PNB; two members elected from general shareholders.

Table 4.1 Human Resource Status of EBL

S.No.	Description	2011
1	Executive Level Staff	4
2	Chief manager	6
3	Senior Manager	3
4	Manager/ Deputy Manager	28
5	Asst. Manager	29
6	Officer	61
7	Trainee Assistant	35

8	Supervisor	51
9	Senior Assistant	76
10	Junior Assistant	79
11	Assistant Level	128
12	Record Keeper	19
13	Maintaining and Utility Staff	42
14	Contractual Staff	20
15	Driver	18
16	Junior Driver	4
17	Sweeper	7
	Total	610

Source: HR Department of EBL,2011

4.2 Analysis of HR planning system:

Existing system of HR model:

EBL is one of the best commercial bank in Nepal. It has its own Human Resource Department, which conducts different activities by using HR functions in order to attain its goal. The existing HR model of EBL is shows in figure 4.1

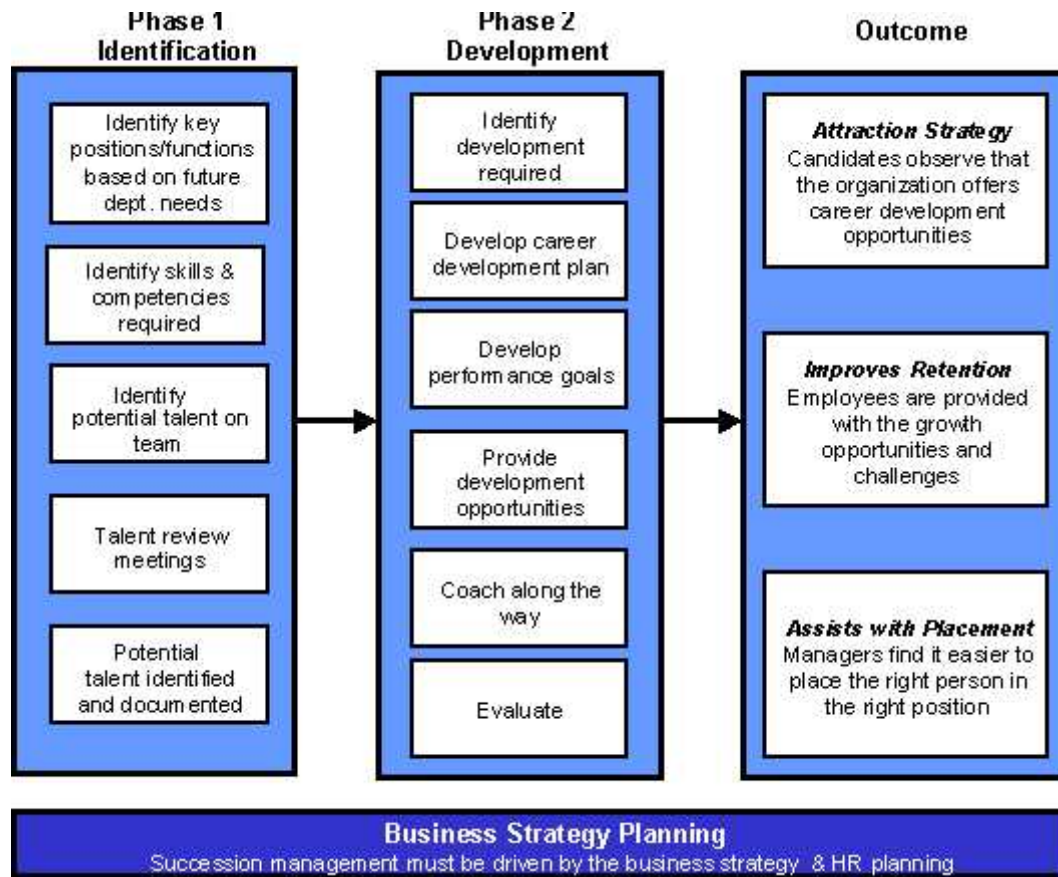


Fig 4.1 An Existing system of HR Model in EBL

Source: HR Department of EBL, 2011

EBL generally identifies the potential talent of any employee and develops the requirements according to the talent in the path of organizational goals and objectives, so that the employee fits perfectly in the job and provides the maximum output to the organization.

Role of HR planning:

"Planning is knowing where to go and how to get there. Human resource planning in the starting point of Human resource management." (Agrawal, 2000, p29)

HR planning is the process of predetermining future human resource needs and closing courses of actions needed to satisfy their needs to achieve organizations objectives as well as strategy. Human resources planning provide the

opportunity for longer thinking and development of appropriate strategies. HR planning is concerned with:

- The size and composition of future workforce.
- The right number of employees needed with right skills and competencies.
- The training and development plans to meet skill manpower.
- The acquisition functions of HRM.
- The financial control.

It is vital for an organization to develop a clear understanding of the present situation, consider key future issues and manage two interchange between these two. The vast majority of organization improvements come when the right people with the right knowledge, skills and behaviors are deployed appropriately throughout the structure. HR planning has been functioning different levels in different organizations. Sometimes this function includes only operational planning such as projecting changes in population size or planning for new facilities staffing. If human resource planning is strategically oriented, other human resources functions may use simple spreadsheets and forecasting software to do their own operational forecasting and planning, consulting with human resources planning staff for guidance as needed.

Role of Information in HR Planning:

Human resource planning requires quality information in adequate quantity. Information is a resource for managers enabling them to establish objectives for the use of HR and to measure the effectiveness of this resource with predetermined objectives. Without information it would be really difficult to link HR strategy and practice with the corporate objectives, which are totally

influenced by the environmental forces external to the organization. The information can be retrieved as and when needed.

- J Succession planning and replacement planning: Succession and replacement planning are processes of the development of HR for assuming future responsibility. It is essential to ensure the continuation of the organization and the transfer of knowledge. In order to minimize the risk to the organization, it is important to identify and track key individuals, potential replacements and their training requirements, employee population demographics, work force trends and skill availability etc.
- J Human Resources forecasts pace: In the organization, it is essential to make timely forecasts of HR demand and supply. The information regarding the probable future composition of the society's workforce is essential for predicting HR requirements of different wage, occupation. Various statistical, mathematical, econometric tools & market analysis is required to forecast.
- J To determine current and probable productivity of labor: Information is used to measure performance for evaluating the productivity of specific programs, office or positions. In this context, some related measures, for example, absenteeism and turnover projections, are ultimately important in determining current and future needs.
- J To examine and project organizational structure: Information is also useful for examining the current and probable structure of the organization. Organizational complexity is increasing with rapid changes in the information sources and with the increasing environmental influences. Information is used to examine the current structure together with manpower needs to fit in the structure.

Adopting a more strategic and systematic approach to HR Planning may entail additional costs such as upgrading to a modern human resource information system and additional management time. These should be built into the project

plan and shown against anticipated benefits and costs savings. HR Planning provides a context for decision making rather than predicting the future. The HR Planning process provides a longer-term context within which more effective short-term employment decisions can be made.

The process of HR Planning involves

- i) Answering correct human resources
- ii) Demand forecasting
- iii) Supply forecasting
- iv) Matching demand and supply.
- v) Action plans

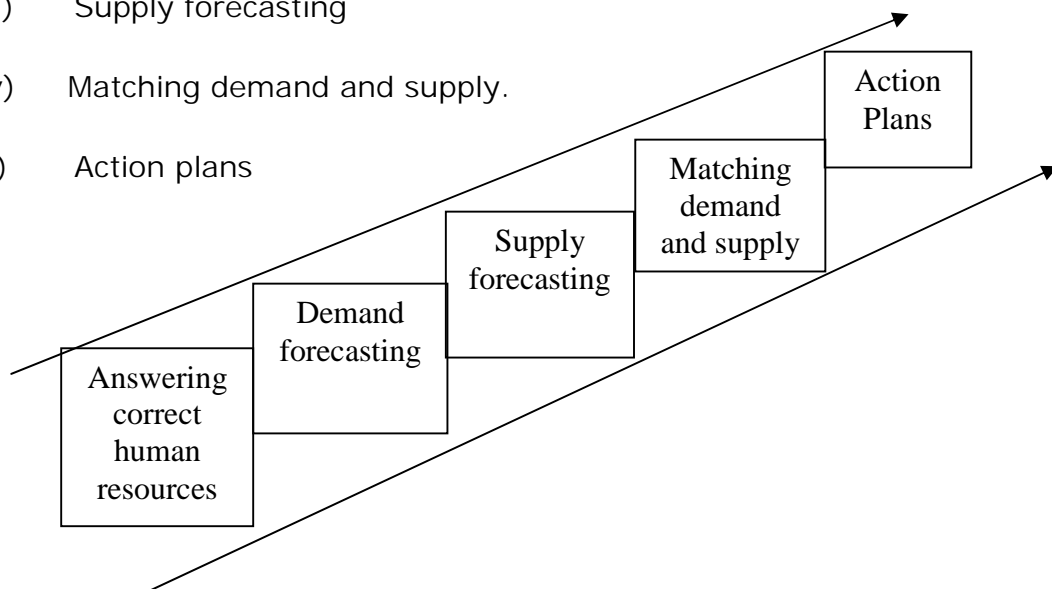


Fig: - 4.2 stepwise HR Planning Process

Of these steps, involving computer-data collection, forecasting and programme monitoring as well as primarily human processes are made with little or no mechanical contribution. These steps must take place in a particular order. The HR Planning function can know what data to collect only if it understands top management's strategic and tactical plans for the organization. Forecasting may be very simple, using only one or two variables or it may require a large body of data. HR objectives and action plans follow analyses that deal with business

challenges and opportunities. Responsive planning requires comparing forecasts with actual experience, to refine the techniques used to project images of the future. The Institute of Employment Studies (IES) has developed a helpful HR planning model to illustrate an HR Planning system, outlined in the diagram below.

Suggested System for HR Planning

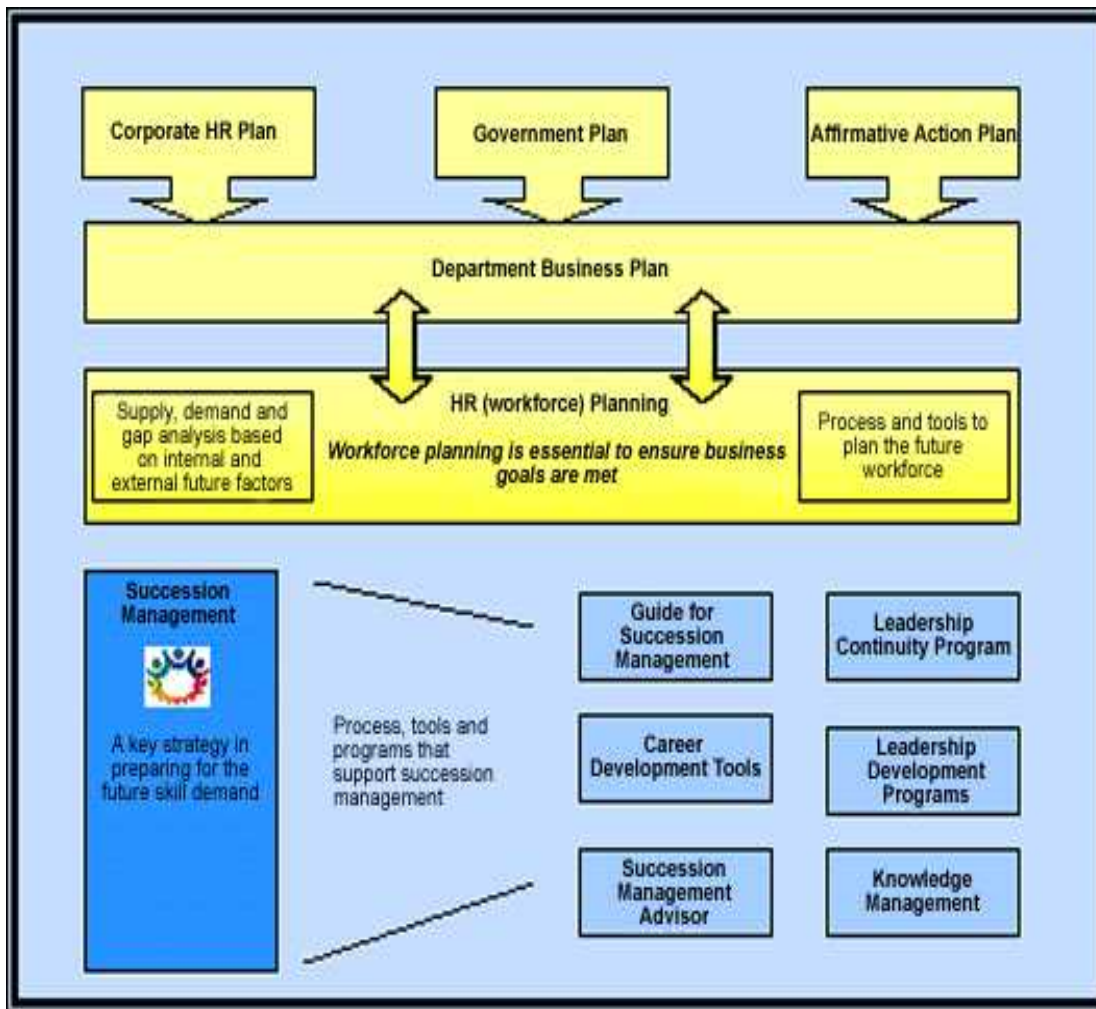


Fig 4.3 Suggested HR Planning model

Different organization uses different types of HR planning techniques and implements different types of model. One of them could be represented as above. Here, one can determine the key factors for planning the HR system for

any organization and plan according to the factors that highly influence the organizational goals and objectives.

4.3 Recruitment and Selection:

Recruitment is the process of searching qualified candidates for a vacant position where as selection is the final stage of the recruitment process which focuses on the right person in the right job.

Recruitment of employee is one of the most critical and dynamic functions. Those appointed will influence the future of the organization. It is the process of finding right people for right positions at the right time recognizing the fact that good employees make organizations work effectively and poor ones restrict an organization's success. The purpose of recruitment is to have an inventory of eligible persons from amongst which proper selection of the most suitable person can be made. Similarly, selection is stated as process of examining the application with regard to their suitability for the given job and choosing the best from the suitable candidates.

Factors Affecting Recruitment and Selection

Recruitment and selection process depends on many variables. It is the crucial process so it is affected by various factors, they are:

-) Size of the organization
-) Employee turnover
-) Organizational growth
-) Image of organization
-) Nature of the job
-) Organizational policies
-) Government and union restrictions
-) Costs/incentives of recruitment

Role of Recruitment and Selection System

The operation of the employment function directly affects the rest of the organization. To the extent that employment does its job well, the rest of the organization has the best possible people with whom to work. Some of the facts show that recruitment and selection system can help productivity in comparison to manual tracking:

- J Save money: the system searches are more efficient than file searches, systematic computerized letter writing is more efficient than manual creation, and automatic data sorting and calculations are more efficient than manual process.
- J Foster more efficient, productive recruiting: with systematic data, recruiters can analyze past performance to determine the location and media strategies that produce the greatest number of applicants who are offered and accept position that become successful employees.
- J Coordinate placement activities of recruiters working on the same or overlapping projects: Employment may have several recruiters working to fill related positions, particularly if an organization is looking for a significant number of new employees simultaneously like new branch expansion.
- J Screen applications faster and more consistently: a series of selection algorithms can perform screening that would otherwise require additional employee resources. Moreover, when a new position opens, the system and screen applications already on file. If this screening yields a sufficient number of qualified applicants, recruiter may save the time and expenses of placing advertisement and engaging in other external recruiting activities.
- J Contribute to faster, more appropriate hiring decisions: other department may experience heightened productivity because they have

the correct new staff in needed positions with less elapsed time between opening the requisition and filling the position.

- J Create more complete, consistent and professional-looking communications with applicants and new hires
- J Keep job-posting lists current: thus fostering the good will of employees and HR staff. Maintaining an accurate list also increases the number of applications for closed positions or from unqualified individuals.

Provide self monitoring and evaluation process for employment functions: Using this system, HR can track and analyze performance by individual, time period, elapsed time, process used, or other criteria. Such information can help HR staff and management build a professional effective service department.

Existing System of Recruitment and Selection

Recruitment and selection are different processes, which are interlinked. Recruitment refers to the process through which a candidate passes through and selection is the decision to enroll him in the organization.

In Everest Bank Limited, recruitment is not so sophisticated. Simply, the candidate is interviewed and tested for his ability to perform the job to be assigned. Depending upon the response and looking upon his talent to do the job, the bank queries on different topics that includes his expertise area, the requirement of the job and the motive to get the organizational goal. The answers and the abilities are categorized under different topics through which he can be divided into weak, able, strong or most convincing person for the job.

If a person is found to be able or more than that, then he is selected. First he is introduced to his work, and then he is assigned the job.

A Model of Recruitment and Selection

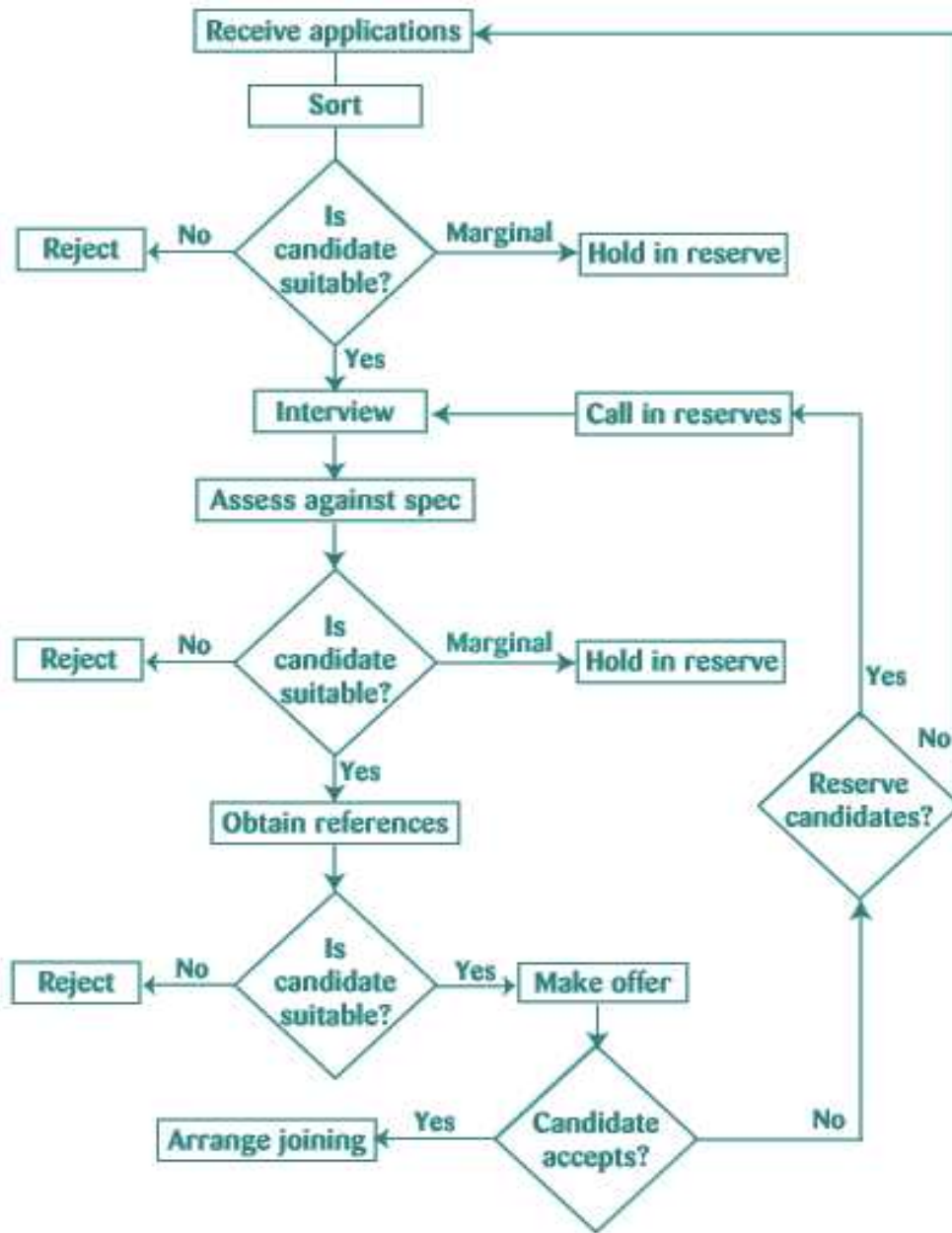


Fig. 4.4 Recruitment and Selection of Everest Bank Limited

Source: Human Resource Department of EBL, 2011

These steps start from receiving applications, sorting them and finding whether the candidate is suitable or not. If he is found not, then he is rejected; otherwise he is subjected to interview. He is assessed against given specifications. Again

he is checked for the suitability, if not, he is rejected here. And if he is marginal, then he is hold in reserve. If he is suitable enough, then the system obtain his references and queried about his information. If at this moment, he is found unsuitable, then he is rejected, otherwise he is offered to join. If he accepts the offer, then the organization arranges for his joining, if not, he is placed in reserve list for the future purpose. When needed in future, he can be called for interview.

4.4 Job analysis and Design System:

After the HR planning, job of different levels are analyzed. In this phase, workload and job specifications are analyzed and the required basic skills of the job are indicated, like communication chat and skill, operating computer and soon. During the view raiment process, at vacancy announcement period, this job specification is noted as basis criteria. In the selection period, the first screening is done by matching their basic criteria.

After recruitment and selection process, job analysis is the basis of most human resources diaries related, selection, training, performance etc. In particular, this is the start of determining successful performance in the organization

Existing System

In Everest Bank Limited, the Board of Directors, HRM and concerned department head do the job analysis and job specification. The head of the department collects information for preparing the job description from various sources liked existing employees, skill and performance of new employee; sub ordinate staffs, other department heads, and job description of other organizations. The head of department prepares the job description as a draft, which is forwarded to concerned manager or HR department for approval, after collecting the necessary information. After approval of job description, head of department or branch manager will provide job description to new employees

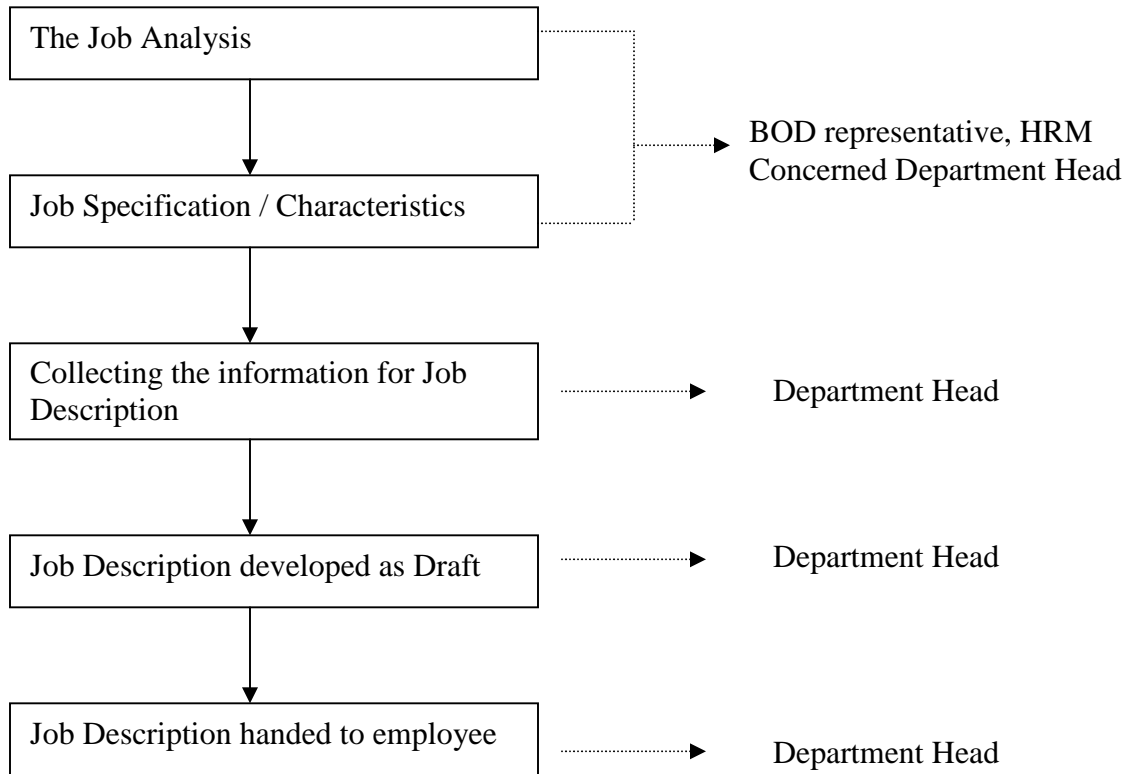


Fig 4.5. Existing System for Job Analysis

Information Required for Job Analysis

-) Actual work activities
-) Tools, equipment, and other work aids needed
-) Job context
-) Personal characteristics
-) Behavior requirements

) Performance standards

Information for Job description

Information for such job description can be collected from various methods

) Observation

) Interviewing

) Questionnaires

) Critical Incidents

) Technical conference method

) Diaries

Combinations of these methods are frequently used, depending on the situation and the organization.

Observation:

In observation, a manager, job analyst, or industrial engineer observes the individual performing the job and takes notes to describe the tasks and duties performed. Use of the observation method is limited because many jobs do not have complete and easily observed job cycles. Also, observation may not be as useful for jobs that are 'knowledge work' as it is for ones that are primarily physical work. Furthermore, many managers may not be skilled enough to know what to observe and how to analyze what they see. Thus, observation may be more useful in repetitive jobs and in conjunction with other methods.

Interviewing:

The interview method of gathering information requires that a manager, or HR specialist, visit each job site and talk with the employees performing each job. A structured interview for is used most often to record the information. Frequently, both the employee and the employee's supervisor must be interviewed to obtain a complete understanding of the job. During the job analysis interview, the interviewer must make judgments about the information to be included and its degree of importance. For certain difficult to define jobs, group interviews may be used. The interview method may be time consuming and expensive, especially if the interviewer talks with two or three employees doing the same job. In addition, professional and managerial jobs often are more complicated to analyze and usually require longer interviews. For these reasons, combining interview with one of the other methods is suggested.

Questionnaire:

The questionnaire is widely used method of gathering data on jobs. A survey instrument is developed and given to employees and managers to complete. The typical job questionnaire often includes questions on the areas of duties and percentage of time spent on each, special duties performed less frequently, external and internal contacts, work, coordination and supervisory responsibilities, materials and equipment used, decisions made and discretion exercised, records and reports prepared, knowledge, skills and abilities used, training needed physical activities and characteristics, working conditions.

Sometimes, it is beneficial for the employee and supervisor to complete the questionnaire independently. At least, one employee per job should complete the questionnaire, which is then returned to the supervisor or manager for review before being used in preparing job descriptions.

The major advantage of the questionnaire method is that information on a large number of jobs can be collected inexpensively in a relatively short period of time. However, follow-up observations and discussions often are

necessary to clarify questions arising from inadequately completed questionnaires and to deal with other interpretation problems. The questionnaire method assumes that employees can accurately analyze and communicate information about their jobs. This, however, may not be a valid assumption in many cases.

Technical Conference Method:

Supervisors with extensive knowledge of the job use it. Specific job specifications are obtained from the experts.

Diary method:

It is the most time consuming process and may have to extend over long periods of time, all adding to its costs. In this method, job incumbents record their daily activities.

Suggested System for Job Analysis

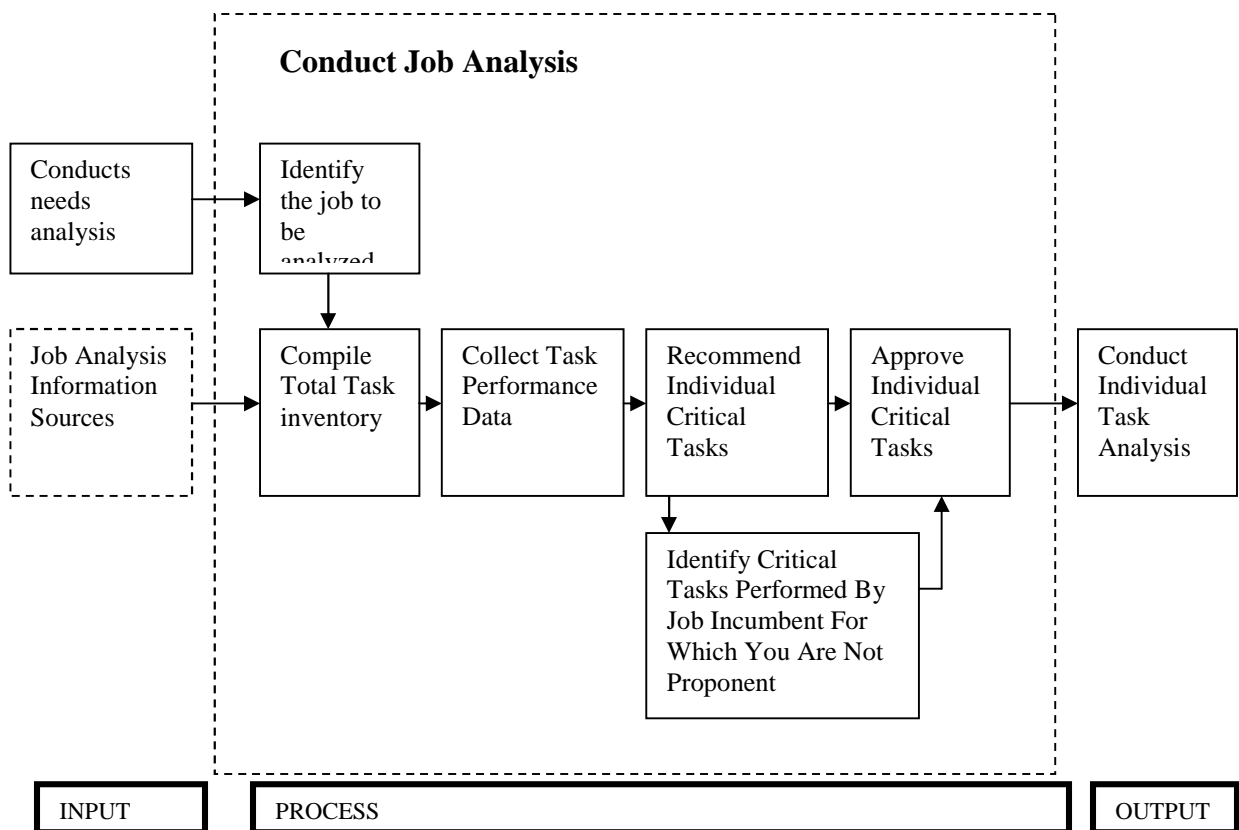


Fig. 4.6 Proposed Job Analysis System for Everest Bank Limited

The EBL is suggested to perform the job analysis as given in the above figure. It takes input as the needs of job analysis and provides output to conduct individual task analysis. It identifies the job to be analyzed and compiles total task inventory. It collects task performance data that further recommends individual critical tasks. After identifying the critical tasks performed by job incumbent for whom you are not proponent, you can approve the individual critical tasks. One can bypass this step to get directly approved.

4.5 Training and Development System:

HR department has full responsibility for the training and development system in Everest Bank Ltd. Basically; there are two types of trainings organized. The first one is for the new staff and is also part of the socialization process. It is orientation training. For this type of training, HR Department arranges the internal resource persons as well as external also. They will take a general banking operation experience test. After the completion of the training, a personal report will be transferred to the "Personal Profile of the Staff" database. Mostly these trainings are developed and designed by the internal bank experts and managed inside the organization.

The second one is external training, which is organized by various training institutes. The training institutes inform the EBL about the training activity which they have organized. HR department circulates that training schedule to all managers, supervisors, and officers. They have full authority and responsibility to select the best (absolute) one candidate. As per the nature of training, they will select the subordinates. The selected employee will be sent for the training. After the completion of the training, HR Department transforms personnel report to "Personal Profile of the Staff"

) Prerequisites

-) Attendance
-) Institution
-) Cost of training per head



Fig. 4.7 Steps Involved in Training Process

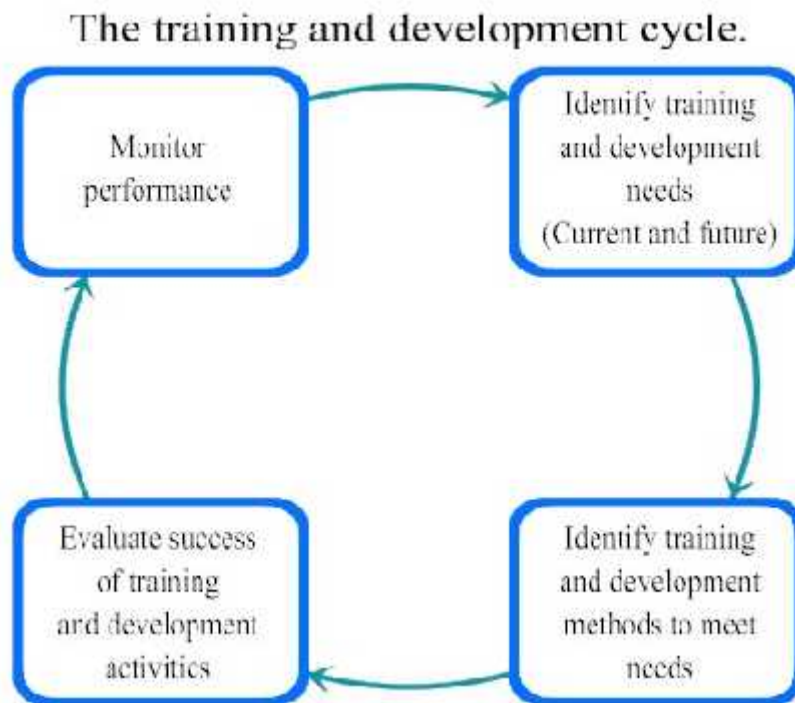


Fig. 4.8 Training and development cycle

Training and Development System Report

Training and development system is the continuous system and also the major system for the service providing organization. As banking is a technical challenged sector, it needs more active, updated, smart and capable human resources that can deal with all types of customers. A proper training and development system should provide appropriate reports to assist management in the planning process. Reports should be developed as follows.

Employee Population Report:

In planning, training staff often use summary reports developed for employment and other functions. For instance, training may need a tally of employees by job grade, job category, or service. These reports would help training and development plan the number and types of course required.

Training Activity Report:

Planners often use reports that summarize training activities. For a particular period, a report may list internal courses, external courses, participants, course hour, training subject, paid time and dates. This kind of report is also useful for budget allocation, tracking and projections.

Application Summary Report:

Training staff may use a report of applications to evaluate the popularity of particular courses and to aid in planning future courses. This report typically lists course name, date and location; number of applicants; eligible applicants; applicants accepted.

Training Administration Report:

Training administration reports, usually the most numerous reports produced by a training and development system, combine data from the employee master

files. These reports can produce flexible programme schedules according to time, day, instructor, location and other variables. These schedules can be used by all level of the staff.

For the effective training and development system, HR Department should have a well-maintained and systematic information system. In the above model, all the training system functions are handled by the HR Department. HR Department will produce employee population report, training activity report, application summary report and training administration report. To prepare these reports, various data and information are required which are available from various sources.

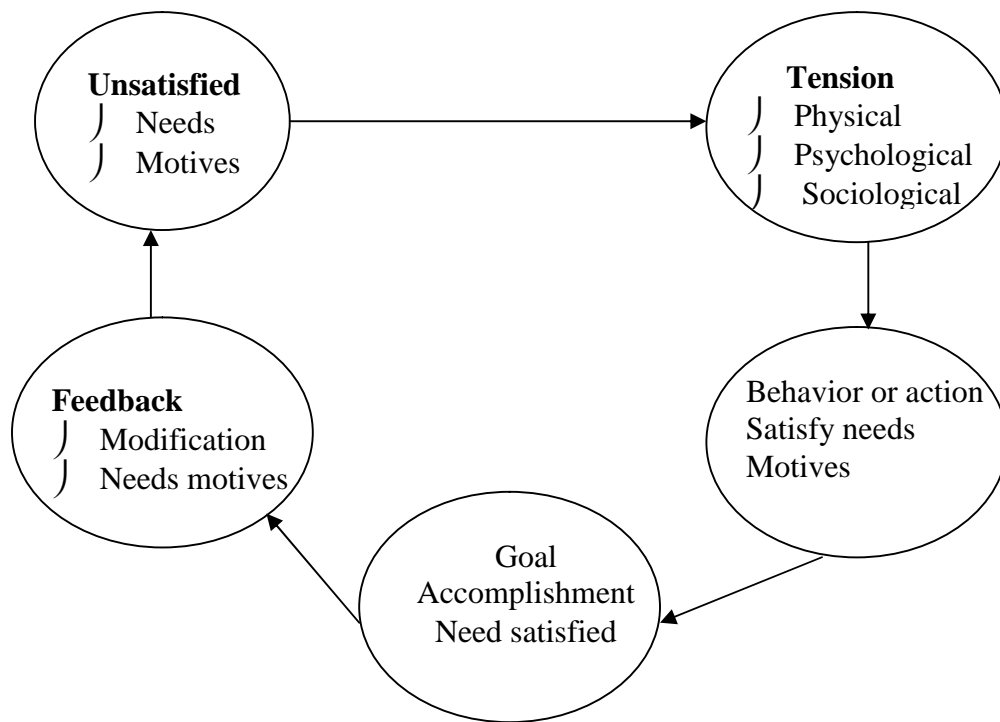


Fig. 4.9 A Model of Motivation

Employees are not always equally work oriented. Due to the various reasons their state of condition changes into dissatisfaction. To reduce the said condition bank regularly maintains motivational activities.

Existing Training and Development System

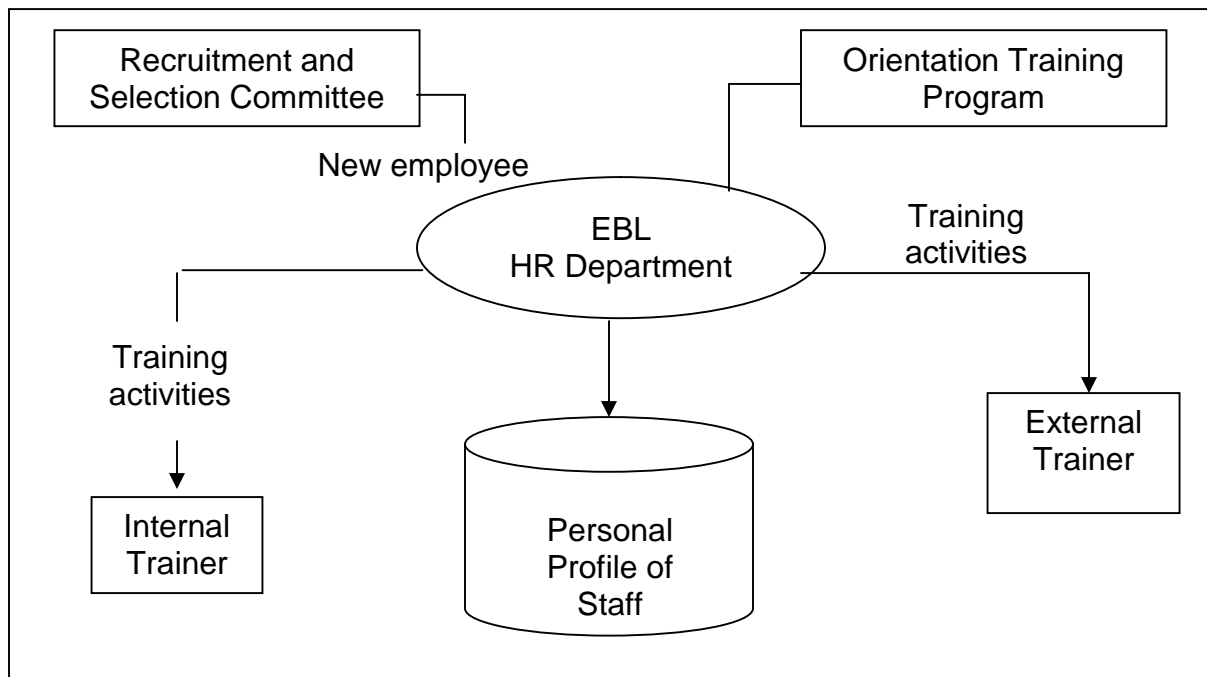


Fig. 4.10 Existing Training and Development System of EBL for new employees

The Recruitment and Selection Committee selects new employee and sends to the EBL HR Department. An orientation program is given to him to know about the staff and to know about the working environment. Several training could be given by internal and external trainers. Generally, the day-to-day works are trained by internal trainer while the special attention or tasks are trained by external ones. A database is there to store the personal profile of the staff, which when required can access about the employee information.

For the old employees, the management selects for the training after the employees request for selecting as training participant. Different training institutes can provide the training activities as required.

Suggested System

The existing training and development system of Everest Bank Limited works fine with the current scenario, but for the future enhancements, a good database program is needed that stores the personal profile of the staff systematically. This could be built upon by hiring some IT experts or be given to IT companies. Once there is the systematic way of storing and retrieving the personal profiles, then it's very fast to roam through employee records at any time, and can generate curriculum vitae whenever required. Human resource software is available in the market these days.

4.6 Performance Evaluation (PE)

Existing System

Everest Bank Ltd has the annual as well quarterly system of performance appraisal. Performance appraisal is necessary for the bank because it helps to know the employee work orientation.

Performance appraisal in this bank is systematic and regular. Bank organizes annual performance evaluation for employee with more than a year of work experience and quarterly performance appraisal (every 3 months) for new staff.

PE is the responsibility of each staff to get a printout of the appraisal to fix up a time with the supervisor to agree upon the objectives set for review period. After the goals and objectives are written out (maximum limit to 4 main objectives for the review period) the supervisor (Head of Dept. of Branch Manager) will rate the staff on the objectives as well as on the job skill and

competencies. Then the staff will be given an opportunity to discuss the assessment with the reviewer before signing on the appraisal form. After discussion, should the staff still disagree on the assessment, staff should clearly write in the space next to the signature.

The promotion committee will review each performance appraisal and committee will have the final say on the ratings for an example rating scale methods is the one most widely used method of performance appraisal. Below is the figure that explains the example of rating scale, which is also useful to find the employees status i.e. excellent, good, acceptable, fair or poor.

Employee's Name:		Department:						
Rater's Name:		Date:						
		Outstandi ng	Excellent	Very- good	Good	Avera ge	Below Average	
1.	Quality of work							
2.	Quantity of work							
3.	Attendance							
4.	Appearance							
5.	Dependability							
6.	Initiative							
7.	Attitude							
8.	Co-operation							
9.	Honesty							
10.	Job							

	knowledge						
	Total Scores	90-100	80-89	70-79	60-69	40-59	Below 40

Fig 4.11 Rating Scale for PE of EBL

Source: Human Resource Department of EBL, 2011

Above method however is easy to develop and to administer, less time consuming, many employees can be rated quickly, comparisons can be done easily. Scales are standardized but the method is not free from rater's biasness, criteria of evaluation are not directly related to job performance.

System of Performance Evaluation:

Inputs:

In performance evaluation system, organizational goal, individual performance and estimated individual performance are the inputs. Performance evaluation analyzer should follow the organizational goal. Individual performance should be matched with the estimated individual performance. For existing employee who is working more than one year, estimated individual performance may be allocated from the previous year's performance. For the new employee, estimated individual should be allocated from his academic qualifications, personal profile.

Process:

Step 1: Establish performance standards with employee

The first step is to establish the performance standards. It is necessary to communicated these expectations, which must be part of the employee's job to forecast what is expected from them

Step 2: Mutually set measurable goals

It is important that goals should be communicate in two ways. How the indicators are set and how it is measured, should be clear to supervisor as well as employee.

Step 3: Measure actual performance

In this step, we should be clear that how and what we are measuring. In this step supervisor should not be bias. To collect the information of performance personal observation, statically reports, oral reports and written reports can be used. The combination of these sources increases the reliable information.

Step 4: Compare actual Performance with standards

This fourth step is the comparison of actual performance with standards and estimated. The point of this step is note down deviations between standard performance, estimated performance and actual performance.

Step 5: Discuss the appraisal with the employee

After the appraisal, management should discuss with the employee. This is most challenging process as well as most fruitful to employee. The impression that employee receive about their assessment has a strong impact on their self-esteem and very importantly, on their subsequent performance.

Output:

Performance Appraisal Report: It is the detail description of performance of the employee. After the discussion with the employee in step 5, management can note down their view over the employee. Along this, supervisor should estimate further performance for coming period.

Employee Promotion Report: After the appraisal, those who secure the top score should be promoted as reward for them. Promotion may be in many terms like in monetary value, authority, facilities, level promotion and so on. In this report, how and why they are promoted, all the cause should be

stated. Employee's best works should be cited and informed to all employees. They help the manager identify capable replacements for the higher-level jobs, improve morale and give the manager input for the employee's development.

Corrective Action Report: It is detail report that why standard performance couldn't meet. For the better performance of the employee, there must be corrective action plan like training and development, exposure visit. Employees want feedback and want to know how well they are doing. Appraisals let the employee know how the supervisor feels about his/her performance, provide an opportunity to change behavior and allow the employee an opportunity to present suggestions for improvements.

Suggested System

The existing Performance Evaluation System is found very well. It keeps all the records in the excel file format, which is even better. We suggest them to enhance the evaluation system to be computerized i.e. not any human is required to evaluate the performance; it can be done by computer.

4.7. Attendance and Leave System

Existing Attendance and Leave System:

In existing attendance and leave system, employee has to make signature in attendance register, which is kept in arrival hall. Employee should mention arrival time and departure time while making a sign. All employees must attain before 09.30 AM. This attendance register will be shifted to HR Department after 09.30AM. Those who came later than 09.30 AM, they have to clarify of late to HR Department.

For the leave process, it is guided as leave rule and regulation. There are four types of leave. They are Casual Leave, Privilege Leave, Sick Leave and Leave without pay. To take the leave, an employee has to fill up the form of

'Request for Leave'. This request has to be submitted to employee-concerned department. Department head arrange the job and certify for the leave to HR Department. HR Department cross check leave availed in leave register. All leave request format has compiled in personal profile file and also updated in Leave register. If there is the leave remained balance, then HR Department approves it.

After end of the month, HR Department makes the summarized report of the attendance and leave for payroll section. Payroll section prepare payroll in the basis of attendance and leave report provided by HR Department. Payroll Section is under account section.

Reporting Requirements

Attendance and leave system is generating basically two reports.

Employee Attendance Report:

This report contains the individual attendance profile, leave record, total working days, hours, overtime. This report is compiled in the HRIS so that at that end of year, at performance appraisal period, it gives accurate working time and leave record.

Absenteeism Analysis Report:

This report is used by managers to examine the extent to which employees are absent on days before and after months. Such patterns may indicate some problem that can affect employee predictability and morale.

For instance, the system may generate review forms to supervisors if an employee reaches certain limits in terms of number of late arrivals within a particular period. Attendance and leave modules can provide a wide array of

standard employee absenteeism and tardiness reports, with additional as hoc reporting accomplished as necessary.

Suggested Attendance and Leave System

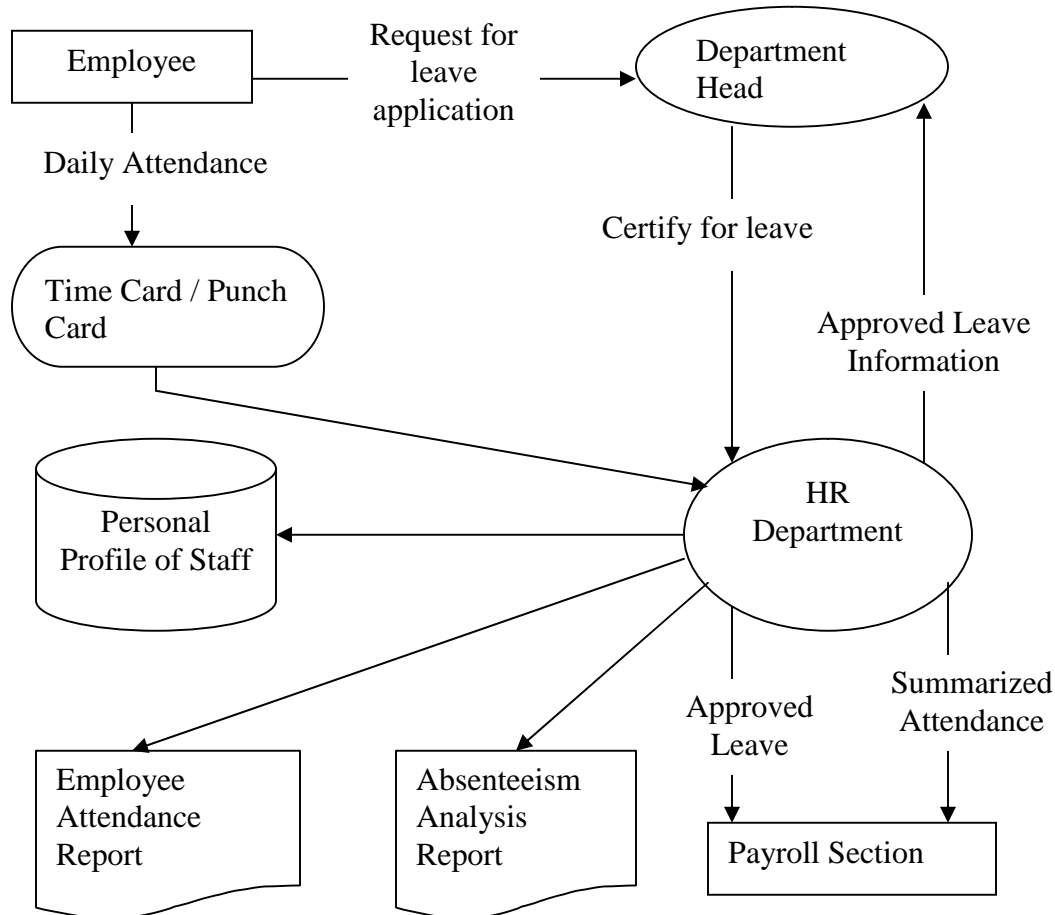


Fig 4.12 Suggested Attendances and Leave System

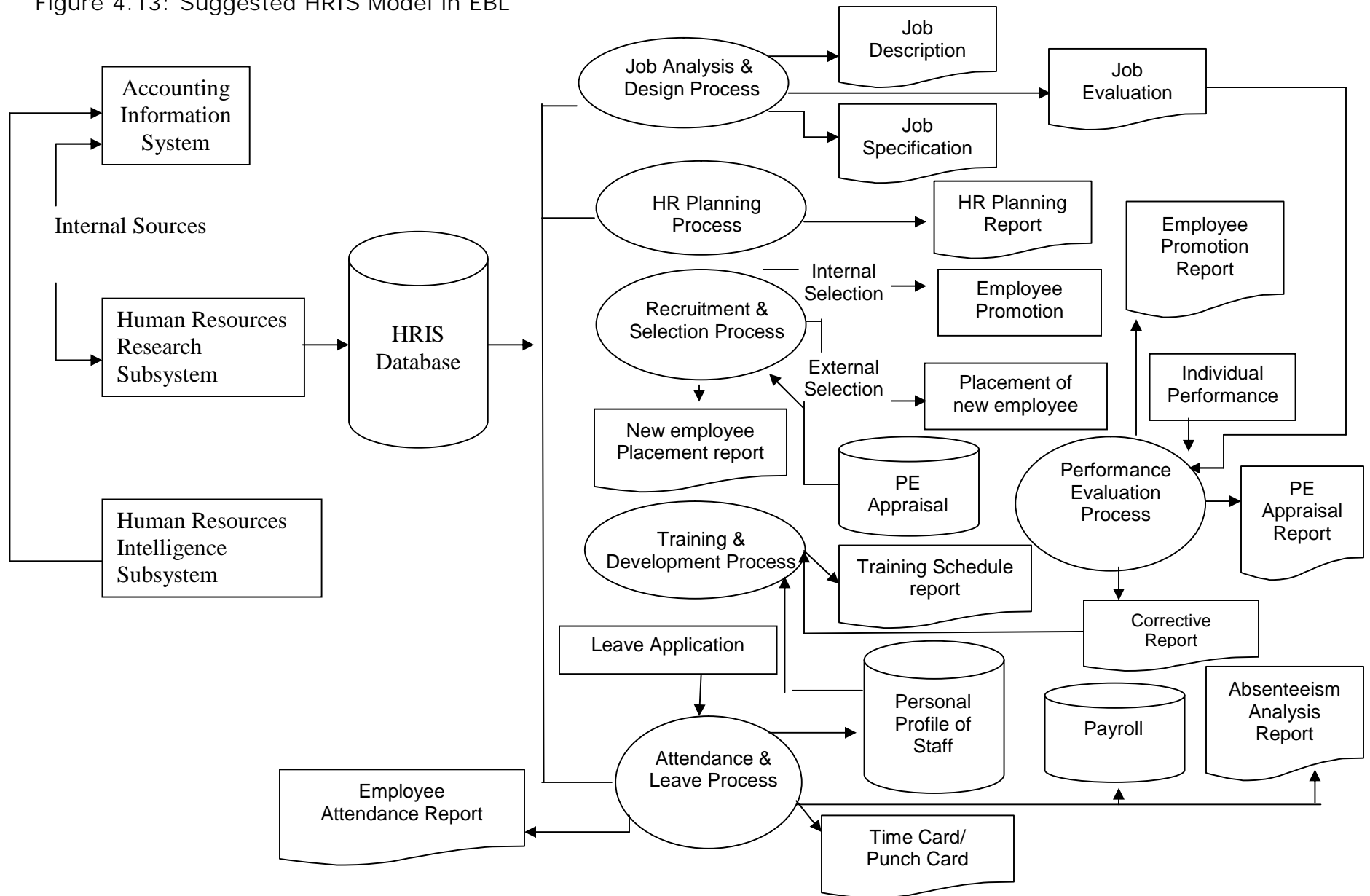
The suggested attendance and leave system incorporates the personal profile of staff in the database which should be computerized, and the HR department can directly access the database to view the personal profile of the staff whenever required, so that the database is centralized.

4.8 Design of New System

This is the age of computer and electronics and every single thing is being digitized these days whether it is in the field of daily shopping or in large business processes; in the field of government or in the field of private sectors, in the field of trade centers or in the field of banking. The globalization and emergence of new technology is pushing any profession in the whole world to adopt the new information system and new applications so that it supports the organization in their long-term success. The only keyword is "computerization" in these days to reach on the road of success and ultimate goals. So, no matter what is the sector, everywhere it is being computerized to take the latest facilities of the technology and to accelerate supremely to meet the changing demands and to exist in the dynamic environment.

In case of Everest Bank Limited, the existing system is mostly computerized, and most of the staff is computer literate. So, the researcher didn't found any comment for the change in the system regarding the computerization. It is one of the most advanced computerized banks in Nepal, which has the latest Any Branch Banking System electronically. But there is one sector, the researcher suggest, i.e. the use of software in the Human Resource Department. As Office Handlings, Banking, Accounting, Share Management are all well software equipped, so the researcher feel that the Human Resource Management should also be well equipped with software that with ease can handle the management of Human Resource section. Here, research has been trying to suggest computer based Human Resource Information System to the HR department of Everest Bank Limited as shown in figure 4.13: Suggested HRIS Model in EBL as below.

Figure 4.13: Suggested HRIS Model in EBL



Proposed HR Structure of New HRIS Model

Research work found that the HR structure used in HRD of EBL should be a little bit systematic with the addition of a research expert in the central point from where necessary matters can be acquired meanwhile as it is required, and he will be responsible for finding out the new ideas and ways of taking HRD for the long run. Therefore, research has been trying to suggest Group based HR Structure to the HR department in EBL. Hope this structure will be benefit to the EBL.

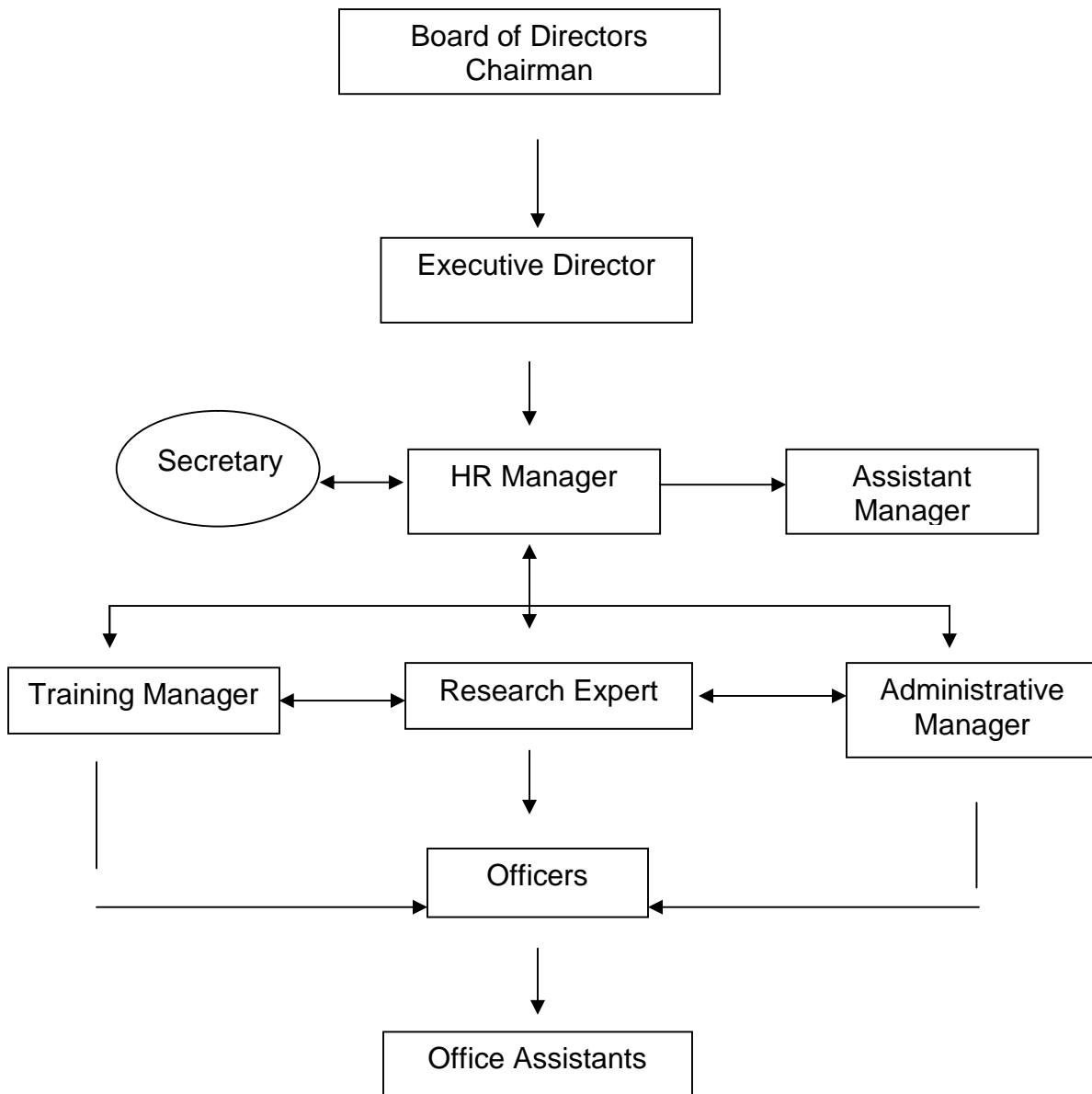


Figure: 4.14: New System of HR Structure

Objectives of New HRIS Model

-) To use the software to handle the main mechanical works of HRD and produce the handy reports meanwhile.
-) To know the location of HRIS within the firm's organizational structure.
-) Familiar with how the HRIS has evolved to its current status.
-) To appreciate how the environment influences the flow of personnel resources through the firm and be aware of how environmental databases can facilitate that flow.
-) To have a good communication with HRIS database-what it contains, where it is located, how it is managed, and how data entry is accomplished.
-) To know what value the firm's executives place on the HRIS in relation to other functional systems.
-) To appreciate the potential of the HRIS.

Findings of New HRIS Model:

-) More than 90 percent works are based on computerized system. The retrieval of HRIS reports is very handy.
-) Accounting Information System (AIS), Human Resource Research Subsystem (HRRS) and Human Resource Intelligence System are the input subsystem which are influenced by internal sources and environmental sources which when proceeds results output as Job

Analysis and Design Process, HR Planning Process, Recruitment and Selection Process, Training and Development Process and Attendance and Leave Process.

- J) HRIS Database contains data not only on the employees but also on those individuals and organizations within the firm's environment that exert an influence on the personnel flow. In most firms, the HRIS Database is maintained in Information System. The data can be entered by both managers and non-managers in the firm and to a lesser extent by several elements in the environment.
- J) Ensures the existence in the uncertain market place in context of Nepal, with the power of research experts and the blend of latest information technology. With the mix of the idea of expertise and the super speed of computers, EBL is going to be the leader in the banking sector, without any argues.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary:

No one could now be apart from information technology in these days; it is vital in our daily life regardless of how it is used. The world increasingly is sharing problems and challenges that do not obey nation state borders as a result of closer contact between different parts of the world, with increasing possibilities of personal exchange, mutual understanding and friendship between world citizens, and creation of a global civilization. Management information system is the part of information system, which is essential for creating competitive forms, managing global corporations and providing useful product and services to customers, specially in banking sector because banking sector is one which connect the whole world within a minute.

HRD in this bank is one of the major departments. The main functions of the HRD are to recruit and to place the right man at right time at right place, HR Planning, job analysis and design, training and development, compensation and benefit, performance evaluation and maintenance control.

EBL is rapidly growing bank in Nepalese banking sector. Its branches are spreading in main cities of the country. The banking of EBL in Nepal has the joint venture connection with Punjab National Bank of India. The management group of EBL consists of two Nepalese citizens and three Indian Citizens who belong to Punjab National Bank, which verifies the collaboration to be internationally recognized.

As per Human Resource Scenario, it can be stated that the staff turnover ratio is 9/10 % per year of total staff. The turnover rate of EBL is significant, and the EBL HR managers are dictating the cause and trying to reduce this percentage. However, in the banking sector, this ratio is not considered to be significant.

Training and development are seemed to be systematic. All new staff is entered into a system where he/she can gain practical approach to the theoritical

knowledge. For example, in this fiscal year, 105 programs are launched as internal and 84 programs are launched as external programs under training and development targeted to managers and officers.

Regarding the Performance Evaluation technique, EBL is adopting all possible strategies to find out the correct person to be rewarded. The report of Performance evaluation is very important to the management over here.

5.2 Conclusion:

After the research study conducted in Human Resource Department of Everest Bank Limited with reference to Human Resource Information System, following things can be concluded:

-) MIS is a very important part of the success in banking business, which ultimately is dependent on the success of the human resource of the bank. A good Human Resource Information System further manages this, so HRIS is equally important to the success of such business.
-) For the effective flow of information, organizational structure and the role of HRIS could not be ignored at any cost.
-) A tough competition is there on the banking sector due to the implementation of MIS on competitors, and by the effective use of the MIS and HRIS banks are getting success on its line. So HRIS is a must for the banks in this age.
-) Focusing on customer's demand and utilizing the latest technology to give the latest facilities to them always makes trust upon the banks. Such a trust is gaining by the Everest Bank Limited, which is now providing EBL Debit Card, SCT (Smart Choice Technology), ATM (Automatic Teller Machine), ABBS (Any Branch Banking System) etc.
-) The bank is well equipped with Banking Software (Pinnacle), Accounting Software (Pinnacle), Share Management Software (Professional Share

Management System) etc. but the Human Resource Management Section is missing the software.

- J) The recruitment and selection process is satisfactory. Training and developments are now seemed to be very useful for managers and officers.

5.3 Recommendation:

From the analysis of the existing human resource department, the researcher found that Everest Bank Limited is indeed a good systematized bank. Dynamic environment and the challenging phenomenon of the market produce a very tough competition, due to which any bank should explore the ideas and strategies to sustain in the long run. Everest Bank Limited is found ready to incorporate the changes to grab the opportunities of the market, thereby ascertaining the existence in the future. There are a lot of modern facilities (DC, ATM, SCT, ABBS etc.) that it has provided to the customers which is very good aspect of this bank. It is expanding its services to all over the country thereby incorporating the regional customers to be made banking under single organization. The establishment of recent branches indicates that EBL is on the way of its success.

Although Everest Bank Limited is one of the leading banks in Nepal; it has also some more things to consider in the future. Different suggested systems for different parts of Human Resource Management System are provided on the earlier chapters. But overall, it can be recommended that

- J) To reform a well-organized Human Resource Management System, it should implement software system to get the on time human resource reports and status.

-) MIS section requires to be upgraded and research works should be more focused on the subjects.
-) Everest Bank Limited should also consider on its promotion policy.
-) It should pay attention to minimize the turn over rate.
-) An up-to-date database is required that keeps the updated records of staff that includes personal profile, interest, abilities, expertise, experiences etc.
-) Management Information System should be separate department in this bank so that it can focus on its requirements.

--- THE END ---

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- Yes No
13. If yes, what type of training is held?
 (a) On-the job (b) Off-the job (c) Specific
 (d) General (e) Corporate (f) Any others _____.
14. How do the company feel the need of training?
 (a) Emerging technology (b) Competencies in the market
 (c) on the basis of job analysis (d) on the basis of employee request
 (e) on the basis of employer commendation
 (f) on the basis of Dept. head analysis (g) on the basis of HRD approach
 (h) Any others

15. Do the bank hire experts or provide training internally to perform HR jobs and duties?
 Hire experts internally training other
16. Which method does the organization frequently recommend for training ?
 on-the job off-the job Apprenticeship
 lecture/conferences internship simulation
 job instruction programmed instruction
 experimental training
17. What are the objectives of training provided by organization?
 (a) Reputation & popularity (b) Motivation
 (c) Less labour turnover (d) Cope up with changing competences
 (e) Moral building (f) Better management
 (g) Reduce learning time h) Any other _____
18. Do the system sole decides or concerns for authority (general manager or director) for training?

19. Is the training paperwork based or computerized?
 paper work based computerized both
20. What are the measures of training success and what decisions can be made from it?

21. What would be the probation period of this bank?
 a) Up to 6 months (b) 6 to 12 months
 (c) above than a year. (d) Any there _____

22. If there any socialization culture in the Organization
 Yes No.
23. If yes, what is the process being used for new recruits?

24. What are methods of performance evaluation of employees?

25. What programs are launched for employee motivation?

26. Do you think that the employee satisfaction produces a huge output?
 Yes No
27. If yes, then what are the measures to evaluate the employee's satisfaction?

28. Do the bank have reward & punishment schemes?
 Reward Punishment Both
 None Any other _____
29. Do the bank have job rotation technique?
 Yes No.
30. If yes, then what is its aims & outputs?
 Aims :

 Outputs:

31. How does the system manage conflicts between employee & management?

32. Do the employee have career path?
 Yes No
33. If yes, then please show some of the opportunities here like Accountant to manages if possible? State any if you want to inform.

34. What are the allowances, bonus schemes in the Organization? List

35. Are the employees considered for extra work hours?

36. Is there any separate section of this MIS or what?
 MIS as a separate section MIS included in HRD

[] Any others _____

37. Which of the following topics are supported by MIS to HRD?
- | | |
|-------------------------------|--------------------------|
| a) Recruitment Assessment | b) Recruitment Process |
| c) Training Assessment / Need | d) Training Evaluation |
| e) Performance Appraisal | f) Reward & Punishment |
| g) Bank Jobs | h) Statistical Inference |
| i) Any others | |
-

38. Is the bank computerized?
[] Yes [] No.

39. If yes, then list the sections that use computers
-
-

40. Which section uses computer for what purpose?

<u>Section</u>	<u>Purpose</u>	<u>Software</u>
e.g.: Exception	Secretarial works	MS office, Email, Internet

41. What are the main advantages of establishing MIS section separately?

- a) to get handy reference of job performance
 - b) to get the system work faster
 - c) to get statistical data frequently needed for management
 - d) to produce reports required daily monthly, or annually
 - e) Any others _____
-

42. List the percentage of employees, managers & directors according to the computer knowledge?

	<u>Staff</u>	<u>Percentage</u>
Employee's	_____	_____
No use	_____	_____
Office, Email, Internet	_____	_____
Software	_____	_____
Manager's	_____	_____
Heavy use	_____	_____
Research works	_____	_____
Director's	_____	_____

43. If exists, what is the employee turnover rate?

44. What type of software does the Bank use?

- a) Office Applications
- b) E-mail, Internet
- c) Payroll Management System
- d) Accounting Software
- e) Share Management

