

e-HRM: Trends, Advantages and Challenges in Indian Context

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ABSTRACT

All the organizations irrespective of their size have a human resource department performing varied HR functions. As we move towards digitalization, technology is making an impact and changing the way of carrying out HR activities on a day to day basis. Today, human resource departments have extended their purview and are adopting “Electronic Human Resource Management (e-HRM)” systems for catering to the needs of the organization. Due to this, the role of HR professionals is also undergoing transition and the focus is shifting from “operational” to “strategic” aspects and leading to new challenges. The present study makes an attempt to discover the status of e-HRM in India and its trends, advantages, challenges and implications.

Keywords: e-HRM, Trends, Advantages, Challenges Technology

INTRODUCTION

Today technology has impacted every sphere of management. Organizations are rapidly adopting “Electronic Human Resource Management (e-HRM)” to gain a competitive advantage and cater to the needs of HR team (Thite et al., 2012). e-HRM is a term that identifies a form of technology that enables HR professionals to integrate an organization's human resource strategies and processes in order to improve overall HR service delivery (Silverster et al., 2009). Simply, when HR uses the Internet or related technologies to support their activities, procedures, processes, then it becomes an e-HRM. In India, many medium and large companies adopted e-HRM in the last decade and also adopted various technologies to cater to their HR needs.

People Strong's research shows that traditional HR jobs focusing around data collation, approvals and process flows have been replaced by HR Tech. New HR jobs which focus around analytics, program management, vendor management and employee experience and productivity management are replacing existing roles.

Apart from the above, new software are replacing old software to manage various HR functions like recruitment, payroll, attendance and so on. It has also been found that one in three Indian Organizations either foresees or have initiated the implementation of new human resource management software (Watson Survey, 2014).

LITERATURE REVIEW

India is an emerging market focused on technological innovation in every sector. Amongst the 523 organizations surveyed by Watson in 2014, it was found that India is adopting cloud based and gaming apps for talent and performance management and is also more progressive as compared to rest of the countries in using Mobile based technology for HR solutions. It was also discovered that 83 percent of organizations in India are either in the process or have implemented “HR portals” and 78 percent found the same to meet the required objectives as specified by the organization. However, the survey findings recommended that India still needs to focus on automation of various HR processes and utilize technology effectively.

It has been found that HR professionals should aim at creating a technology based culture to create an impact in the organization. This will enable them to shift their roles and support the business as well as achieve the primary goal of promoting a culture of digitalization (People Matters, 2017).

With the advent of liberalization and globalization, the role of HRM gained significance in India. Several HRM practices were adopted as per the western counterparts. However, studies on developing countries show a lacuna between the linking of HR strategies with business strategies and in spite of implementation of HRD systems, a focused and integrated approach like Western countries is still needed. (Budwar, Debrah, 2001).

Objectives of the Study

- 1) To study the trends, advantages and limitations in e-HRM.
- 2) To make recommendations as to how to make e-HRM effective.

RESEARCH METHODOLOGY

The study is based entirely on secondary data and is analytical in nature. Data has been extracted from journals and respective websites of HR based research.

Current Trends in e-HRM

Technology keeps on changing and hence, e-HRM software also keeps on developing with new features and offers unique solutions as per the needs of the organization.

Recently the most popular HR software is as under:

- 1) Bamboo HR
- 2) Zoho People,
- 3) Workday,
- 4) Success Factors
- 5) iCIMS Talent Acquisition
- 6) Recrutee
- 7) Planday
- 8) Zoho Recruit
- 9) ADP Workforce Now
- 10) Halogen Software

Apart from the above, the current trends which are adopted by majority of the organizations are:

- 1) Gamification: It is unique designed feature where the performance of an employee can be tracked by the reporting manager easily via software and successful employees can be identified and rewarded.
- 2) Mobile HR – This feature helps to connect employees located across various geographies and can address the concerns of the employees easily through mobile devices.
- 3) Video Communication: This feature promotes hiring and learning leading quicker decision making. The future trend of recruitment could be benefited widely through this component.

Advantages of e-HRM:

e-HRM systems can be useful to the entire organization. However, the benefits availed by the concerned stakeholder could be summarized as under:

To the organization:

- 1) Time and cost effective – Making a one-time investment on e-HRM systems and reaping its benefits for years, makes e-HRM proposition cost and time effective.
- 2) Automation of HR processes – Automation of Key HR processes leads to paperless office
- 3) Reduces requirement of staff - The number of people hired can be reduced which leads to less cost and employment of few resources.
- 4) Geographical reach - Supports entire organization by connecting employees across all locations
- 5) Record maintenance – Any record can be easily retrieved as and when required

- 6) Ensures transparency—The employee can also view their records in the systems and report to HR for discrepancies leading to an error free system and fostering the image of the organization.
- 7) Analytics – Today trend analysis on any aspect of HR can be carried out through analytics which allows the organization to prepare for future trends in advance. .

To the Employee:

- 1) Saves time and easy accessibility – Employees can easily access their data anytime with regards to salary, performance appraisal and any record on the system. As there is no coordination required at any stage, the employee is able to save time.
- 2) Encourages confidential feedback – Many employee surveys are conducted by the organizations and a strong e-HRM system trusted by the employees can help in collection of honest and confidential feedback.
- 3) Easy to use and monitor – The systems can be easily used and monitored by employees.

Challenges faced in e-HRM:

- 1) Security Risk – With many instances of malwares affecting the systems today, the data of an organization can be hacked or become corrupted. Hence, adequate security measures have to be in place for effectiveness of e-HRM.
- 2) Lack of knowledge about e-HRM – Many employees may not be tech-savvy. Hence, they may not be able to get benefits of e-HRM systems.
- 3) Lack of Management Support – In some cases, even leaders prefer to work in old-fashioned way instead of shifting to a new system.
- 4) Lack of Funds – The financial position of a company determines the funding to be made in launching e-HRM systems.
- 5) Resistance to change – Employees used to a particular way of working will show resistance to change according to the changing role of HR owing to e-HRM.
- 6) Lack of human touch – The e-HRM support will affect the personal connect shared by employees with HR.

Implications:

The discussion in the paper about the advantages, trends and challenges will help HR managers to consider the areas where they are lacking and how to devise effective strategies to deal with the issues in an effective way. A consultative approach whereby all the stakeholders i.e., employers, employees and HR professionals are involved would lead to be quicker adoption and implementation of e-HRM systems.

CONCLUSION

The discussion in the paper about the trends, advantages and challenges will help HR managers to tap the areas which need further improvement. Organizations should ensure that e-HRM systems are protected by external threats like hacking to enable employees to switch to electronic systems with trust, ease and confidence. In addition, employees should be trained on software which will enable HR to focus on employee engagement rather than transactional HR and promote less reliance of employees on HR for routine tasks. Regular monitoring/feedback mechanism can be chalked by the organization to encourage and monitor the effectiveness of e-HRM systems.

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