

## A STUDY ON THE SIGNIFICANCE OF E-HRM IN CORPORATE WORLD

**Dr. Anshul Sharma**  
Head, FCM,  
Rama University, Kanpur

**Meenakshi Dixit**  
Research Scholar, FCM  
Rama University, Kanpur

### ABSTRACT:

Technology has Great impact in today's business methodology. In this Information Age, use of computers and the Internet has increased that impact continuously. Many businesses cannot even function without the use of computer technology. This reflection is seen in several areas of business, including human resources, where technology continues to have a significant impact on HRM. While IT has impacts on human resource (HR), at the same time managers, employees, customers and suppliers increase their assurances for HR functions. The significance of knowledge and human capital make extra suppression on HR functions and new competencies for HR professionals are expected. Now a days HRM is not seemed as a single function only it's a collection of highly specialized capabilities each with different objectives, tasks and needs. There is an ever-increasing pressure on Human Resource (HR) function to support strategic goals and to focus on value adding activities. Organizations have realized the growing importance of using Information Technology (IT) in leveraging their Human Resource (HR) functions. This turns the form of e-HRM (Electronic Human Resource Management). Applying IT Functionality within the HR functions increases both effectiveness and Efficiency of HR practices and decreases both time and costs. Moreover, IT facilitates delivery of information along the organizational hierarchy; it enables organizational decision making and knowledge management. IT is a very important force for the changeover of HR functions. IT decrease transactional burden on the HR functions. So HR professionals give a lot of time for the strategic issues to be a strategic partner.

### KEY WORDS:

Human Resource Management (HRM), Human Resource Management System (HRMS), Human Resource (HR), Information Technology (IT)

### Introduction :

Human Resource Management (HRM) refers to those activities and employees that assist the organization to meet its stated operational objectives by serving a provoked, well trained workforce which understands what the requirements is about work, knows where it fits in within the organization and how it can devotes to the organization. While Technology plays a critical role in enabling the Transformation of HR from personnel management to business execution. HR leaders must effectively use this technology to drive more business relevant conversation with line leaders. A manager must form his company into an organization that can learn from and respond to fast changing environments. This is an ongoing task that requires persistent controlling of new features in the business world. A crucial aspect of success is the proper adjustment of technological developments within the company. With the help of technology a manager enables to direct and control operations in a various aspects of business environments. And with the spreading availability of technology to all competitors, a manager must accurately implement technological actions to give his company a market advantage. In a world filled with great competition, ideas are the only weapon of a successful corporation and only a way of implementing HR strategies, policies and practices in organization through a conscious and directed support with the full use of web-technology-based channels. Electronic human resource practices focus on web- technology-based channels to reduce cost, improve

strategic orientation and improve HR services that result in better outcomes. This caused organizations to shift from traditional HRM to E-HRM

### **TRADITIONAL APPROACH OF HUMAN RESOURCE MANAGEMENT SYSTEM:**

Typical HR programs involve things such as record keeping, recruiting, selection, training, employee relations, and compensation. However, all these programs involve various activities, and these HR activities can be distributed into three broad categories: transactional, traditional, and transformational (Wright, McMahan, Snell, & Gerhart 1998). Transactional activities involve day-to-day transactions that have to handle mostly with record keeping—for example, entering payroll information, tracking employee status changes, and the administration of employee benefits. Traditional activities include HR programs such as planning, recruiting, selection, training, compensation, and performance management. These activities can have key value for the organization if their results or conclusion are persistent with the critical goals of the organization. Transformational activities are those activities that add value to the organization—for example, cultural or organizational change, structural refinement, strategic redirection, and increasing modification. Basic functions of human resource management are as follows:

#### **1. Recruitment and Selection:**

It is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization (Edwin B. Flippo, 1980). Some organizations like public sector adopt centralized recruitment whereas other organizations resort to decentralized system. There can be different sources of recruitment namely internal sources like vacancies, transfers, promotions, retired and retrenched employees, dependants and relatives of deceased and disabled employees or it can be external sources like education and training institutions, search engines, employment exchanges etc. Recruitment technically precedes selection. Selection is the process of choosing the most suitable persons out of all applicants. It is the process of matching the qualifications of applicants with job requirements.

#### **2. Training and Development:**

Training is the process of increasing the knowledge and skills for doing a particular job. The purpose of training is basically to bridge the gap between job requirements and present competence of an employee. Training is aimed at improving the behavior and performance of persons. There are different types of training Programmes like Orientation training, Job training, Safety training, Promotional training, Refresher training, Remedial training etc. Executive development is a systematic process of learning and growth by which managerial personnel gain and apply knowledge, skills, attitudes and insights to manage the work in their organizations efficiently and effectively. It is necessary for the managerial personnel so as to cope up with the size and complexity of organization, technological changes. It is also necessary to recognize their social and public responsibilities etc.

#### **3. Compensation:**

Wage, Salaries and other forms of employee's compensation constitute a very large component of operating costs. No organization can expect to attract and retain qualified and motivated employees unless it pays them fair compensation. Employee compensation can be classified into two categories- Basic or Primary compensation and Supplementary compensation. Basic pay refers pay in the form of wages and salaries. It is fixed and non-incentive payment. Supplementary compensation consists of incentive and variable payments, based on either individual output or output of group as a whole.

#### **4. Promotions and Transfers:**

Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary. Promotion can be made on different criteria's like seniority, merit etc. They help to

recognize an employee's performance and commitment. It also helps to boost the morale and also help to develop a competitive spirit among employees for acquiring knowledge and skills. Transfers refer to a horizontal or lateral movement of an employee from one job to another in the same organization without any significant change in status and pay. There are different purposes of transfers like to meet both organizational and employee needs, to make employee more versatile, to adjust workforce, to provide relief etc.

##### **5. WELFARE SCHEMES:**

It means anything done for intellectual physical, moral and economic betterment of employees by employers, Govt. or other agencies. These welfare services may be classified into Intramural and Extramural. In Intramural services are provided within establishment and in Extramural services are provided outside the establishment. They help to increase employee's productivity, morale, industrial relation, goodwill etc.

##### **NEED OF TECHNOLOGY IN HUMAN RESOURCE MANAGEMENT: ▲**

The technology enables organizations to improve their business competence through various aspects. Nowadays, business world is undergoing a substantial change: the employee turn-over rate becomes high, and both the organization format and management plan change as well. The conventional HRM style fails to catch up with such rapid changes: the traditional style mainly focuses on subordinate personnel activities for a company, for example, collecting employee information, controlling individual performance, and implementing organization policies. It is a passive, unresisting execution, without self-motivated contribution into strategic issue to foresee the challenges of tomorrow. Therefore, there comes a demand for the new HRM that should understand the business policies, formulate the corresponding management policies on human resources to improve delivered service, and act as a strategy partner with top management team. To meet the demand, there is an increasing pressure on HRM to support strategic objectives and to focus on value-adding activities, which consequently leads to the change in the job content and the expectations on Human Resource (HR) professionals. Shrivastava et al. (2003) and Stone et al. (2006) note that one of such changes is that the wide, up to date use of Information Technology (IT) in supporting various HR activities. Moreover, the researchers expect that the increasing use of Human Resource Information Technology (HRIT) can improve the performance of HR professionals and makes them involved in the company internal consulting activities (Albers et al.1997). In addition, Ulrich (1997) mentions that the use of HRIT provides value to the organization and raise HR professionals' status in the organization.

##### **BENEFITS OF TECHNOLOGY :**

Technology can help hr functions overcome many of the practical issues that get in the way of good performance management, and provide much greater insight into the skills and motivations of your employees. Technology can generally make human resource management easier. It can allow HR managers to carry out their jobs more quickly and efficiently. For example, technology can help with the process of finding good candidates for openings. With the internet, a firm's openings can be seen by people around the country and the world. This will make it easier to find good candidates. (Of course, it also makes it easier for bad candidates to apply, thus increasing the amount of time that must be spent weeding these candidates out.) Once employees are hired, they must be trained. Technology can help with this as well. It can help by allowing training materials to be accessed online, for example. This can allow trainees to work at their own pace rather than having to be indoctrinated all in a large group. In addition to information responsiveness, human resources management also includes professionals to be aware of latest trends in policy making, activities, and employment practices in their industry. Additionally, they need to have current information on the relevant laws and regulations because this helps them in expressing flexibility in the event of unanticipated changes. Further, this characteristic enhances the value and contribution of the human resource department to the organization. In these ways and others, technology will generally make HR management easier. It plays a vital role in hr function as follows:

- Increasing competitiveness by improving HR operations and management processes.
- Collecting appropriate data and converting them to information and knowledge for improved timeliness and quality of decision making.
- Producing a greater number and variety of accurate and real-time HR-related reports.
- Streamlining and enhancing the efficiency and effectiveness of HR administrative functions shifting the focus of HR from the processing of transactions to strategic HRM.
- Reengineering HR processes and functions.
- Improving employee satisfaction by delivering HR services more quickly and accurately.

### CHALLENGES FOR INFORMATION TECHNOLOGY:

Developing, inspecting, and coordinating appraisal is the primary responsibility of technology enabled HR function. Managerial and employee cooperation or sharing information is not only a positive input into the process other it is encouraged. Since involvement implies commitment to the program and to its objectives. Performance appraisal today also emphasizes objective means of measurement and the assimilation of appraisal into a widespread, perpetual development process. For the organization in general and HRM in particular, performance appraisal operates as a feedback system on activities such as employee placement, HRM research, HRP, wages, and career development among others. Even if the appraisal process is carefully designed, its implementation may fail due to lack of management support. Standards that do not relate to the content of the job and appraiser bias may also oppose this phenomenon. Managers are especially cautious to carry out appraisal interviews for they may underestimate its possible benefits, they may feel uncomfortable with the meeting, or they may lack the necessary skills. Moreover, managers may feel bitter in the conflicting roles of judging and developing resources. Information Technology (IT) as a structural factor and instrument transforms architect of organizations and business processes, and is rapidly integrated into HRM. While IT has reflection on HR, at the same time managers, employees, customers and suppliers producing their expectancies for HR functions. The importance of knowledge and human resources make extra elimination on HR functions and new competences for HR professionals are required as given below:

- New skills required
- Downsizing
- Collaborative work
- Telecommuting
- Internet and intranet revolution
- Business environmental change
- Development of technology
- Service improvement

### CONCLUSION:

Technology has enabled organizations to connect to the internet to interact with other professionals in organizations in their industry. It has helped several human resource professionals in gathering information that they need to remain informed to exhibit the desired characteristics and ability. These statements also suggest that technology has not only enabled human resource professionals to access and disperse information but also has influenced their expectations. Information technology is expected to improve the performance of Human Resource Management (HRM) by shifting its focus from administration or personnel management to imperative HRM. The mercurial technology changes also ask for HR professionals to access new skills through education, or sourcing HR Professionals who have IT skills and ability. It is important to note that a company that does not have a computerized system still has an HRM system; that is, the manual systems that most companies used before the development of computer technology were still comparable with an HRIS, but the management of employee information was not done as quickly as in a computerized

system. If a company did not have a manual system, the development and implementation of a computerized system would be highly difficult. For the purpose of this we will use the term HRIS to refer to a computerized system designed to manage company's HR. Due to the innovation in information technology, the scenario of the instant workplace has changed and systems have been made more effective by introducing new techniques. Majority of the organizations have now understood the importance of information storage and retrieval. To conclude that it can be said that HR practice is becoming more advance, more challenging day by day, they have to face lot of problems like detainment, attraction of employee, handling with different cultural people, managing work force multiplicity, technological and informational changes to overcome with these challenges training (Cross cultural training and technological and informational training) is mandatory of HR people.

### RECOMMENDATIONS:

A company or institution accommodating to implement technology in its human resource department should take the following actions for the future to be emphatic and efficient:

First and prime action, the HR department should provide a training program for the employees that would teach them how to use the new technology enabled system which is applied. Training programs should be done in little number of employees' or small teams not all at once so it's easy for the employee to perceive the new system, why it's being implemented, its advantages and usage. The HR department has to implement technological system in a way that employees can plan their career. The HR department has to describe how employees are assessed so that they can improve their sore points. E-HR options should be stretchable so employees feel comfortable while practicing such system. Good HR technology experts that should be there all the way to teach the employees the new system being implemented in order to accept it. The HR department should continue on following the employees work to provide fair feedback on each one, and those having difficulties in giving good results should have special focus. Effective organizational structure should be taken care to ensure successful E-HRM that has E-HRM implementation.

### REFERENCES:

1. <http://www.businessdictionary.com/definition/human-resource-management>
2. [http://www.ehow.com/about\\_6611721\\_definition-organizational-effectiveness-](http://www.ehow.com/about_6611721_definition-organizational-effectiveness-)
3. Bagozzi, R. P. ; Davis, F. D.; Warshaw, P .R. (1992), "Development and test of a theory of technological learning and usage." *Human Relations* P. 660-686.
4. Davis, F. D. (1989), "Perceived usefulness, perceived ease of use, and user acceptance of information technology", P.:319-340.
5. In Wiesner, R., and Millett, B. (2003). *Human resource management: challenges and future directions*. Milton, Australia: John Wiley & Sons Australia, Ltd, 187
6. Curtis, G., & Cobham, D. (2002). *Business information systems*. London, UK: Pearson.
7. Dessler, G. (2005) *Human Resource Management*, 10. ed., USA: Prentice Hall.
8. Haag, S., & Cummings, M. (2008). *Management information systems for the information age*. New York, USA: McGraw Hill.
9. Hendrickson, A. R. (2003). Human resource information systems: Backbone technology of contemporary human resources, *Journal of Labour Research*, 24(3), pp.381–394.
10. Ives, B. and Jarvenpaa, S. L. "Applications of Global Information Technology: Key Issues for Management," *MIS Quarterly* (15:1), 1991, 33-49.
11. Lee, C.H., Ang, J. B. and Lim, G. "Relationships of Strategic Human Resource Management, Satisfaction, and Organizational Performance," 64th Academy of Management
13. P.N. Rastogi, "Management of Technology and Innovation", competing, through technological excellence, Sage Publications, New Delhi, First Edition, 1995.
14. Ashbaugh, S. & Miranda, R. (2002). Technology for human sources management: Seven questions and answers. *Public Personnel Management*, 31(1), 7-20.