

ALIGNING E-HRM PRACTICES WITH TALENT RETENTION – CREATING A TECHNICAL EDGE

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Abstract

The newer breed of employees, better known as Generation Y, are definitely more technology-driven, more flexible and more mobile. Thus, this is the generation which requires more supple and open approach while dealing with its career paths. It is already proven that strong HR policies support in retaining talent in the organization, but with the introduction of E-HRM, the traditional HRM practices have taken a leap ahead. E-HRM in fundamental nature is the delegation of HR functions to management and employees. Empowering the employees to work upon certain functions relieves the HR department of those errands thus helping them to concentrate more on the strategic areas of HR rather than the mundane operational elements.

In this vein, the paper aims to explore the possible relationship between the implementation of E-HRM and talent retention strategies. The study also compares the difference between the Engineering and Management Faculties in adoption of E-HRM system in the institute. Specifically, we focus on the relationship between E-HRM systems and Engineering and Management Faculties towards adoption and efficacy, upgradation to additional IT skills, easy access to information, increasing the effectiveness and improving the retention rate.

Key Words: E-HRM, Talent Retention, Engineering and Management Faculties.

Introduction

Faculties being the back bone of any institute, whether it is Engineering or a Management institute, it has become very important to manage them more effectively and efficiently. Retaining the desirable employees is beneficial to an organization in gaining competitive advantage that cannot be substituted by other competitors in terms of producing high morale and satisfied coworker who will provide better customer service and enhanced productivity, which subsequently result in better sales, customer satisfaction, smooth management succession and improved organizational learning (M. Heathfield, 2005). Similarly, in an educational institute, a satisfied faculty will contribute to better teaching and research opportunities, thus enhancing the overall institutional performance.

Since Human Resource Management (HRM) plays a vital role in enhancing the performance of an

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organization, it is important to pay greater attention to this component of management. It is that dynamic aspect of the management which constantly deals with the development of the most valuable asset of the organization, namely, human resource. The concept of dealing with the people has changed dramatically due to the introduction of technology. Today the Information Technology has become a boon for the organizations, in almost every sphere of the management function, especially in the case of human resource function where tracking the progress of the people has become easier for the administrator. With the arrival of Information Technology, the Human Resource management has shed its old personnel image and gained recognition as a vital player in corporate strategy. HRM departments not only support the organization's strategic objective but actively pursue an ongoing, integrated plan for furthering the organization's performance. In today's era, the success of a company/institution depends on how it manages its employees, since HRM is the most important factor in sustaining competitive success. Thus, current strategic issues for any HR department are to become more competitive globally; improve quality, productivity and customer service; manage the merger and acquisitions; and apply new information technology for e-business.

To attain the above-stated goals, HR departments intent on designing an integrated computer system which will support them in providing data and information that can be used in HR planning and decision making. The system is now shifting from traditional HR to E-HR, thus significantly affecting every area of human resource management. Some organizations have advanced themselves so much that they are close to a paperless HRM system which saves their time, money, and frees staff for other important issues.

Since E-HRM is replacing traditional HR practices, it is important to have a fuller grasp of this development. It is in essence the (planning, implementation and) application of information technology for both networking and supporting at least two individual or collective actors in their shared performing of HR activities. It is not the same as HRIS (Human Resource Information System) which refers to ICT systems used within HR departments. Nor is it the same as V-HRM or Virtual HRM – which is defined by Lepak and Snell as "a network-based structure built on partnerships and typically mediated by information technologies to help the organization acquire, develop, and deploy intellectual capital." Ruel Bondarouk and Looise further clarifies the concept. They define it as "a way of implementing HR strategies, policies and practices in organizations through a conscious and directed support of and/or with the full use of web-technology-based channels" (Ruel, Bondarouk and Looise, 2004, p. 281).

Review of Literature

According to Enshur, Nielson and Grant-Vallone, 2002, the use of E-HRM varies greatly, depending on the HR activities it supports, for example, recruitment and selection, performance management, training and development, compensation and benefits, health and safety, employee relations, work-life balance and managing HR and employee information across the entire employment cycle. E-HRM varies not only in the functions for which it is used but also in the degree of sophistication which it involves (Martinsons, 1994).

E-HRM is in essence the devolution of HR functions to management and employees. They access these functions typically via the intranet or other web-technology channels. The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department of these tasks, allowing HR staff to focus less on the operational and more on the strategic elements of HR, and allowing organizations to lower HR department staffing levels as the administrative burden. Though these changes are not yet evident, it is anticipated that as the E-HRM develops and becomes more entrenched in business culture, these changes will become more apparent. A 2007 CIPD survey states that "the initial research indicates that much-

commented-on development such as shared services, outsourcing and e-HR have had relatively little impact on costs or staff numbers."

Lengnick-Hall and Moritz emphasizes the importance of e-HRM for the HR function, according to them, "For the HR function, e-HRM has the potential to affect both efficiency and effectiveness. Efficiency can be affected by reducing cycle times for processing paperwork, increasing data accuracy, and reducing HR staff. Effectiveness can be affected by improving the capabilities of both managers and employees to make better, timelier decisions. E-HRM also provides the HR function the opportunity to create new avenues for contributing to organizational effectiveness through such means as knowledge management and the creation of intellectual and social capital." Thus, the e-HRM helps in initiating the effectiveness and efficiency of the organizations, through the help of newly created intellectual capital.

E-HRM Types

The current literature distinguishes three types of E-HRM:

- a) Operational E-HRM
- b) Relational E-HRM
- c) Transformational E-HRM

Operational E-HRM is concerned with administrative functions such as payroll management and employee personal data. Relational E-HRM supports business processes by means of training, recruitment, performance management and so forth. Transformational E-HRM is concerned with strategic HR activities such as knowledge management, and strategic reorientation. An organization may choose to pursue E-HRM policies from any number of these tiers to achieve their HR goals.

Within all the types of HRM, choices have to be made in terms of which HRM activities will be offered face-to-face, and which will be offered through the web. For the operational type of HRM, the employees may keep their own personal data up-to-date through an HR website or can have the help of the administration to manage their records for them. In terms of relational HRM, there is a choice between supporting recruitment and selection through a web-based application or using a paper-based approach. The training and performance management like HR activities can be managed by the employees themselves by self-learning online training sessions and self-feedback forms respectively. Finally, in terms of transformational HRM, an overall organizational change is sought after through an integrated set of web-based tools that enables the workforce to develop in line with the company's strategic choices, or to use paper-based materials.

Ruël et al. have also shown that although, in practice, the E-HRM types tend to be mixed, a strong foundation layout at operational level becomes an essential prerequisite for relational and transformational E-HRM; and that this requires a complete makeover in the way the things are being operated in the organizations; for example, paperless administration, more IT enabled workforce, etc. They also emphasized that these E-HRM types are not the criteria for judging a company's performance; rather these are just the level of the implementation of the E-HRM practices in any organization. It is not about better or worse E-HRM types. Further, it was shown that there is a "gap" between E-HRM in a technical sense (the available functionality) and its use and adoption by employees and line managers. Moreover, it is also not possible for any traditional company to move to transformational type of E-HRM just like that. This movement is not possible without first going through operational and relational E-HRM stages.

E-HRM Outcomes

Beer et al. distinguish four possibilities:

- a) High commitment
- b) High competence
- c) Cost effectiveness
- d) Higher congruence

These outcomes, in turn, may change the state of HRM in an organization, or the new HRM state may result through the efforts of individuals and/or groups within an organization. This closes the circle. With the addition of the E-HRM outcomes, the building blocks which are needed to finalize our E-HRM model have been identified (Figure 1). Literature suggests that the various goals of E-HRM and the different types of E-HRM are expected to result in outcomes including more efficient HRM processes, a higher level of service delivery and a better strategic contribution. Such expected outcomes can be "encapsulated" in one concept, which could be counted as HRM effectiveness. E-HRM, as the matter of fact, is expected to contribute to the effectiveness of HRM, which consequently could help achieve the organization's goals.

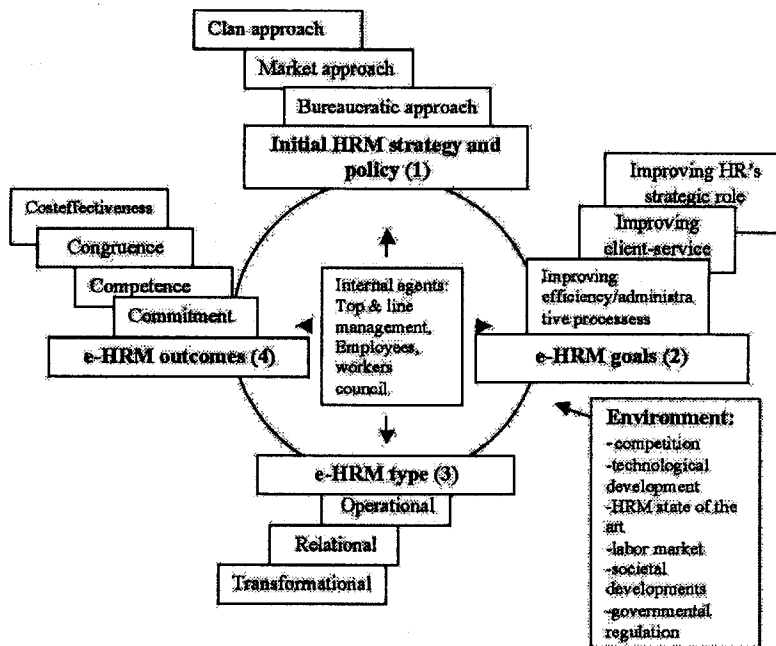


Figure: Demystifying E-HRM dimensions.

Aligning E-HRM with HRM – The Research Framework

Since HR is involved in a more "strategic role" in the organizations and move towards becoming "business partners" rather than just being a support department, the importance of E-HRM has gained substantially. The E-HRM provides solutions for routine HR functions, which can be performed by the employees themselves, thus shifting the focus of the HR people towards more strategic issues in the organization. As the faculties today have become more technologically advanced, the e-solutions related to basic HR functions,

help them in not only checking their own progress, but also in boosting their morale, raising their confidence level, and finally leading to enhanced institutional performance.

Since E-HRM facilitates the employees, makes employee-organizational affiliation more unambiguous, reduces potential misapprehension, and creates a viable transparency in the total HR function in the organization, E-HRM is beneficial for both Engineering and the Management Institutions in the state.

Objectives of the Study

The objective of the study is to:

1. Analyse the Engineering and Management faculties' opinions towards introduction and implementation of E-HRM in the institution.
2. Compare the adoption of E-HRM practices by Engineering and Management Faculties of selected institutions in the state.

Research Methodology

Research Types: Simple random sampling.

Sample Type: People were randomly selected and the sample was composed taking into consideration the proportion of the population of each institute. The faculties with minimum six months experience were selected.

Sample Size: 400 faculties (200 Engineering and 200 Management Faculties)

Data Collection: A structured survey was used to collect data on faculties of various levels from various Management and Engineering of various institutes in Rajasthan that were part of the both Generation Y and the Generation X. Data was collected via an e-mail survey sent to 200 Engineering Faculties and 200 Management Faculties, yielding a response rate of 100%, i.e. we have thus far obtained 400 valid responses. The respondents included in our analysis fell into three occupational categories and are involved in Management and Engineering institutes.

Hypothesis

The goal of the study was to compare the adoption of *E-HRM* practices by Engineering and Management Faculties of selected institutions in the state. Hence, the following hypothesis can be proposed:

H0: There is a difference between Engineering and Management faculties' opinion towards E-HRM as a retention strategy.

H1: There is no difference between Engineering and Management faculties' opinion towards E-HRM as a retention strategy.

The null hypothesis is relevant since it enables us to broaden our final discussion considering not only Generation Y employees, but also all employees who demonstrate different degrees of technological attitude and high-perceived utility.

Limitations

1. The main limitation of this study is the influence of the external environment on human behaviour. The external environment plays a very important role for the respondent, as it affects the state of the mind of the respondent, when he/she is responding to the questionnaire.
2. The other limitation of the study is its sample size. Only a preliminary study has been done on this topic.
3. The research was not extensive. It covered only certain preliminary areas of E-HRM, thus leaving a scope for further investigations in the same area by the researchers.

Findings and Analysis

To substantiate our analysis and fulfil the objectives, the total study has been divided into two parts. In the first part, the analysis of total faculties (Engineering and Management – considered as one sample) and their opinion on the introduction and implementation of E-HRM in the institution is considered. The second part focuses upon the difference in adoption of E-HRM systems by both Engineering and Management faculties.

Objective 1

To analyse the Engineering and Management faculties' opinions on the introduction and implementation of E-HRM in the institution.

Analysis

F1: E-HRM adoption and efficacy: The respondents were asked whether they are interested in maintaining their own HR functions, e.g., leave record, performance appraisal, and payroll system. As the respondents were academicians, mostly it was found that they were not so interested in maintaining their own records. They are in favour of implementing the E-HRM system in their organizations, but were of the view that record maintenance has to be handled by someone in the administration.

F2: Easy access to information: Next, the respondents were asked about their views on whether E-HRM provides them with easy access to the information collected. The respondents unanimously agreed that implementation of E-HRM practise will definitely provide an easy access to the information related to various processes and functions related to basic and strategic HR practices.

F3: Upgradation to additional IT skills: To measure the extent to which people feel comfortable with technology and their intention to upgrade to additional IT skills. Surprisingly, it has been found that the respondents from both the management and the engineering institutes of Rajasthan are in favour of increasing their IT skills. The faculties are optimistic towards technology, has a strong belief that the technology offers people increased control, flexibility and efficiency. Though reluctance, discomfort and insecurity were some of the negative features, technology brings greater efficiency and flexibility.

F4: Increasing the effectiveness: A technology-driven system results in better functioning of the organization; this has been again proved by the respondents, who strongly welcomed the implementation of the E-HRM system in the organization. As per the respondents, the E-HRM system boosts the confidence of the employees, thus increasing the overall effectiveness of the various functions of the organization.

F5: Improvement of retention rate: Technology provides the employees with a sense of security; wherein the employees have an easy access to all the information, can maintain their own HR functions, and are comfortable

with the various processes. Such a system, improves the retention rate of the employees, as is observed in the survey. The survey findings suggest that the respondents strongly believe that the E-HRM system helps in improving the retention rate of the organization.

Objective 2

To compare the adoption of E-HRM practices by Engineering and Management Faculties of selected institutions in the state.

Analysis

To test our hypothesis we designed a questionnaire, on a 5-point scale, ranging from "Strongly Disagree" to "Strongly Agree". The respondents were asked to give their response on following parameters: perceive adoption of various E-HRM systems, able to upgrade to gain additional IT skills, easy access to information collected, and increase in effectiveness of the functioning, improvement of the retention rate.

Table 1: Response towards E-HRM

SI No	Factors	Sector	N	Mean	Std Deviation	t-value	Sig (2-tailed)
F1	E-HRM adoption and efficiency	Engineering	200	4.00	0.428	2.544	0.011
		Management	200	3.84	0.759		
F2	Easy access to information	Engineering	200	4.04	0.385	-1.886	0.060
		Management	200	4.16	0.805		
F3	Upgradation to IT additional	Engineering	200	4.15	0.478	-5.630	0.000
		Management	200	4.45	0.582		
F4	Increasing the effectiveness	Engineering	200	4.11	0.482	-0.561	0.000
		Management	200	4.15	0.837		
F5	Improvement of Retention Rate	Engineering	200	4.01	0.709	0.378	0.705
		Management	200	3.98	1.100		

F1: E-HRM adoption and efficacy: From Table 1, it is clear that the mean value for the respondents of Engineering and Management faculties (Factor 1) is 4.00 and 3.84 with value of S.D. 0.428, 0.759. The value of t is 2.544 at 0.011 significant levels. It means there is significant difference (the level of significant level for t-test is more than 0.05) between the opinions of respondents of various sectors towards factor 1. Hence H_0 is accepted and H_1 is rejected.

F2: Easy access to information: The mean value for the respondents of Engineering and Management towards easy access to information (Factor 2) is 4.04 and 4.16 with value of S.D. 0.385, 0.805. The value of t is -1.886 at 0.060 significant levels. It means there is no significant difference (the level of significant level for t-test is more than 0.05) between the opinions of respondents of various sectors towards factor 2. Hence H_0 is rejected and H_1 is accepted

F3: Upgradation to additional IT skills: The mean value for the respondents of Engineering and Management towards upgradation to additional IT skills (Factor 3) is 4.15 and 4.45 with value of S.D. 0.478, 0.582. The value of t is -5.630 at 0.000 significant levels. It means there is significant difference (the level of significant

level for t-test is less than 0.05) between the opinions of respondents of various sectors towards factor 3. Hence H_0 is accepted and H_1 is rejected.

F4: Increasing the effectiveness: The mean value for the respondents of Engineering and Management towards increasing the effectiveness (Factor 4) is 4.11 and 4.15 with value of S.D. 0.482, 0.837. The value of t is -0.561 at 0.000 significant levels. It means there is no significant difference (the level of significant level for t-test is more than 0.05) between the opinions of respondents of various sectors towards factor 4. Hence H_0 is rejected and H_1 is accepted.

F5: Improvement of retention rate: The mean value for the respondents of Engineering and Management towards Improvements of retention rate (Factor 5) is 4.01 and 3.98 with value of S.D. 0.709, 1.100. The value of t is 0.378 at 0.705 significant levels. It means there is no significant difference (the level of significant level for t-test is more than 0.05) between the opinions of respondents of various sectors towards factor 5. Hence H_0 is rejected and H_1 is accepted.

Conclusions and Suggestions

The focus of this study was to gain an insight into whether the introduction and implementation of the E-HRM system will empower the faculty fraternity and help in improving the retention rate of the institute. The analysis seems to support our null hypothesis. The respondents have same opinion on easy access to information, increasing the effectiveness and improvement of retention rate while they have different opinions on the efficiency of adopting or upgrading to additional IT tools.

The results suggest that both the Engineering and the Management Faculties are prepared for technological advancement. They believe in progression and the expansion. Implementation of E-HRM in the institutes gave an impression to the employees that the management is concerned about its employees, thus causing a positive impact on commitment, fairness and increased retention rate.

The difference visible in adoption of E-HRM system and upgradation of additional IT skills can be easily managed by the institute through proper training programmes. Such programmes will not only help the employees to overcome their fear of learning and implementing new technology, but also enhance their expertise and overall skill-set.

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