

E-HRM: A Contemporary Issue in Human Resource Management

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Abstract

Electronic Human resource Management or E-HRM, is the use of technology to outcome human resource activities and functions. According to today's trend each company need HRM to manage a proper balance between employees or managers but sometimes it gets failure due to the human or social related problem but from E-HRM we can easily overcome all these problems. But, it is necessary to create the environment in which all the members can contribute to the limits of their ability. Through E-HRM we can build transparent environment for employees because E-HRM has no emotions and nobody can blame E-HRM for partiality. E-HRM improves organization climate and in good climate everybody gets relaxation and can do their job very well, so it relates to the excellent production or enhance quality. The objectives of this study are to understand the concept of E-HRM, to identify the external drivers for adoption of technology in HRM and to understand E-HRM activities in an organisation. The main purpose of the study focus on the advantage of applying IT in the human resource and how it can help to improve the overall human resource performance of the company.

Introduction

HRM can be defined as a process of procuring, developing and maintaining, competent resources in the organization so that goals of an organization are achieved in an effective and efficient manner. In other words HRM is an art of managing people at work in such a manner that they give best to the organization. For understanding the better skills, creative abilities and talent of human resource at a very quick time there must be a concept of electronic E-HRM. E-HRM is not a specific stage in the development of HRM but a choice for an approach to HRM.

Electronic human resource management or E-HRM is the use of technology to automate human resource activities and functions. The concept of electronic human resource management known as E-HRM meaning “the adoption of technology in delivering human resource practices due to the digital revolution in the world is such a tool that organizations can employ to manipulate the performance and behaviour of the people on whom they rely. On to achieve business success.”(Kavoch et.al.) Common E-HRM solutions include Web-based self-service tools that allow employees to change their mailing address online, use the Web to complete forms needed to hire a new employee or submit the documentation for annual performance reviews and salary increases electronically. The term E-HRM first came into use in the 1990’s when E-Commerce started dominating the business world. Recent technological developments have made ‘business at the speed of a thought’ and a ‘paperless office’ a reality and has created a real time, information based, interactive work environment. Bondarouk and Ruel (2009) says that, “E-HRM is an umbrella term covering all possible integration mechanisms and contents between HRM and information technologies aiming at creating values within and across organizations for targeted employees and management.” E-HRM therefore, is a concept – a way of ‘doing’ HRM.

Lepak and Snell (1998) suggested that IT can influence the HR functioning three ways. IT can influence operational, relational and transformational integration of the HR function. This theory is used by Ruel et.al. (2004) for the categorization of E-HRM technology in three types namely:

Operational E-HRM:- Operational E-HRM technology is concerned with the basic HR activities in the administrative area. For example employees keeping their own personal data upto date.

Relational E-HRM: Relational E-HRM is concerned with here advanced HR activities. The emphasis is on tools that support basic HR processes such as the use of web-based technology for recruitment and selection of new personnel.

Transformational E-HRM : Transformational E-HRM technology is concerned with HR activities with strategic importance. For example, creating a workforce ready for change

with the help of E-HRM technology that enables the workforce to develop in line with the company's strategic choices.

External drivers for the adoption of E-HRM

The trend towards implementing E-HRM is influenced by several key external drivers:

Pressure to Reduce Costs: - The main external driver of e-hrrn is External competitive pressure which forces companies to minimize their costs. Functions such as HR are prime targets for expense reductions, because they are "cost centers" that spend money and don't earn money. E-HRM can help an organization to automate HR processes so that HR can get the same amount of work done with fewer people. This allows the department to reduce its staff, which reduces the overall cost to the organization.

Pressure to Maximize Efficiency: The external driver of e-hrrn is the pressure to maximize efficiency. While cost reduction efforts focus on the HR department itself; efficiency efforts focus on the HR-related activities of people outside the HR department. E-HRM can help improve the efficiency of HR tasks and activities that employees and managers are required to perform on a regular basis by putting them online. For example, web- based, self-service tools allow employees to complete processes without having to rely on HR to process tall stacks of paperwork. This is not only more efficient for HR but also for HR's primary "customers", who spend less time on HR administrative work and more time focused on the business.

Trend Towards Outsourcing: Rather than spending the time trying to reduce HR costs and increase HR efficiency, many companies decide to outsource all or part of the HR function to a third party. Outsourcing often provides the same or more HR services for less money than it cost a company to deliver those services in house. Outsourcing is driving a move to e-HRM, because e-HRM tools are a fundamental requirement of any outsourcing arrangement. These tools enable the outsourcer to maximize efficiency and are a communication vehicle between the outsourcer and the company's employees.

Shift in Jobs to Service Providers: The shift of workers from manufacturing and goods-producing jobs to service providing jobs is driving the adoption of leading edge e-HRM

tools focused on analytics and metrics. Today, leading companies are discovering that they can gain much more by increasing the HR effectiveness than by increasing HR efficiency. E-HRM tools allow companies to measure the effectiveness and Impact of HR programs, and to make decisions that maximize the effectiveness of human resources In the organization.

ERM Activities in organization

Almost all HR activities have been automated these days and some of the major activities are:-

E-Recruitment: E-recruitment simply means the recruitment process through internet. One of the main objectives of the e-recruitment process is to share the job vacancies with the biggest amount of potential candidates, attract and filter key applicants who have the necessary skills for the jobs offered. Through e-recruitment systems, organizations can not only share important details about the positions available but also recruitment systems, organizations can not only share important details about the positions available but also more specific information such as jb descriptions, organization's culture, job incentives etc. Online job advertising allows companies to open all this information to the applicants since the first contact. In addition to this, companies like goggle and Skype have created interactive sections on their web pages where anyone can have inside view of their offices. There are various e-recruitment methods such as job boards, employer websites, professional websites etc.

The most important methods for e-recruitment are:

- Electronic resumes
- Online assessments
- Online interviewing
- Online assessment

Electronic resumes

Applicants submit their resume using either e-mail or the organization's website. With electronic submission, applicants can send their resumes to thousands of organizations.

More than 2.5 million resumes were already online in January 2001. For experienced candidates, resumes represent an efficient way to stress on cognitive ability, job knowledge, and capacity to work. Resumes that outline position accomplishments with quality indicators represent an individual's work Portfolio. Since past performance is one of the best predictors of future performance, resume information that outlines past performance will serve as a proxy measure of job knowledge and an applicant's ability to perform similar responsibilities in a new organization. Resumes will also provide education and grade point average (GPA) information. GPA represents a measure of cognitive ability, being a compound index that captures cognitive ability and motivation. Many large organizations, such as Microsoft, request GPA information from applicants.

Online assessment

Previously paper-based instruments, become web-viewable. Interactive forms allow applicants to access a web site, complete and submit their responses. Applicant's responses are scored automatically and applicant profile is generated immediately. Online testing allows a company to offer applicants an immediate feedback concerning their potential fit with the organization.

Online interviewing

Most companies evaluate candidates' on interviews based. Interviews -can be designed to measure almost any applicant characteristic. While a structured interview measures cognitive ability, a structure interview measures interpersonal skills. The technologies used to conduct applicants interviews online are video -conferencing technology and web cams, which allow for video and audio streaming between geographically remote locations.

E-selection: E-selection includes HR activities such as scheduling, web based testing, face to face interviewing and job offering. The main objectives of E-selection are:-

- Achieving cost reduction.
- Maximum utilization of human capital
- Sustainability

E-selection helps to reduce the costs in many ways. Loss rates between events in the selection process are minimized administrative costs are reduced, and costs of sourcing candidates into the employment become less. The human capital is optimally utilized through high retention rates, increased percentage of candidates who meet employment requirements and improved productivity after the new appointment.

E-selection methods: Usually it is difficult to decide where recruiting ends and selection begins. The main purpose of the selection process is to distinguish individuals on the basis of important characteristics. In a changing environment, the speed of the selection process becomes important. Selection systems that process applicants in 2-3 months fail in solving organizational needs. A cycle of 2-3 days from applicant identification to employment after will be more suitable. The formal selection tools available to measure applicants are work samples, structured interviews, personality inventories, situational judgment tests and cognitive ability tests. E-selection is a paperless process where electronic documents and information can be quickly disseminated nationwide or worldwide.

E-training/learning:- E-learning refers to the use of internet to conduct training online. This process is implemented in companies because it does not have limitations of traditional training. E-training is less expensive because companies do not need to book training rooms, pay for travel costs and trainers. It also overcomes the geographical and time constraints. E-training/learning is creating benefits by saving time, eliminating location constraints, cutting down costs and creating standardization in training processes. In E-training, web seminars are increasingly used by companies.

E-Performance appraisal system: E-Performance appraisal refers to the use of technology to evaluate and rate the employees on the basis of performance on the tasks given by company. With the help of e-performance appraisal system costs will be reduced and it also increases the speed of the process. E-Performance appraisal systems are transparent as compare to traditional systems. Another advantage is the storage of historical data that helps manager to compare the employee's results and evaluations for the last years. It also tends to increase productivity, enhance competitiveness and motivate employees. Various software are available to prepare appraisal forms and accompanying narratives.

E-Compensation: - E- Compensation refers to web enabled approach that enables an organization to gather, store, manipulate, analyze, utilize and distribute compensation data and information. With the use of internet individuals can access electronic compensation, software, database and analytical tools. With the help of e- compensation, HR professionals are able to gain access to knowledge management databases and competitive information.

Benefits of E-HRM

In today's corporate world human resources has come to play a very critical role in a business. Whether it concerns the hiring and firing of employees or whether it concerns employee motivation, the Human Resources department of any organization now enjoys a very central role in not only formulating company policies, but also in streamlining the business process. Below is the list of the various areas where information Technology has played its major role in making HRM so efficient, so planned and much faster than before.

Recruitment and Selection process

In support of a firm's staffing efforts, many HRIS systems provide a sophisticated interface allowing its use by both internal employees, as well as external job applicants. An HRIS system allows candidates for open positions to submit their resumes and contact information to a potential employer from a remote computer. The system then collects the information and archives it so it is easily accessible by the hiring manager. When seeking candidates, the manager is able to perform detailed searches of collected resumes, using a variety of queries, including location, level of education, years of professional experience and technical skill set. In addition, the software also allows current employees to electronically apply for new positions.

Payroll and Labor management: In Payroll and Labor management a Human Resource Information System (HRIS) is advantageous because it lets human resource personnel apply new technologies to effectively gather and appraise employee time and work information. It lets an employee's information be easily tracked so that it can be assessed on a more scientific level whether an employee is performing to their full potential or not, and if there are any improvements that can be made to make an employee feel more secure. It automates the entire payroll process by gathering and updating employee payroll data on a regular

basis. It also gathers information such as employee attendance, calculating various deductions and taxes on salaries, generating automatic periodic paychecks and handling employee tax reports.

Training and Development: The system helps to give the HR management division a more strategic role in the company, as the information taken from HRIS can be the basis for employee training schemes and work efficiency projects.

Reduces Cost And Time: The Technology also has advantages in HR management because it curtails time and cost consuming activities leading to a more efficient HR department. This system reduces the long HR paper trail that is often found in most HR divisions of companies and leads to more productive and conducive department on the whole. This system reduces cost and time spent on manual data consolidation.

HR Planning: It allows the HR management managers to focus more on making decisions and projects rather than paperwork. HRIS made it easy for the human resources department to smoothly operate all components. With the accurate and objective tracking of compensation and benefits, employees' morale and motivation increases. Technology is also being used to provide HR information and to enable managers and employees to perform simple HR tasks themselves. Technology also reduces the administrative and transactional burden on the HR. function can lead to a change in the structure of HR and allow the function to play a more strategic role in the organization. The reasons behind an organization's introduction of an HRIS may vary considerably from the need to facilitate efficient processes or cut costs, to improve communication and customer service, or the desire to create a shift in the role of the HR function from one that is mainly administrative to one that is more strategic.

Performance and Reward Management: Employee benefits are very crucial because they help to motivate an employee to work harder. By using a Human Resource Information System (HRIS) in employee benefits, the human resource department is able to keep better track of which benefits are being availed by which employee and how each employee is profiting from the benefits provided.

Reporting

Perhaps the biggest benefit that the use of an HRIS system adds to a business is its ability to create reports and presentations. An HRIS system typically 'holds all information surrounding the firm's human resources initiatives, including details regarding the group's hiring practices, such as a comprehensive listing of all job applicants, an up-to-date index of job openings and electronic copies of each employee's on boarding paperwork. It also holds data regarding the salary and incentive compensation of each staff member. Results of annual performance appraisals and any disciplinary actions that have been taken toward members of the team are included, as well.

Benefits Administration

An HRIS system allows a business to streamline the administration of employee benefits. In many cases, employees and new hires may electronically enroll in benefit plans. They may also have the capability of logging onto the system to monitor and update their current coverage throughout the year, changing status, dependent information and contact data as required. A self-service system allows for benefits to be efficiently administered with as little manpower as possible, saving an organizations time and money.

Recent Trends in E-HRM

Human resource information technology term covers a lot of different specific topics, just like the field of human resources itself does. Evolving with the market is the only way to stay relevant, so knowing what's taking over or on the way is important. This doesn't just mean faster benefits administration programs or better data reports. This means the broad definition of human resource technology and the new trends that becoming common components of the field.

Many talent management system software providers, including those who develop applicant tracking/recruiting systems, integrated payroll/human resource systems and learning management systems are actively working to embed several features into' their products. Some of the most notable advancements include:



1. Alert Technology:

Through an e-mail system, alert technology automatically proactively distributes information to your human resources and payroll personnel, managers employees and it also monitors your human resource system(s). Alerts can be established as in the given examples:

- Send notices to employees and managers about annual performance reviews and monitor key dates.
- Through e-mail send automatic replies for items such as thank you notes to applicants who send in resumes.
- To welcome new employees generate standard e-mail scripts, while informing relevant departments of the new hire.

Before alert technology arrived, reports would have to be manually initiated by users to identify the needed information. Alerts can significantly reduce time-consuming administrative tasks associated with paper flow, more and more human resource teams are demanding that their applications utilize alerts technology. In many cases, it has become apparent that simple, yet time consuming activities have to be automated to save time and increase effectiveness. Software providers have created predefined, easy to use templates for common activities like new hire and termination actions, performance review tracking, overtime and paycheck related listings, attendance records, applicant tracking, and training management tracking.

2. Conditional Workflow

Workflow automation is not new to the human resource system software industry. However, significant advancements in the sophistication of workflow and adoption by all facets of business management software are motivating many human resource system software providers to include “conditional” workflow technology in their applications.

Workflow is a term used to describe the tasks, procedural steps, organizations or people involved, required input and output information and tools needed for each step in a business process. Workflow automation takes an existing chain of work, such as initiating an employee's pay increase, and makes it automatic, usually with workflow software that guides information from point to point without human intervention.

Early versions of workflow within human resource applications usually limited users to pre-defined workflows with limited functionality. Typically, automated workflows included routing requests for approval and/or notification. However, the same workflow actions were taken regardless of who and/or what it was for. Simple workflow templates worked with a limited ability to differentiate the data “conditions.” The workflow is worked on an “unconditional” basis.

3. E-mail based Actions

We can probably all agree that email has been embraced by business as one of the primary communication tools between people and more recently, software systems and people. People send people emails. Software systems also send people emails, common emails from software systems include alert notices from your bank or credit card companies, internet order confirmations, notices that e mail was not delivered, etc. The benefit of using this technology is that users do not need to learn the underlying software application and can respond instantly using a familiar communication medium: email.

4. Online recruitment

It's practically guaranteed that you know about online recruiting by now. Finding the best new employees is practically a war these days and this type of human resource technology provides you with a modern weapon to use in your battles. Great ones offer corporate career

recruitment pages, individually targeted job boards, deep talent pools, and the ability to link up with social media and mobile devices. Making your presence felt on job recruitment websites is a must for the future of your company.

5. Social media

No longer just a way of friends to connect with one another and talk about their day, social media is a full-fledge human resource technology tool. Facebook has over five hundred million members and its business focused cousin LinkedIn has thirty five million. It may sound strange, but many believe that social media is a real game changer in the world of human resource technology.

6. Media goes global

There are several applications set to make big waves in the business world, giving HR professionals a mobile solution for human resource management software. Today's phones are more powerful than desktop computer were less than decade ago.

Conclusion

Today HRM's are presented with the challenge of becoming more effective and productive. as shown in this paper, this is due to the fact that it handles the different activities and issues regarding the most important resource of business and organization, the human power or the labor. The role technology plays on HRM is most fundamental when used as part of an organization 'a business strategy technology is incorporated on the fiber of our lives because of its overwhelming presence on e-business, as an exponential growth of internet continues. IT has a great impact no the process of managing and controlling the data or information that are related to human resource that can impact the entire performance of a specific company, in terms of production however technology presents its own challenges as well. Furthermore, the satisfaction of the human power can reflect to the products and services that the company is offering to their customers.

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