Chapter 7

New Problems in Banking

The times they are a-changin’.
Bob Dylan

NEW KINDS OF PROBLEMS

In the last three case studies there has been a logical progression through the management of change, considering first the definition of the problem; second, the development of a strategy for handling it; and third, the creation of an appropriate organizational structure. But, in today’s fast-moving world, there are many situations in which it is difficult to carry out this systematic approach. For example what do we do if change involves a technological jump, bringing with it new problems and challenges which have not been experienced before and which are poorly understood? This happened to white-collar work in the next case study. It has also happened many times in the past and is likely to happen many times in the future.

HOW HAS WORK CHANGED?

The nature of office work has been in a process of change for a long time. The most pervasive piece of technology until recently, the typewriter, came into offices in the 1870s. At this time office work was predominantly a male occupation. By 1900 this had changed and in a US clerical work force of one
million, one in four clerks were now women. In the 1920s machines pervaded every part of the office and some hundred new ones made their appearance each year. These included adding and calculating machines, duplicating and dictating machines, and machines for handling a variety of accounting activities. By the 1930s women outnumbered men and this growth of machines and feminization of the office continued until today (Baker, 1964).

Major changes in the office work situation have been brought about through the development and use of computer technology. Computers had been in active military use during the Second World War but their penetration into offices took longer. In the United States, the Bureau of Census installed the first UNIVAC machine in 1951, and in the same year the Bank of America introduced a specially designed machine called ERMA to handle the daily operations for 550,000 customer accounts. By 1959 around 2,000 computers of all sizes were in use for a variety of business, scientific and engineering purposes. In England, in 1947, the board of a catering firm, J. Lyons and Company Ltd., took a momentous decision to develop a “machine that will be able to cope, at almost incredible speed, with almost any variation of clerical procedure.” This machine called LEO, standing for Lyon’s Electronic Office, was the first British attempt to move computers out of the laboratory and into the office (Bird, 1994).

In England, as in America, the same feminization of office work took place, with women occupying around 75% of all clerical posts. Computers moved into offices there also, and my first piece of research into the impact of computers on people took place at the beginning of the sixties. At this time an international study of the consequences of these new machines was organized by the European Productivity Association. A number of countries took part, and in England I was able to study the first faltering steps towards using the new technology taken by a northern bank and a cattle food manufacturer (Mumford & Banks, 1967). This new technology was perceived as bringing with it both problems and opportunities.

In the sixties no one knew what the impact of computer technology on offices would be and the great fear was that it would cause unemployment. There was a belief, fostered by the media, that the speed and efficiency of these new machines would be so great that large numbers of women, and some men, would lose their jobs. In fact, it was a considerable time before this prophecy came true. The early machines were so unreliable and so difficult to program that many business organizations found they were employing more rather than less staff, as programmers and operators were added to their labour force.
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