E-HRM: BEST & NEXT HR PRACTICES

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Abstract

In this Transforming Business World, technological advancements are one of the powerful driving forces. The technology and digitized business communications have enhanced & reformed various organizational activities. Like all vocations, HRM has been progressively affected by the ongoing emergence of new technologies. As a result of it, during the past few years we have witnessed the rise of Electronic Human Resource Management (E-HRM).

E-HRM is a relatively new term which is fast progressing in almost all organizations. The paper aims to describe the attitude towards E-HRM & also answer the following questions: What actually is E-HRM, what are the goals of starting with E-HRM? What are the outcomes of E-HRM? The paper also describes the transforming role of HR department from a more advising function to a more strategic line function through technological advancement & discuss whether it is a boon or bane in Today's corporate scenario.

***Keywords :** Electronic Human Resource Management (E-HRM), Strategic Function*

Introduction

Worldwide, the HR profession had to respond to increased competition for globally mobile talents, changes in both workforce attitudes and composition, shifts in the employer/worker relationship and rapid advances in HR technology. Competitive business environments have compelled the organizations to think speedily to innovate and excel for their survival. Technology advancement is one of the powerful driving forces. It has reshaped the way we communicate, live, work and also the way a business is conducted. Corporations need to shift from physical technology to information technology, from capital centered economy to human centered economy, and further from conflict to cooperative working relationships.

The processing and transmission of digitalized HR information is called electronic human resource management (E-HRM). E-HRM is the application of IT for HR practices which enables easy interactions within employee and employers. It stores information regarding payroll, employee personal data, performance management, training, recruitment and strategic orientation. Information technology is changing the way HR departments handle record keeping and information sharing. It decreases the paperwork substantially and allows easy access to voluminous data. The employee can also keep track of his/her achievements without having to go through litigious procedures.

E-HRM is the new field of technology that is widely spreading in organizations around the world. It aims at transforming the HR functions into one that is paperless, more flexible and resource efficient. With the

state of IT, HRM has become more effective through the use of E-HRM technologies. E-HRM has the potential to change the way traditional HRM functions are performed. For e.g. in the analysis and design of work, employees in geographically dispersed locations can work together in virtual teams using videos, e-mail etc. Under recruitment function, job openings can be posted online, and candidates can apply for jobs online. On compensation and benefits issues, E-HRM will make it easy for employees to review salary and bonus information and seek information about bonus plans.

Review of Literature

Mary Gowan has defined Electronic Human Resource Management System (E-HRM System) as a web-based solution that takes advantage of the latest web application technology to deliver an online real-time human resource management solution. It is comprehensive but easy to use, feature-rich yet flexible enough to be tailored to your specific needs.

In the view of Michael Armstrong [2003] e-HR provides information required to manage HR processes. These may be core employee database and payroll systems but can be extended to include such systems as recruitment, e-learning, performance management and reward. The system may be web-based, enabling access to remote or online and at any time. The information provided by the e-HR process can be communicated across organizations.

E-HRM is mediated by information technologies to help the organizations to acquire, develop, and deploy the intellectual capital. E-HRM is a good way of implementing HR strategies, policies, and practices in organizations through a continuous and direct support by full use of web-based-technology channels and networks. (Swaroop, 2012).

"An umbrella term covering all possible integration mechanisms & contents between HRM & Information Technologies aiming at creating value within & across organizations for targeted employees & management."

Electronic Human Resource Management (E-HRM) is assumed to be a driving force behind HRM value creation (Ruël & van der Kaap, 2012). This definition suggests the integration of four aspects (Bondarouk & Ruël 2009) :

1. **Content of E-HRM :** Focuses on the type of HR practices and IT use, and the correspondence between them.
2. **Implementation of E-HRM :** Focuses on the process of adoption and appropriation of E-HRM by organization's members.
3. **Targeted Employees and Managers :** Focuses on specific stakeholder groups. As the modern HR organization exceeds both the HR department, and even the whole organization, a new approach needs to focus on line-management and employees that are actively involved in using E-HRM applications.
4. **E-HRM Consequence :** A multilevel perspective viewing E-HRM value creation as 'subjectively realized by a target user who is the focus of value creation.

Fig 1: Proposed Model of E-HRM by Ruël (2004)
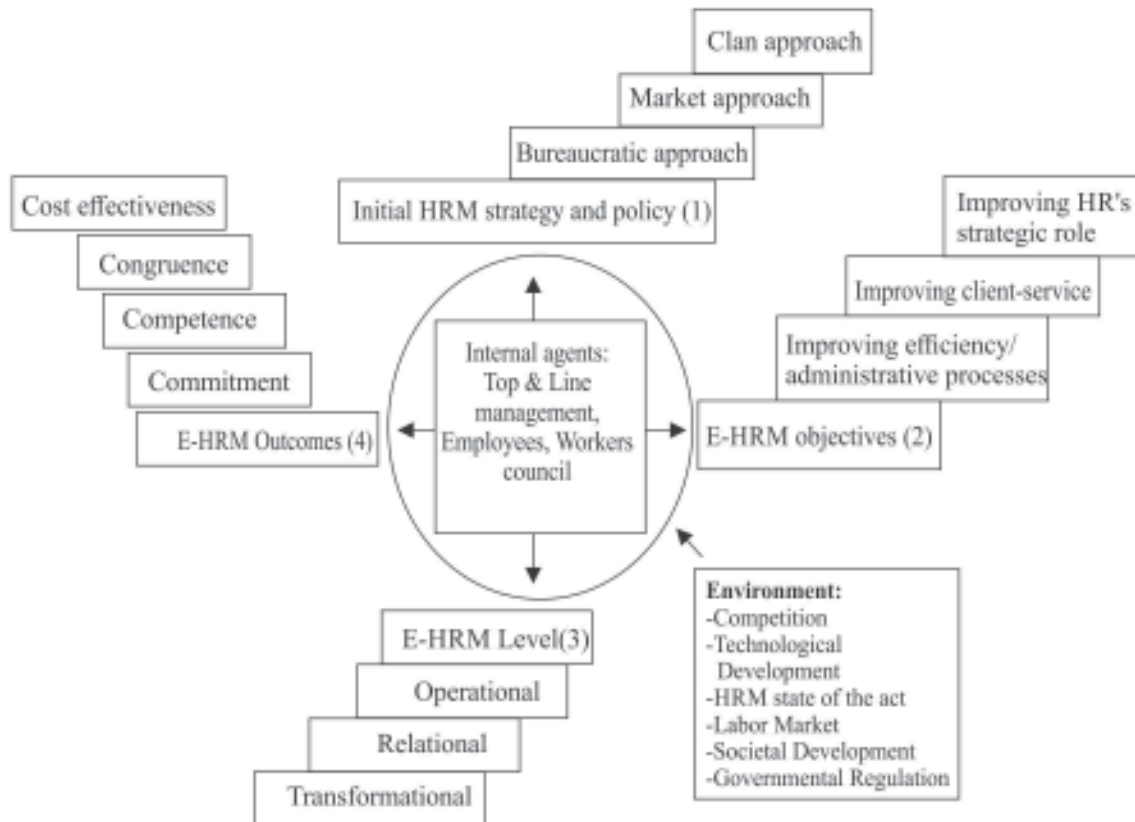
In the figure the E-HRM model which was evaluated in five big companies proposed by Ruël (2004) is illustrated.

1. Initial HRM Strategy and Policy

Adopted policy in an organization towards human resource management can be divided into three categories; bureaucratic policy, market policy and batch policy. The bureaucratic policies are found in organizations which operate in a static environment comprising technological, economic and social environments. Market policy is often seen in such organizations that immediately react to the environmental changes for example, markets with severe changes. Finally batch policy can be seen in organizations which totally rely on quality, innovation and creativity.

2. Objectives of E-HRM System

Electronic Human Resource Management (E-HRM), is one of the newest topics in human resource management science that has been created aiming at optimizing procedures in order to run faster the human resources functions, reducing costs and freeing scientists from administrative constraints to implement the strategic role (Kariznoee et al, 2012).

Fig.2: Objectives of E-HRM
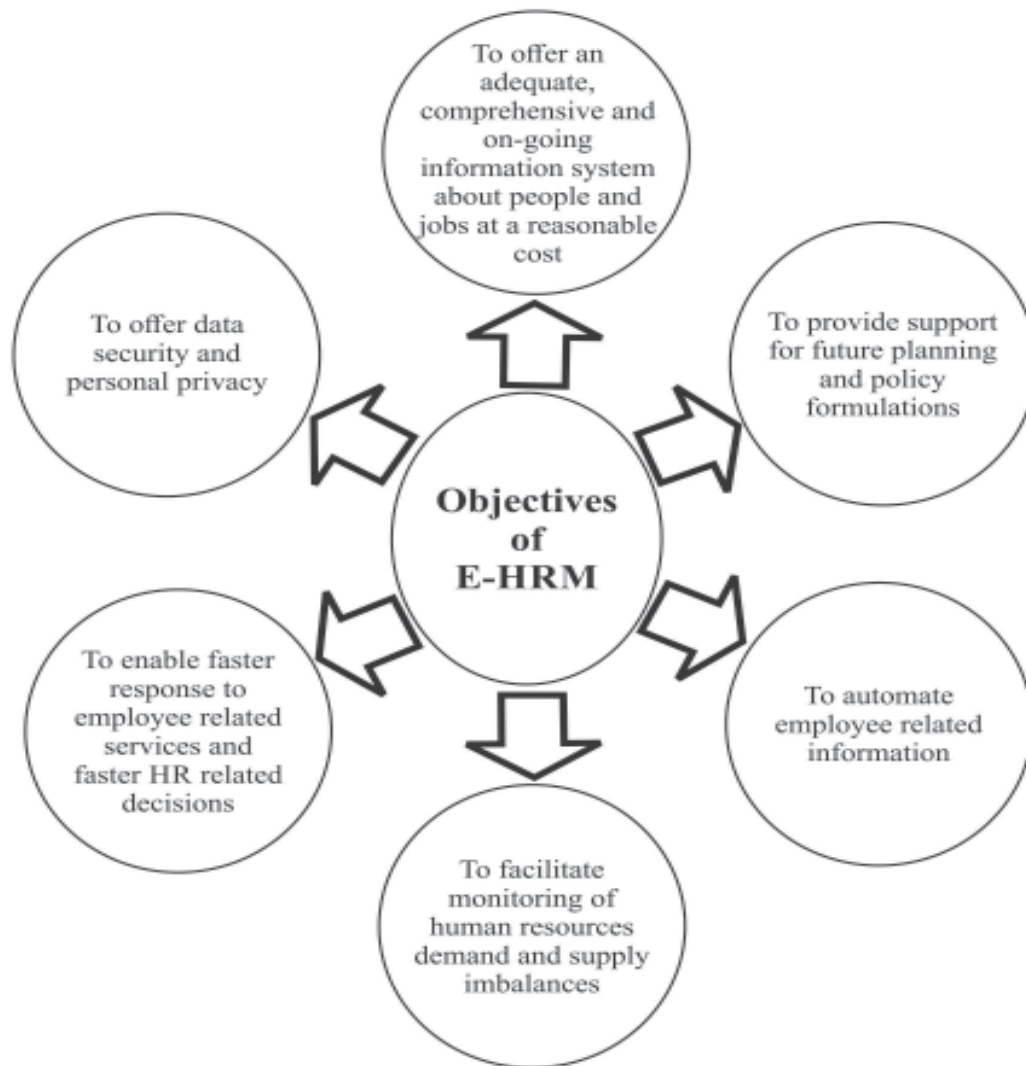
3. Levels of E-HRM System

Lepak and Snell (1998) distinguished three areas of HRM as, operational HRM, relational HRM and transformational HRM.

- **Operational HRM:** E-HRM is concerned with administrative function like payroll, employee personal data, etc.
- **Relational HRM:** E-HRM is concerned with supportive business process by the means of training, recruitment, performance management, and so forth.
- **Transformational HRM:** E-HRM is concerned with strategic HR activities such as knowledge management, strategic re-orientation, etc.

4.   Outcomes of E-HRM System

According to Beer et al (1984) all E-HRM activities, will implicitly or explicitly be directed towards four distinguished possibilities:
– High commitment
– High competence
– Cost effectiveness
– Higher congruence

Objectives of the Study

1. To study what is E-HRM (its objective, scope, limitations, functions, benefits, goals, outcomes) and how E-HRM is shaping organization in a technology driven environment.
2. To highlight the transformation of traditional HRM to strategic HRM.

Research Methodology

The paper is based on descriptive study. Secondary data has been used for this paper. Extensive literature review has been used to reach to a meaningful conclusion. I have collected data from the internet from various websites, journals, and magazines.

Discussions and Findings

E-HRM is 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-based channels. This is not to ignore the fact that E-HRM can transform the nature of HRM strategies, policies and practices.

• **E-HRM: The Technological Shift**

Technological advancement is one of the powerful driving forces. The exploitation of HR Technology and its various workforce applications were only intense in larger business associations, ever more; the effective use of technology is now considered a key factor in the successful management of human capital in organizations of all sizes. The constant development of technology synchronized with more savvy use of the internet is facilitating smaller organizations, to have access to applications, such as automated payroll, time and attendance systems, application tracking/recruitment software, networks and intranets, that ease communication benefits and assist employees self-service and workforce data and analytics.

• **E-HRM Tools**

1.   **E- Employee Profile**
The E-Employee Profile web application provides a central point of access to the employee contact information and provides a comprehensive employee database solution. E-Employee profile maintenance lies with the individual employee, the manager and database manager. E-

Employee profile consist of the various things like Certification, Honor/Award, Membership, Education, Past Work Experience, Assignment Skills, Competency, Employee Assignment Rules, Employee Availability, Employee Exception Hours, Employee Utilization, Employee tools, Job information, Sensitive job Information, Service Details, Calendar, Calendar Administration, Employee Locator.

2. E-Recruitment

Organizations first started using computers as a recruiting tool by advertising jobs on a bulletin board service from which prospective applicants would contact employers. Then some companies began to take e-applications. Today the internet has become a primary means for employers to search for job candidates and for applicants to look for job E-Recruiting Methods: Job boards, Professional/Career, websites, Employer Websites.

3. E-Selection

Most employers seem to be embracing Internet recruitment with enthusiasm, the use of on-line assessment tools such as personality assessments or ability tests, has so far been limited.

4. E-Learning

E-Learning refers to any programme of learning, training or education where electronic devices, applications and processes are used for knowledge creation, management and transfer.

5. E-Training

Most companies start to think of online learning primarily as a more efficient way to distribute training inside the organization, making it available "any time", "anywhere" reducing direct costs (instructors, printed materials, training facilities), and indirect costs (travel time, lodging and travel expenses, workforce downtimes). Attracted by these significant and measurable advantages, companies start to look for ways to make the most of their existing core training available online, and to manage and measure the utilization of the new capabilities.

6. E-Performance Management system

A web-based appraisal system can be defined as the system which uses the web (intranet and internet) to effectively evaluate the skills, knowledge and the performance of the employees.

7. E-Compensation

All companies whether small or large must engage in compensation planning. The usage of intranet and internet for compensation planning is called E-Compensation Management.

- **Advantages of E-HRM**

1. E-HRM has the potential to influence both efficiency and effectiveness.
2. Efficiency can be obtained by reducing the cycle times for meeting out paper work, increasing data precision, and reducing excess HR.
3. Effectiveness can be affected by improving the competence of both managers and employees to make better, quicker decisions.

4. Amplified and easy access to HR data and ease in classifying and reclassifying data
5. A higher internal profile for HR leading to better work culture. It leads to a more transparent system.
6. Considerable reduction of administrative burden.
7. Provides Integral support for the management of human resources and all other basic and support processes within the company .
8. E-HRM can save costs while maintaining the quality of data.

•   **Disadvantages of E-HRM**

1. **Illicit Access:** One of the basic disadvantages of using E-HRM is that the data gets free accessible to all and anybody can access the strategic information and use it any way without any authorization. It is prone to corruption/hacking/data losses.
2. **Specialized Knowledge:** one of the advantages of E-HRM is that it may help the organization to reduce the cost HR personnel, though it could increase the requirements for technical staff with knowledge specific technology and functional area as well.
3. **Data Entry Errors:** E-HRM can only perform as good as its human programmers and end users.
4. **Low interpersonal contact:** The use of EHRM can estrange staff members that need personal support as it reduces the need for managers to interact with staff.
5. **Improper use due to rigid mindsets:** In order to make proper use of E-HRM, it becomes necessary for the staff to change their mindsets, as many people still have certain inhibitions in using technology in certain facets of their profession.

Conclusion

E-HRM is a web-based tool to automate and support HR processes. E- HRM (Electronic Human Resource Management) is an advance business solution which provides a complete on-line support in the management of all processes, activities, data and information required to manage human resources in a modern company. It is an efficient, reliable, easy to use tool, accessible to a broad group of different users. This is a transformation of traditional HR to strategic HR where it not only plays the role of an administrative expert, but also becomes the employee champion, a change agent and a business partner. According to my perception, with the various advantages and little disadvantages it can be recommended that all the organizations use E-HRM technology, that promises to provide a useful, efficient and increased performance through this E-HRM technology in spite of all barriers it has to face.

"E-HRM costs money, but ignoring E-HRM costs a fortune." It is a true statement. Modern technology can be helpful in creating a strategic HRM-policy, reducing costs, higher productivity, increasing quality of labour force and responsibility of managers and employees in the execution of HRM-tasks. Your organization cannot miss this surplus value.

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