



**“CRITICAL STUDY ON IMPACT OF INFORMATION TECHNOLOGY  
ON HR PRACTICES”**

**Prof. Deepali Kishor Desai**

Assistant Professor,

Suryadatta Institute of Business Management & Technology,  
Pune, India.

**ABSTRACT**

*Technology has tremendously changed the business world many times over. In Information technology era and with arrival of computers, internet and smart phones, the impact of technology increased significantly. Today, even the situation is like many businesses cannot function without the use of computer technology. This impact is seen nearly in all areas of business like finance, accounting, human resources, marketing, operations, purchase etc. Technology continues to have a significant impact on HR practices. Various HR practices like recruitment, selection, training and development, performance appraisal, compensation, employee benefit practices are influenced by use of technology. Use of technology has positive as well as negative impact on human resources. Researcher wants to find out the technological impact on various HR functions. This paper came up with findings that HR functions are benefited by use of technology as it increases speed, accuracy; maintain huge database and saves time while having drawbacks as system failure, requirement of technical knowledge will increase cost considerably.*

**Key Words:** Business world, Computer technology, Database, HR practices, Information Technology.

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## **1.0 Introduction:**

The importance of technology in our daily lives is undeniable. In today's dynamic world, life without technology is insignificant. Technology, which basically refers facilitating human beings in different ways. Technology compiles different functions together which helps in creation, use and exchange of information. Information technology has a major goal of making tasks easier to execute. Basically it meant for solving many problems. As technology continues to advance, it brings more easiness in our lives. Information technology plays crucial role in various fields of management. All industries are continuously working on improving and bringing modern techniques for data collection, data management, data analysis etc. Now days, technology makes communication across the globe very easy. This is due to the invention and use of internet. Internet has converted the world into a global village. People hailing from different geographical regions can virtually communicate through video calls, e-mails as well as many social media platforms like Skype, what'sApp, Twitter, face book, LinkedIn etc. available. Business owners have realized the power of using internet to attract and achieve more customers. Now the trends are changing. Online shopping , virtual markets became more popular. Business people understood that by creating attractive business websites, business will grow at fast pace. Now a days , customers just select the item & click and buy them at the comfort from their homes. Advance technology also eliminated the bulkiness associated with paperwork. With technology, information can now be stored virtually in various storage devices such as compact disks, pen drive , hard disk and microchips. Moreover, Information stored in these technological devices is secured with passwords and codes which are only known by the proprietors of the information, making it a better way of storing confidential information. With the rapid growth of world trade, companies must implement changes quickly. Technology is a means to achieve this goal. Because of technology, now it's possible for companies to bring new products to market quickly, while meeting the quality requirements of the customer. To succeed in the international market, companies must also eliminate unnecessary products and make management to reduce costs and time in product development measures. The growth of global quality standards and processes in business has also increased the need for companies to use technology to implement the necessary changes and comply with the new requirements. Also new work standard and regulation force workplaces to provide proper work boots that keeps the employees health.

Technology helps companies in managing changes in operations. Technology in great way helps companies to reduce costs by making a revision of business processes and removing actions which are non value added. A key issue for company leaders and staff is adoption of technology challenge. Both businesses and consumers have benefited from improvements driven by technology such as online ordering, traveling without obtaining tickets physically and inventory time management. Another importance of technology in business is the ability for computers to perform multiple tasks simultaneously. Even computers are generally able to perform complex calculations, such as math equations or travel distances, very quickly and accurately. Industry also using trends like use of computerized numerical machines, automation, robotics, online data handling and transfer etc. which minimize cost increase efficiency and accuracy. Technology also provides internal support in identifying functions that multiple departments can share. Technology allows companies to eliminate duplication of functions and even outsourcing some administrative functions such as accounting or management functions. Advances in technology provide companies with the opportunity to put the authority of the decision at an optimal level. Companies can use technology to centralize some activities and take advantage of cost savings. Companies can also take advantage of advances in technology to integrate their systems with their customers and suppliers. Thus technology plays very important role in various business functions. Now this technology has significant impact on various HR functions like recruitment, selection, training and development, copansation, performance appraisal etc.

## **2.0 Literature Review:**

- 1. Imran Rana , Ijaz Mirza & Sajid Muhamaad (2014):** This research paper is about recruitment, selection and training procedure in a Rescue 1122. It comes with findings like the policy should non discriminatory, fair & should meet all legislative requirements. In selection process, no personal information should be revealed to selection panel. This company mostly using external recruitment. It comes with findings like management use training need assessment and also go for capacity building. The company should appoint professionally HR qualified people which will help to minimize flaws.
- 2. R. Suhasini , Dr. T. Suganthalakshmi (2015):** This paper discuss different technological trends in Training & Development. It discussed different types like computer assisted training, web & internet based training, smart phones, intranet, webinar, WIKI, YouTube etc.

It discussed various trends like classroom training is changed into web based training requirement, move from expert centric knowledge delivery to collaborative knowledge capture and dissemination, move from group based training to personalized performance support in the workplace.

- 3. James L. Farr, Joshua Fairchild, & Scott E. Cassidy:** This paper is on use of technology and Performance appraisal. It says different trends like computerized performance monitoring; performance feedback may be particularly helpful and important for members of distributed teams. Another sector of the modern workplace where the union of rapidly emerging technology with performance management has important implications is virtual teams. In response to an increasingly decentralized and global work environment, many organizations have implemented virtual teams, whereby group members who are geographically or temporally dispersed work together. This paper also come up with losses like heavy reliance on modern technologies, such as e-mail, instant messaging, “smart” phones, and video conferencing, to communicate and deliver feedback. The confluence of technological advancement and the need to adjust to the modern.
  
- 4. Neeraj Kumari (2012)** The main objective of this research paper is to identify general practices that organizations use to recruit and select employees and, to determine how the recruitment and selection practices affect organizational outcomes at SMC Global Securities Ltd. The research methodology applied is the exploratory. This paper came with findings like, company considered portals as the most important medium of hiring employees. The employees working in the company consider the employee references are one of the most reliable source of hiring the new employees. Company always takes in consideration the cost-benefit ratio.
  
- 5. Ms.G.Karthiga, Dr.R.Karthi, Ms.P.Balaishwarya (2015):** This paper is having objectives like assessment of the perception of the employers regarding recruitment process they have undergone, identifying the average time spent for selection process and to identify new ways of improving the present recruitment procedure. Most of the respondents were satisfied with current recruitment process but still changes are required according to the changing scenario.

Recruitment process has a great impact on the working of the company. It came with findings like selection process is good in the company but it should be modified.

### **3.0 Objectives:**

- To study various HR function.
- To study the impact of technology on HR function.
- To find out advantages and disadvantages of use of technology on HR function.

### **4.0 Research Methodology**

The study of impact of information technology on HR functions is descriptive in nature. It is based on secondary data which were collected from books, journals, reports and websites.

#### **4.1 Various HR Functions:**

**Human Resource Planning:** It may be defined as strategy for acquisition, utilization, improvement and preservation of the human resources of an enterprise. The objective is to provide right personnel for the right work and optimum utilization of the existing human resources. HRP exists as a part of the planning process of business. This is the activity of the management which is aimed at coordinating requirements for and the availability of different types of employees. The major activities of HRP include: forecasting (future requirements), inventorying (present strength), anticipating (comparison of present and future requirements) and planning (necessary programme to meet future requirements). Human Resource planning facilitates industry in such a way that there should not be excess or shortage of manpower.

**Recruitment & Selection:** Recruitment & Selection is most important HR function. It is the process of stimulating prospective employees to apply for the job. Recruitment is the process of finding and hiring the best-qualified candidate from within or outside of an organization for a job opening in a timely and cost-effective manner. The recruitment process includes analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee into the organization. Selection process comprises various steps like aptitude test, general and technical interview round, reference check, medical fitness

check etc. recruitment and selection process of a company decides the quality of HR input to the company.

**Training & Development:** Training deals with imparting skill and knowledge of employee to do a particular job. Generally two types of trainings i.e. on the job and off the job training is provided by the company. On the job training deals with providing training at work site or on job, where off the job training deals with training away from the work site. Many companies are having training calendar displayed at the first day of new year. So they have some fixed and general training programs and some training programs are planned according to requirement of various department. Companies are investing lot of money on training and employee development. Training results in cost saving, improved knowledge, reduce accidents, increase speed and accuracy and overall profitability.

**Compensation:** Compensation refers money paid by management in exchange of work done by an employee. It is the remuneration received in return for his or her contribution to the organization. Compensation thus directly or indirectly related with motivation, loyalty & productivity. The HR specialist has a difficult task of fixing wages and wage differentials acceptable to employees & their leaders.

**Performance appraisal:** Performance appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. It is the process of review of employee's performance. General process of performance appraisal includes, review of employees performance against set targets and plans. Next step includes finding out the gap between standard and actual performance and finally take the corrective action. The corrective actions may give input for different decisions like training, transfer, promotion, demotion or firing the employee. Performance appraisal can act as important motivational tool for employee.

## **4.2 The impact of use of technology on HR function.**

### **Recruitment**

One of the most important HR functions which have been significantly impacted by technology is recruitment. Before the introduction of computer and internet, recruitment department have to

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do a lot of work. HR recruiters had to rely on print publications for advertisement. They used newspapers, magazines, periodicals to post jobs vacancies and get prospects for open positions. Other methods such as networking, personal references also were used. Generally the problem lies with HR recruiters is they did not have the ability to post a job in one or more locations and have millions of people see it all at once. Technology has made recruiting more efficient and, in the hands of the right recruiter, more effective as well. Internet open global market for recruitment. Technology increases accuracy and speed and reduce the cost and efforts. Now many professional sites like LinkedIn, monster.com, Naukari.com and many more are available where people post or upload their resume and companies match with their requirements and make recruitment.

### **Selection:**

Selection processes become faster and accurate by using technology. Right person at right place at right time is possible because of use of accurate technology. Many aptitude tests are now possible to be conducted online which not only save the time but also reduces supervision and increases accuracy. Digitalization of selection process like taking interviews through video calling using Skype, telephonic interviews make selection process more effective. Previously company has to invest a lot in selection test, interview process and final selection. But now technology had given a helping hand where company can maintain database and whenever required they can retrieve the information and can call candidate which was hectic task previously.

### **Training & Development:**

Information technology makes it possible for human resources professionals to train new staff members in a more efficient manner as well. The ability to access company information and training programs from remote locations eliminates the need for trainers to work directly with new hires on all training. Some interaction will always be necessary on some level, of course, but training in virtual classrooms makes it possible for the HR professionals to train a large number of employees quickly and to assess their progress through computerized testing programs. Now through video conferencing it's possible to train many people at a time. Use of modern trends like power point, Audio-video clips makes training more interesting and easy. Training evaluation also became more authentic. Training can be evaluated online; company can take

online feedback, suggestions about training. Thus technology makes it possible to conduct training on large scale with accuracy and speed. The current technological trends in training are - YouTube, Social Media, Smartphone, and E- Learning trends are discussed.

### **Performance Management**

Enhanced performance management is another byproduct of technological improvement. Human resources professionals can use computer technology to assess employee performance and also to get employee feedback to be used for the betterment of the organization. Various software programs make it possible for human resources professionals to examine employee performance using metrics to ensure that employees are meeting performance standards. Employees that don't measure up can be subjected to additional training or let go in favor a replacement that can come in and do the job. Technology facilitates online performance evaluation and based on it different decisions like promotions, demotion, training, removal, transfer etc. are taken by the management.

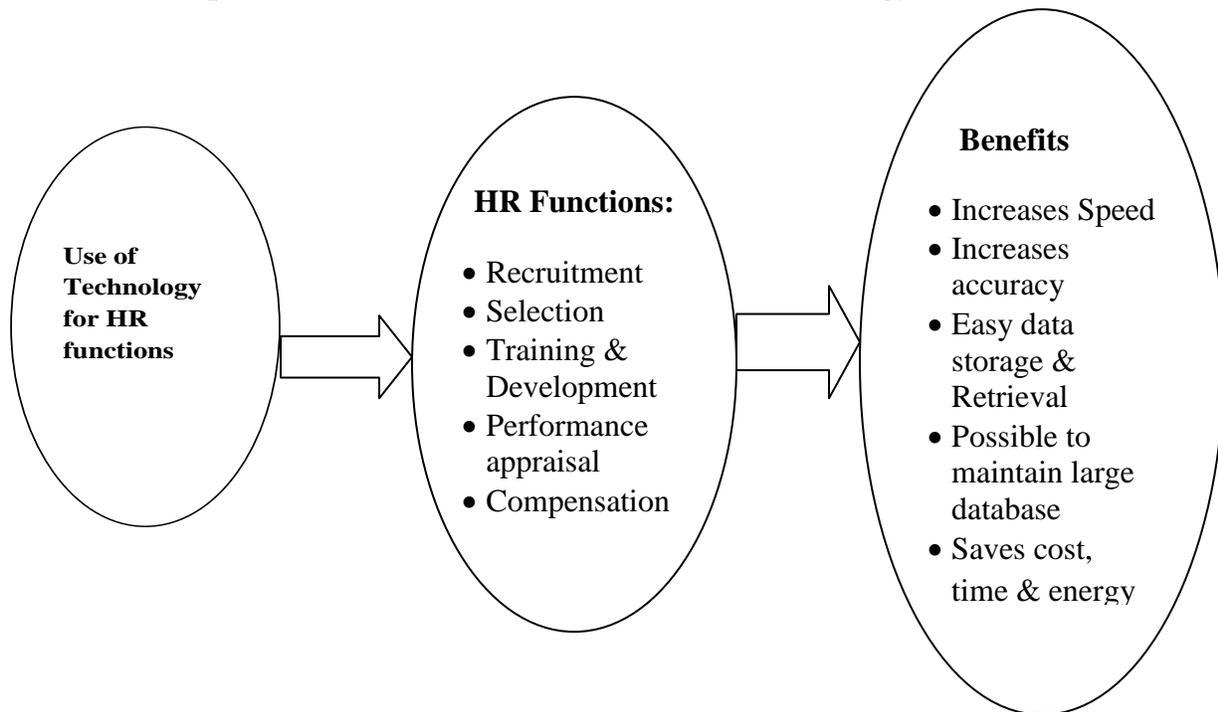
### **Compensation**

Working on various components of compensation and its calculation is very tedious job. Technology helps out in this area like it feeds a formula which helps to calculate salary with its different components within a fraction of second for much number of peoples. Also calculation became speedy and easy by using various compensation software. Even company can compare various compensation trends online.

### **Data Storage and Retrieval**

Human resources professionals generally process a considerable amount of paperwork and also have to keep much of that paperwork on file for a considerable period of time. The use of electronic imaging has made it possible for companies to store and retrieve files in an electronic format. Technology also makes it possible for human resources professionals to simply print the forms that are needed for employees. Printing on demand eliminates the need to dig through an endless number of files in the file cabinet to find what is needed.

## 5.0 Relationship Construct between HR Functions and Technology:



**6.0 Findings:** It has been found that there are certain advantages as well as disadvantages for the use of technology in HR functions. They are as follows:

### 6.1 Advantages of use of technology for HR functions:

1. Employees and managers can access information quickly without the need to consult an HR representative every time.
2. Technology increases accuracy and speed in various HR functions like calculation of leave records, maintenance of employee data, calculation of various components of salary and benefits, training records, performance criteria, performance evaluation etc.
3. Technology saves time and energy to perform a particular task.
4. Digitization of HR function reduces risk of physical loss of records, tearing, rough handling of records etc.

### 6.2 Disadvantages of use of technology for HR functions:

1. Sometimes use of technology for various HR functions like recruitment and selection, payroll software, online training became a costly affair for the company.
2. Risk of software failure, system failure will stop HR functioning, data retrieval and cause loss for the company.

3. The option of technology resulting into outsourcing of many HR functions which cause reduction in existing manpower.
4. Human error during information input cause wrong output and result into loss.
5. Costly technology requires updating of system. So sometimes malfunctions or insufficient applications may not support human resources needs.
6. Recruitment of person having knowledge of technology and HR function will be costly.

## **7.0 Conclusion:**

Technology has significant impact on various business areas. Today in the era of globalization and tough competition technology plays vital role. Various HR functions like recruitment, selection, training & development, compensation, performance appraisal are in great way facilitated by use of technology. Use of technology gives exposure for global recruitment to get best talent. Recruitment became easy and speedy. Technology facilitates selection procedure by conducting online test, telephonic or conducting interviews through video conferencing, data validation through various websites. Technology facilitates online training to large participants at a time. Use of technology positively reduces the hectic calculation part in salary packages. Technology facilitate in maintaining large employee database in detail. Taking online performance reviews, communicating the set targets, online performance grading, taking online feedback becomes easy. Thus technology in great way facilitates the various HR functions. Thus interference of technology has some advantages like it increases speed, accuracy and saves time while having drawbacks as system failure, requirement of technical knowledge will increase cost considerably.

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