



A STUDY ON IMPLEMENTATION OF E-HRM

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ABSTRACT

Information and communication technology (ICT) has provided leverage for fundamental reconfiguration of services provided by the human resource function, not only in terms of the range of activities that have been automated, but also in the point-of-access for internal stakeholders. The present research in its endeavor identifies the extent to which different instruments/ tools are in use in selected Indian organizations. This paper also explores difference in use pattern of (electronic human resource management) e-HRM tools in context to private vis-à-vis public and manufacturing/mining vis-a-vis services. It also identifies Employees' responses have been compiled through a structured questionnaire consisting of demographic variables and statements regarding use of e-HRM tools. The study reveals that all the e-HRM tools are fully utilized in Indian organizations and private organization are ahead of public organizations in application of e-HRM tools similarly services sector is of manufacturing/trading sector in application of e-HRM tools.

KEYWORDS: *HRM Strategy, Organizational culture, Automation, ANOVAS, Point-of-access, Stakeholders.*

INTRODUCTION

At the end of the 20th century, other legislations like Affirmative Action, equal Employment Opportunity, the Occupational Safety and Health Act and the Employee Retirement Income Securities Act led to a demand on the US firms to collect, store, manage and report unprecedented amount of personnel data. E-HRM systems have their origins in payroll systems which were first used by the US firms in the 1950's, around the same time that computers were introduced in business. Companies used these systems to efficiently process huge amounts of data and also to comply with tax and wage regulations.

Web Technology has led a revolution in the delivery of HR services in organizations. This is quite evident in the way that human resource services both within and outside the organization is being delivered. The Application of ICT for HR function is named with various names like web-based human resources, human resource information systems (HRIS), virtual human resource intranet, computer-based human resource management systems, and human resource portals but the term e-HRM is extensively used. Global and national changes are impacting the Indian business environment and subsequently influence how human resources are managed. E-HRM has made few buzzwords like automation, transparency, empowerment, paperless office, least human interference a reality which was once supposed the panacea for all the ills of workplace. Advanced e-HRM systems typically include Enterprise Resource Planning (ERP) systems, HRM service centers, Interactive Voice Response (IVR), manager and employee portals and web applications.

e-HRM can range widely in scope; at the low end it can be a simple web-based system to access Human Resource (HR) related documents. At the high end e-HRM is a fully integrated, organization-wide electronic network of HRM related data, information, services, databases, tools, applications, and transactions that are generally accessible at any time by the employees, managers, and HRM professionals.

New dynamic, flexible and adaptable way of managing HR issues policies and practices are being sought after and HR service delivery in electronic form is the solution of above mentioned issue.

HRM has to act both proactively and reactively in response to the changing business environment and this is prevalent in the way that human resource management practices both

within and outside the organization is being conducted. In response to such demands, the first generation of information systems geared toward human resources were developed.

Review of Literature:

Integrated HR software suite application (ISA) – As per Wikipedia (2014) Integrated software is software for personal computers that combines the most commonly used functions of many productivity software programs into one application. **As per software Advice** (2014), core HR encompasses the three traditional human resources management functions: benefits administration, personnel tracking and payroll. Workforce management comprises the range of software solutions intended to effectively schedule and track the workforce and include applications to track time and attendance, monitor compliance with labor laws, and usually include payroll functionality or integrate well with other payroll software. **De Alwis-2010** the use of technology within HRM has increased a lot over the recent years, with 77 percent of organizations using some form of HRIS. **Sanayei and Mirzaei** (2008) in empirical study aim at providing an explanation of e-HRM and introducing its activities and tools, after the investigation, the effect of various independent variables such as job satisfaction, professional commitment and organizational commitment on the effectiveness of HRM as a dependent variable.

Research Methodology and Objectives of the Study:

This research is qualitative in nature and Qualitative methods as well as suited to research an area about which little is known – IT, hospitality, manufacturing, finance, retail and defense. The Review of Literature reveals that very little Empirical study has been taken from emerging countries like India which is all together different from western countries, so there is a possibility of different result in context to e-HRM instruments and tools in use. The present research in its endeavor identifies extent to which e-HRM tools are in use in eight select Indian organizations. This paper explorer difference in use pattern and tools of e-HRM tools in context to private vis-a-vis public and manufacturing vis-a-vis services in India.

The data for the present study used in it is purely from Secondary data was collected from published source like annual reports, action plans, reports of women, Census Surveys, newspapers, journals and government publications and Websites etc.

Present e-HRM systems in India:

Companies in the 21st century can be broadly said to have implementation of the mentioned e-HRM technologies. The main challenge for India-Tech was to manage its HR needs in the face of its rapid growth – i.e., how to recruit employees and subsequently manage them by way of training, performance appraisal, addressing their grievances while maintaining its homely, close-knit culture.

India-Tech is one of the largest Indian IT firms. Currently the firm has over 60,000 employees, has offices in the five continents and it earns a revenue of over 1 Billion USD. Growth of India-Tech has been spectacular – starting off as a small entrepreneurial outlet to cater to the IT needs of a few customers in the US and the UK, the firm grew from a mere 1000 employees in the early 1990's to its present size. At the heart of our conceptual model is a study that we conducted at a large Indian IT firm, qualitative in nature and Qualitative methods are called here in India-Tech, to conceal its identity.

e-HRM Systems Implementation – Findings

- “WE are making strategic use of e-HRM systems, for example to carry out climate survey in the firm, for strategic manpower planning, to assess patterns, to keep track of attrition as well as for real time interactions with employees as well as to conduct exit interviews.”
- “Top leader's support has to be there for the success of e-HRM systems, to be successful, these systems demand utmost transparency, geographic spread of companies will demand an e-HRM system, and people have to be computer savvy for these systems to succeed.”
- “e-HRM system is used for salary slips; leave applications, mediclaim, as appraisal system, for communicating organizational policies, leave balances and even for conducting exit interviews.”
- “e-HRM systems are helping us improve our bottom line.”
- “e-HRM system is used for routine HR tasks, for sending greeting cards to employees, for making service manuals available to employees and for e-learning.”
- “We have a SAP e-HR portal that we are using for e-learning, making useful articles available to employees, for communicating the company's vision and values, for

greeting employees on birthdays, for mediclaim, leave, e-recruitment and for general communication.”

- “One major downside of these systems is the huge costs.”
- “We are using our e-HRM system for internal job postings-across the globe and in India, as well as for tax deduction and for pay slips.”
- We do not have on-line performance appraisal system – we are using our e-HRM system to mostly collect employee suggestions.”

e-HRM Systems: Levels

Researchers have mentioned three levels of e-HRM system implementation (Legnick Hall et al., 2003). The first level, called the “informational”, consists of using the Web technologies to publish HRM related material (e.g. directories, policies and notices) on a corporate intranet. The second level, called “Interactional”, consists of making employee related tasks like leave applications, management of benefits and performance appraisal interactive via Web technologies. The third level, called the “Transformational”, endeavors to overhaul the HRM function itself. At this level most of the routine HRM activities take place via Smart Suites of Applications (like People Soft/Oracle and SAP HRM) which are integrated with the rest of the Enterprise applications. This frees up the HRM managers and staff to devote to HRM development and strategies.

Advantages of e-HRM

Information Systems (IS) researchers now agree upon and conceptualize organizational gains from IS to occur at three distinct levels. The lowest of these gains automates organizational processes and thus makes them more efficient. Effectiveness gains accrue when organizations not only automat, but also redesign and integrate their business processes.

At the highest level, organizations gain competitive advantage by e-HRM systems in a variable called “Performance Improvement”. The other level of gains in our model is “Strategic Gains”. Higher levels of e-HRM systems implementation invariably enfold the lower levels. It stands to reason that higher the level of –HRM systems implementation, more will be the benefits. This is so because through e-HRM systems, organizations are able to reduce the paper trail in HRM processes, reduce work-load on HRM employees as many of

the tasks are performed by the employees themselves, and organizational competitive improves as HRM personnel are freed to devote time to HRM Development.

Conclusion

When India-Tech implemented their e-HRM system in the late 1990s, they didn't have many models to emulate as they were one of the pioneers. Instead of relying on software packages like PeopleSoft, the firm decided to develop its own systems. The system was developed by the technology team of the firm and the HR worked closely with it. At the time of this study, the e-HRM system has been in place at India-Tech for nearly a decade.

In this paper, we stated with studying as interesting phenomenon – e-HRM system adoption that is fast gaining popularity. We have argued that conceptually e-HRM systems exist at three distinct levels of granularity. Furthermore, we have argued that implementation of these systems can offer organizations two distinct levels of benefits, viz., performance improvement and strategic advantage. We have delineated three contextual factors that moderate the relationship between the levels of e-HRM systems implementation and their benefits. These relationships are used to build some propositions that articulate the effect of the moderating factors on the focal relationship. Thus, we have laid the foundation for a theoretical investigation of a contemporary and under-researched phenomenon. Our framework will guide our future research, at the end of which we expect empirical studies to emerge. For practitioners, our framework is expected to provide guidelines and pointers about the success of e-HRM system implementation. Practitioners will be able to learn from the case studies and brainstorming session findings that we have discussed this research.

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