COMPONENTS OF e-HRM PRACTICES – A STUDY WITH REFERENCE TO IT COMPANIES IN CHENNAI

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Abstract - This study aims at providing an explanation of Electronic Human Resource Management (e-HRM) and introducing its activities and components. Furthermore, we investigate the effect of various independent variables such as job satisfaction, professional commitment, organizational commitment… on the effectiveness of HRM as a dependent variable. For this purpose, by cluster sampling from HR managers. Then, research hypotheses were examined by deploying multiple linear regressions to the data gathered from specially designed questionnaire. Findings indicate that e-HRM tools are rarely used, however, according to the experts' judgment if they are used, they would have a positive effect on the HRM output in IT companies. Finally, a model for assessing the components of e-HRM practices was proposed.

INTRODUCTION

The massive technological change has been resulted in wider integration of technology in different sectors and fields of work .The use of these applications /technology solutions in the human resource area is major trend that change ways how Human Resource functions are carried out. Beside, a recent concept was used to highlight the use of technology in HRM .The use of technology in human resources management, known as E-HRM is becoming one of the emerging issues in the HRM field. HRM function is one of the main organization's functions that significantly enhances the organization ability to achieve its goals and strategies. Therefore, introduction of EHRM may lead to change in content and positioning of the HR function, which may positively contribute to the overall organization goals and effectiveness.

Human Resources Management (HRM) is a crucial part of every organization as it deals with a vital resource: human capital. HRM has been going through a transformation adopting technological tools to improve its performance. It was said, "The HRM function is subject to radical and dramatic change because of the implications of web based organizing". The combination of information technology (IT) tools in HRM processes has named "electronic Human Resources Management" (E-HRM). E-HRM strives to implement all the operational activities that HRM is concerned with, with the help of technological tools in a fast and accurate way **(Parry, E., Tyson, S. 2010)**.

E-HRM was defined as an umbrella term covering all possible integration mechanisms and contents between HRM and Information Technologies aiming at creating value within and across organizations for targeted employees and management **(Bondarouk and Ruël,2009)**. Also E-HRM was defined as 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' **(Strohmeier,2007)** . Further, it is believed that, 'E-HRM could be narrowly defined as the administrative support of the HR function in organizations by using Internet technology' **(Voermans and Van Veldhoven ,2007).**

Therefore, E-HRM can be the integration between human resources management, and information technology, through mainly the use of web-based applications in human resources management. The purpose of this web-based tool is to support HR professionals in performing their HR tasks, and to support managers and employees performing their HR tasks. Therefore, using E-HRM, managers can easily access any relevant information, make decisions, and communicate with others without referring to the human resource department each time.

LITERATURE REVIEW

The most important areas of application of the Electronic Human Resources Management system (E-HRM) are basic staff data management, salaries management, employment, electronic education, performance management, and rewards **(Gupta et al., 2011, P. 42)**.Besides, E-HRM system can be applied in the following areas: promotions, training, job rotation, staff development plans, evaluation and compensation and benefits management **(Shilpa et al., 2011, P. 1)**.Other researchers consider that the most important functions of the Electronic Human Resources Management system (E-HRM) are: human resource planning, recruitment and selection, performance appraisal, communication, bonuses, benefits and compensation, and training and development **(Panayotopoulou et al., 2007, P. 279)**.

In general, E-HRM has defined as an enterprise-wide strategy that uses scalable, flexible, and integrated technology to link internal processes and knowledge workers directly to the business objectives of the organization **(Marler, 2009)**. In addition, other researchers define E-HRM as the application of any technology that enables managers and employees to have direct access to HR and other workplace services for communication, performance appraisal, reporting, team management, knowledge management, and learning of administrative applications **(Lengnick-Hall, M.L. & Moritz, S. 2003).**

Additionally, E-HRM could be defined as "the application of any technology enabling managers and employees to have direct access to HR and other workplace services for communication, performance reporting, team management, knowledge management, learning and administrative applications" **(Wyatt,2006)**. Besides, E-HRM was defined as a way of implementing HR strategies, policies and practices in organizations through a conscious and directed support of and with the full use of Web-technology –based channels **(Challapalli, 2005)**.Further, E-HRM "as the administrative support of the HR function in organizations by using Internet technology", but also emphasis the importance of understanding that the

introduction of E-HRM may lead to change in content and positioning of the HR function (**Voermans and Veldhoven ,2007, p. 887**).

OBJECTIVE OF THIS RESEARCH

Though there are several empirical studies related to the role of e-HRM in IT organizations, concrete efforts to measure the implications of electronic technology integration with HR practices on Organizational effectiveness in IT industry have not been made so far. Current research work is undertaken in order to realize the following objective:

- The development of a framework for measuring the components of e-HRM practices, and the use of the framework within IT companies in Chennai city.

RESEARCH METHODOLOGY

This research is largely exploratory in nature since the concept of e- HRM is relatively new especially with reference to the Indian scenario. The research is supported by quantitative analysis and findings. As per the survey conducted, 245 IT companies are there in and around Chennai city. Among them, sampling unit of top 10 IT companies in Chennai is taken. The researcher had circulated 60 questionnaires to all the three level of employees in each of the top 10 IT companies by the way of Google survey and manual copies. Among the 600 questionnaires the researcher received 585 back and found 33 were unfit for the study. So the researcher had taken up 552 data for the study. The research instruments used were questionnaire and interviews. Questionnaires were forwarded and responses obtained from the sample units. It was mentioned in the questionnaire that the identity of the respondents would be kept confidential. Interview method was also used to collect data. The interviewees were briefed about the purpose of the interview and its scope in advance so that they would be ready with the necessary details and data. This approach was adopted to overcome the time constraint since all the respondents were executives in companies holding crucial positions and having limited time to spare. In conducting these interviews a structured interview approach was used to avoid wastage of time. A focused interview approach was also used to gain an in-depth insight into the issue of concern and to gain a wider perspective on the subject of study. In certain cases it was not possible to meet the respondents personally so that the researcher had to depend upon telephonic interviews. The broad framework of the research design incorporated aspects pertaining to the possible drivers for introducing e-technology to the HR systems, the barriers to progress in the e- HRM journey, usage of e-technology for the various HR functions, usage of HR Service delivery tools like ESS and MSS, nature of sourcing solutions adopted by companies for enabling e-technology to HR systems, perception of respondents on a five point scale regarding their company's position in the e-HRM journey, expectation of respondents with reference to the e-HRM system being successful in satisfying employees in their HR needs, expectation of respondents w.r.t. the benefits from e-HRM justifying the expenditure incurred on the same and opinion of respondents on various aspects of the e-HRM functioning.

CLUSTER ASSOCIATION

Association between cluster outcome of e-HRM and personal and organizational variable of an employee in IT companies.

1. The crosstab between the cluster of outcome and total no. of employees is identified through the crosstab table as presented below.

Table 1.1

Cluster between outcome and personal variables							
Outcomes		TOTAL NUMBER OF EMPLOYEES:				Pearson Chi-Square	
		Less than 1000	1001-5000	Above 5000	Total		
Meticulous employees	Count	89	8	5	102	value	11.805[a]
	% within Outcomes	87.3%	7.8%	4.9%	100.0%	df	4
Technology oriented employees	Count	277	58	23	358	Asymptotic Significance (2-sided)	.019
	% within Outcomes	77.4%	16.2%	6.4%	100.0%		
Gratified employees	Count	74	7	11	92		
	% within Outcomes	80.4%	7.6%	12.0%	100.0%		
Total	Count	440	73	39	552		
	% within Outcomes	79.7%	13.2%	7.1%	100.0%		

Source: Computer data

From the above-consolidated table, it is established that 87.3% of meticulous employees are found in the companies. With the employees' strength less than 1000, 16.2% of technology-oriented employees are found in the companies with the employees' strength 1001-5000, only 12% of gratified employees are distributed over the companies with the total no. of employees' strength 5001 and above. It is found that Pearson chi-square equal to 11.805, P=0.019 are statistically significant at 5% level. Therefore, it can be decided that there is an association between the outcome of e-HRM and total no. of employees in the IT companies.

The success of the organization depends on the extent to which it shapes its internal structuring by taking into account the limitations imposed by their environment. In other words, it has to be "fit" between "micro" and "macro" environmental factors or variables and organizational structure in such a way that the ideal outcome is obtained. Additionally, because e-HRM provides easy access to HR data and facilitates classifying and reclassifying of data, it also entails a quick and transparent system. Further, it can be deducted that e-HRM

facilitates a highly positive organizational culture through a higher internal profile for HR. Among the other advantages is the integral support is provided for the management of human resources and other basic support processes within the company decentralizing the HR tasks.

2. The crosstab between the cluster of outcome and gender is identified through the crosstab table as presented below.

Table 1.2

Cluster between outcome and gender						
Outcomes		GENDER:		Total	Pearson chi-square	
		male	female			
Meticulous employees	Count	63	39	102	value	2.928[a]
	% within Outcomes	61.8%	38.2%	100.0%	df	2
Technology oriented employees	Count	224	134	358	Asymptotic Significance (2-sided)	.231
	% within Outcomes	62.6%	37.4%	100.0%		
Gratified employees	Count	66	26	92		
	% within Outcomes	71.7%	28.3%	100.0%		
Total	Count	353	199	552		
	% within Outcomes	63.9%	36.1%	100.0%		

Source: Computer data

From the above-consolidated table, it is ascertained that 61.8% of meticulous employees are male, 37.4% of technology-oriented employees are found in the companies are female, only 28.3% of gratified employees are female. It is placed that Pearson chi-square equal to 2.928, P=0.231 are statistically insignificant at 5% level. Therefore, it can be concluded that there is no association between the outcome of e-HRM and gender of employees in the IT companies.

3. The crosstab between the cluster of outcome and age is identified through the crosstab table as presented below.

Table 1.3

Cluster of outcome and age								
Outcomes		AGE:				Total	Pearson chi-square	
		Below 25	25-35	35-45	Above 45			
	Count	36	47	19	0	102	value	19.343[a]

Meticulous employees	% within Outcomes	35.3%	46.1%	18.6%	0.0%	100.0%	df	6
Technology oriented employees	Count	132	188	35	3	358	Asymptotic Significance (2-sided)	.004
	% within Outcomes	36.9%	52.5%	9.8%	0.8%	100.0%		
Gratified employees	Count	40	43	5	4	92		
	% within Outcomes	43.5%	46.7%	5.4%	4.3%	100.0%		
Total	Count	208	278	59	7	552		
	% within Outcomes	37.7%	50.4%	10.7%	1.3%	100.0%		

Source: Computer data

From the above-consolidated table it is placed that 35.3% of meticulous employees are established in the companies in the age group of below 25years, 52.5% of technology-oriented employees are establishing in the companies in the age group of 25-35, only 4.3% of gratified employees are spread over the companies in the age group of 45 and above. It is traced that Pearson chi-square equal to 19.343, P=0.004 are statistically significant at 5% level. Therefore, it can be resoluted that there is an association between the outcome of e-HRM and age of employees in the IT companies.

The view of the employee at every stage will be different. As and when the employee joins as fresher, he will have a new suggestion for innovative ideas. Whereas the implementation of suggestion is after analyzing the key factors of a new idea. Employees between 25-35 age group have experienced with the existing system and upgrade the tools with latest technologies required for the company's growth. The 3rd age group employees are the traditional way of workers, they have been trained and believed that the latest technologies are not secure enough and easy to use by various employees in the same age group.

4. The crosstab between the cluster of outcome and educational qualification is identified through the crosstab table as presented below.

Table 1.4

Cluster between outcome and educational qualification						
Outcomes		EDUCATIONAL QUALIFICATION:			Pearson chi-square	
		Computer science	Non-computer science	Total		
Meticulous employees	Count	61	41	102	value	7.121[a]
	% within Outcomes	59.8%	40.2%	100.0%	df	2

Technology oriented employees	Count	263	95	358	Asymptotic Significance (2-sided)	.028
	% within Outcomes	73.5%	26.5%	100.0%		
Gratified employees	Count	64	28	92		
	% within Outcomes	69.6%	30.4%	100.0%		
Total	Count	388	164	552		
	% within Outcomes	70.3%	29.7%	100.0%		

Source: Computer data

From the above-consolidated table it is found that 59.8% of meticulous employees are originated in the companies with the educational qualification of computer science, 26.5% of technology-oriented employees are established in the companies with the educational qualification of Non-computer science, and only 28% of gratified employees are spread over the companies with the educational qualification Non-computer science. It is drawn that Pearson chi-square equal to 7.121, P=0.028 are statistically significant at 5% level. Hence, it can be ascertained that there is an association between the climate of e-HRM and educational qualification of employees in the IT companies.

It implies that a person who is knowledgeable can perform better tasks that require those latest technologies. It has accepted that electronic-based tools will easier the way of work. It is equally important that the successful e-HRM implement is based on the employees who are trained in computer science. For those are not trained properly in computer science, in-spite of various benefits of e-HRM applications they may suggest the bitter side of the system.

5. The crosstab between the cluster of outcome and designation is identified through the crosstab table as presented below.

Table 1.5

Cluster between outcome and designation							
Outcomes		DESIGNATION			Total	Pearson chi-square	
		Top level	Middle level	Junior level			
Meticulous employees	Count	8	74	20	102	Value	19.436[a]
	% within Outcomes	7.8%	72.5%	19.6%	100.0%	Df	4
Technology oriented employees	Count	16	206	136	358	Asymptotic Significance (2-sided)	.001

	% within Outcomes	4.5%	57.5%	38.0%	100.0%		
Gratified employees	Count	7	42	43	92		
	% within Outcomes	7.6%	45.7%	46.7%	100.0%		
Total	Count	31	322	199	552		
	% within Outcomes	5.6%	58.3%	36.1%	100.0%		

Source: Computer data

From the above-consolidated table, it is initiate that 7.8% of meticulous employees are found in the companies in the designation of a Top level, 57.5% of technology-oriented employees are found in the companies in the designation of middle level, 46.7% of gratified employees are dispersed over the companies in the designation of junior level. It is drawn that Pearson chi-square equal to 19.436, P=0.001 are statistically significant at 5% level. Hence, it can be ascertained that there is an association between the climate of e-HRM and designation of employees in the IT companies.

Sustainable ideas should be welcomed from all employees irrespective of their designation which will encourage their interest to make the best use of applying their abilities. The HR team wants to make the administration to generate a participative work atmosphere where the employees are free to put up their ideas on e-HRM issues since they are the ones who in reality are responsible for implementing the ethical corporate behavior in the day-to-day life of the organization. This means the achievement of e-HRM outcomes will largely depend on employees' willingness to collaborate.

CONCLUSION

This paper attempts to build a more complete framework of the components which influence the operational performance. The results of this study clearly show that E-HRM practices, selected factors (E- Recruitment, E- Selection, E- Training, E- Performance Appraisal, E Communications, and E- Compensation). Solutions offer a multifaceted capability to significantly increase an enterprise's ability to manage operational performance (Time, Cost, Quality of service, and flexibility) in IT Sector. However, these solutions can be prone to disrupt other processes organizational culture if improperly implemented. The paper showed the role of e-HRM practices in achieving operational performance by providing the members of the organization with real information enabling correct right decisions reactions in making orders to enhance operational performance. This research contributes to the understanding of the e-HRM practices and operational performance in the literature. It describes an integration of e-HRM practices and operational performance. Hopefully these conclusions will shed some light for policy makers and allowing them to increase attention to the practices of human resource management because of their importance in improving operational performance in the IT companies in chennai.

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