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Role of E- HRM in Organizational Effectiveness and Sustainability

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Abstract
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 processing and transmission of digitalized HR information is called Electronic Human Resource Management (E-HRM). E-HRM is the relatively new term for this IT supported HRM, especially through the use of web technology. E-HRM technology is a way of aligning and coping up with organization HR strategies, policies and practices. The main objective of the study is to measure the effectiveness of E-HRM for Sustainable Development of the organization in this fast competitive world. This study further shows that E-HRM aims at transforming the HR functions into paperless, more flexible and resource efficient and also helps the organization to improve employee competences, which resulted in cost reduction and reduction of the administrative burden as well.

Keywords: E-HRM, Employee Satisfaction, Information Technology, Organizational Effectiveness, Sustainability.

Introduction
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. Since many years now, information technology seems to be affecting individuals and organizations communication and behaviors. The change in Information Technology is faster than any other processes in the organization. Human Resource Management (HRM) has always played a major role in improving the performance of an organization. There exists a strong relationship between Organizational effectiveness (OE) and HRM. A new dimension of organization sustainability has emerged in the scope of HRM. The technological developments have brought immense changes in the organizational environment, employees and HRM in shape of "E-HRM". E-HRM can be one of the most powerful driving force towards enhancing OE and the concept of sustainability. E-HRM can be considered as a multilevel phenomenon to perform HR activities. E-HRM is the planning and implementation of applications of information technology for both networking and supporting at least two individual or collective actors in performing the HR activities.

E-HRM is in essence the devolution of HR functions to management and employees. They access these functions typically via 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 is lightened. It is anticipated that, as E-HRM develops and becomes more entrenched in business culture, these changes will become more apparent, but they have yet to be manifested to a significant degree. 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 also helps the organizations to upgrade the HR functions

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to web based technology and speed up the flow and implementation of business strategies and processes. It will take the HRM functions to one level up in contributing to OE. Because the IT possibilities for HRM are endless; in principle all HR processes can be supported by IT. Computers have simplified the task of analyzing vast amounts of data and they can be invaluable aids in HR

management, from payroll processing to record retention. With computer hardware, software and databases, organization can keep records and information in better way as well as retrieve them with greater ease. With the state of IT, HRM has become more effective through the use of e-HRM technologies.

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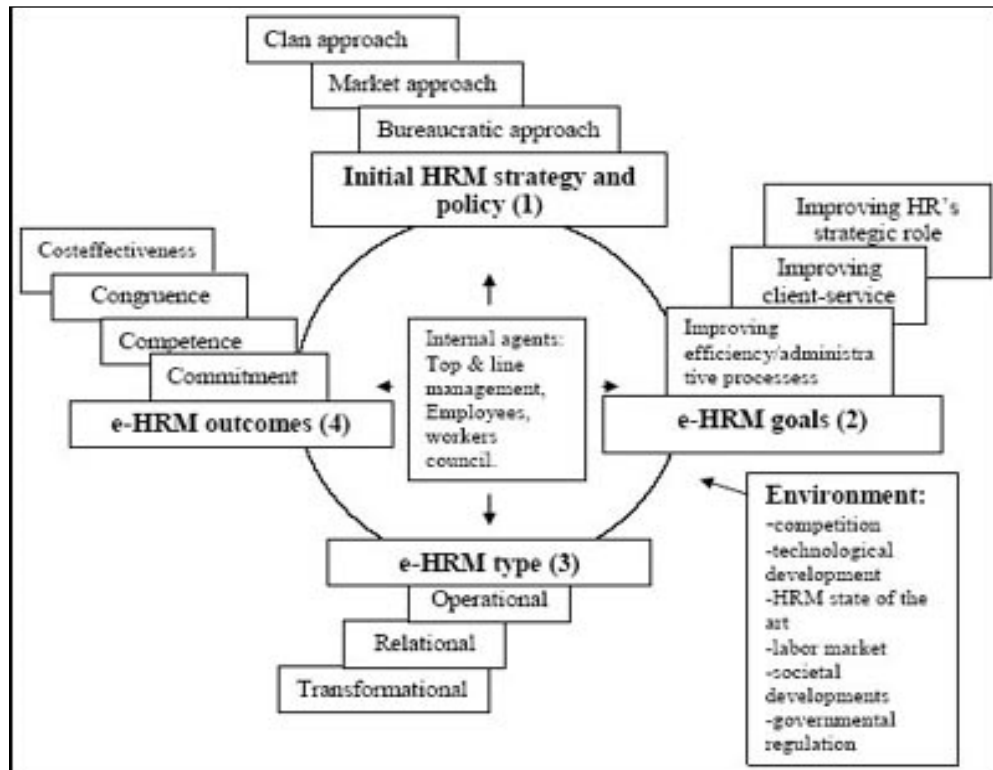
Fig 1: E-HRM Goals

2. Review of Literature

Antony Joe Raja and Dr. S. Balasubramanian published research paper on E-HRM In Software Organizations In January - April (2011), He found in his research that the use of technology in HR (e-HRM) is well established for the purposes of improving HR operational processes and allowing distributed access to employees and managers. The objective of this paper is to identify the challenges associated with the implementation and some recommendations for enhancing the effectiveness of e-HRM systems in organizations. He concluded in his paper that increased transparency in functions and a total systems approach has facilitated better control by top management. HR practitioners must also play a down to business role in software industry. To create an effective e- Statement, Standardizing and Centralizing HR administration in an in-house service center, Assessing and ensuring the flexibility of the e-HR technology, e- Recruitment, Training, Developing Data mining tools. Shashank Kumar Srivastava, Member of IACSIT, IAENG published research paper on Shaping Organization with e-HRM in April 2010.He found in his research paper that e-HRM (Electronic Human Resource Management) is 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. Such

organizations are focused on attaining leadership positions rather than a year-on-year growth. Bottom-line and top line growths are expected to be achieved automatically. Size and age of an organization has no bearing on the maturity of their HR function. Maturity has much to do with the focus of "management on people" which constitutes their biggest asset. Thus e- HRM as an Implementation Support System (ISS) can help the organization to quickly mature their HR function and institutionalize best-practices for long-term growth.

3. Objectives of the Study
1. To understand the meaning of Organizational Effectiveness and Sustainability.
2. To study the role and scope of E-HRM.
3. To analyze the various tools of E-HRM for organizational efficiency and sustainable development.
4. To understand the challenges in implementing E-HRM in the organizations.

3.1. Organization Effectiveness and Sustainability
Adding or creating a value or improving the performance of organization leads to Organizational effectiveness. The value can be created by "the people" of an organization. People being the most important resource should be properly managed in terms of attraction, recruitment, retention and

development for organization growth. All researchers have agreed that HRM should add value to the organization. But the way HRM can contribute to OE has been evolved since 1987. There are many channels through which HRM contribute towards OE. HRM has to consider both external and internal environment in which an organization operates. It has to plan out its strategies keeping in mind the desired outcomes for external and internal stakeholders. OE can be measured in terms of internal stakeholders (whole staff in firm) and external stakeholders (owners/ investors, customers, external partner organizations and members of the society).With inclusion of multiple stakeholders, HRM is recognizing wide range of challenges. Organizations are focusing on developing effective and flexible HRM systems which can easily adapt to dynamic changes occurring in external environment without going into state of mismanagement and confusion. Today, HRM requires assimilating with different facets of business to achieve OE as a strategic partner. HR department needs to focus on talent management. By attracting the best labor, developing the strategies for their retainment, training and development can lead the organization towards OE. An OE unit should be constructed which includes experts from different departments of different levels of management. HRM department should be in direct link with OE department. HRM in link with OE can play a major role in developing strategies.

It cannot be denied that HR plays a critical role regarding decisions related to recruitment, selection, development and organization of human capital. These factors play a major role in accessing OE for firms. HR needs to expand and improve its functions, develop and implement new skills and competencies to sustain. HR needs to develop its relationship with OE in same terms as accounting is to finance and sales are to marketing. HRM experts and professionals need to grab all opportunities towards OE and thus, moving the firms towards organizational sustainability. To meet the global business challenges, organizations need to attain a sustainable model in which they can operate.

"Sustainability" refers to firm ability of withstanding the unpredictable challenges of the social, environmental and economic factors with time. In other terms, we can define sustainability as firms capability to seek its goals in terms of stakeholders in long run by incorporating economic, environmental and social prospective with its business strategies. It is the future concept of the organizations. Sustainability being the new concept for 21st century business, researcher and HR professionals are trying to ascertain the role of HRM in achieving sustainable organizations. Referring to the nature of unpredictable dynamic external environment, it is necessary for organizations to develop a sustainable model for the future. It can be considered as last stage in HRM evolution. A multidimensional model was presented by to achieve high performance by addressing external and internal environment multiple stakeholders and moving HRM to central organizational sustainability. In modern era, HRM competencies have been recognized for incorporating sustainability at different organizational levels.

Organizations need to develop HRM strategies consisting of core policies and practices developing a strong framework for sustainable HRM. Sustainability has to start from different levels starting from individual, departmental, organizational and at last reaching the sustainable society. To be a predominant element of organizational sustainability, HRM need to be in parallel alignment with organizations mission, goals, formulation and development of strategies related to human resource. HRM needs to be in integration with top management to embed the changes in the corporate strategies related to change management, talent management, training and development, leadership developments, more employees' engagement by keeping them update with business process and new strategies and developing business ethics as new grounds to gain competitive edge. With such practices, HRM can work to move towards a sustainable environment for firm by achieving balance between economic, social and environmental integrity. Sustainability is a fresh topic in HRM area which still needs more empirical based studies to recognize and access the worth of HRM towards sustainable organizations. Sustainability of firm in competitive environment has forced the organizations to speedily develop unique competencies. For this, corporations need to shift from physical technology to information technology for effective and efficient HRM functions.

3.2. Role and Scope of E-HRM in Organizational Effectiveness and Sustainable Development

1. E-HRM is helpful in building a higher internal profile for the HR Department leading to better work culture.
2. E-HRM provides more transparency in the system.
3. E-HRM is seen as offering the potential to improve services to HR department clients (both employees and management)
4. It improves efficiency and cost effectiveness within the HR department, and allow HR to become a strategic partner in achieving organizational goals.
5. It provides the platform of adaptability to any client and facilitating management.
6. E-HRM is an integral support system for the management of human resources and all other basic and support processes within the company.
7. It helps in creating more dynamic workflow in the business process, productivity and employee satisfaction.
8. E-HRM also has relational impacts for a business; enabling a company's employees and managers with the ability to access HR information and increase the connectivity of all parts of the company and outside organizations. This connectivity allows for communication on a geographic level to share information and create virtual teams.
9. And finally e-HRM creates standardization, and with standardized procedures this can ensure that an organization remains compliant with HR requirements, thus also ensuring more precise decision-making.

4. E-HRM TOOLS for organizational efficiency and sustainable development
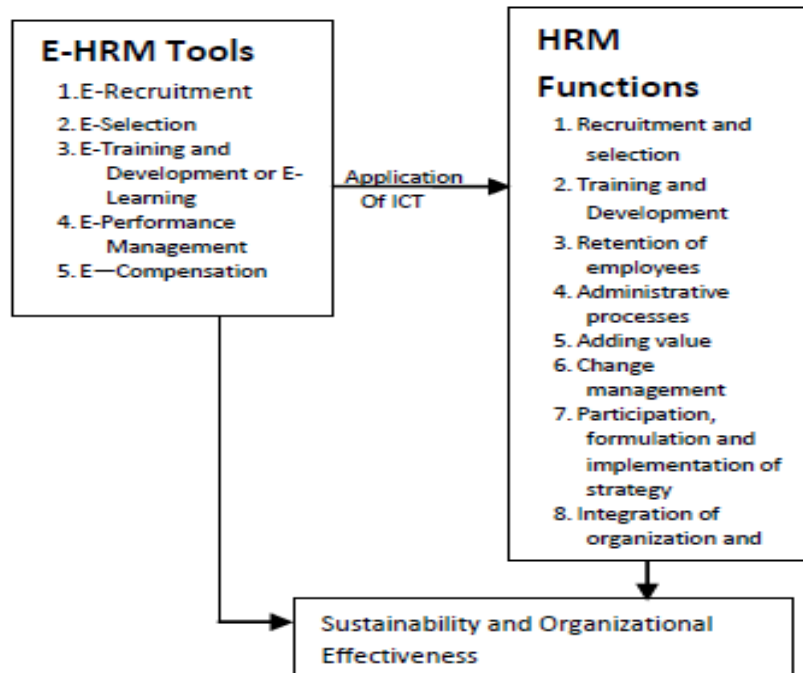
Fig 2: Impact of HRM on E-HRM to attain Sustainability and organizational effectiveness

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, simplifying HR management and team building by providing an employee skills, organization chart and even pictures. E-Employee profile maintenance lies with the individual employee, the manager and the database manager. E-Employee profile consist of the following: 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. As many as 100,000 recruiting web sites are available to employers and job candidates and which to post jobs and review resumes of various types. But the explosive growth of internet recruiting also means the HR professionals can be overwhelmed by the breadth and scope of internet recruiting.

3. **E-Recruiting Methods:** Job boards, Professional/Career, websites, Employer Websites.

a) **E-Selection:** Most employers seem to be embracing Internet recruitment with enthusiasm, the penetration of on-line assessment tools such as personality assessments or ability tests, has so far been limited. A survey has shown that although more than half respondents organizations already use either psychometric or other assessment during the recruitment process, only few of these companies use on-line assessments prior to interview. Fewer still include a core fit questionnaire in the recruitment pages of their websites.

b) **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. E-Learning is a term covering a wide-set of applications and processes, such as web-based learning, computer-based learning, virtual class room, and digital collaboration. It includes the delivery of content via Internet, intranet/extranet (LAN/WAN), audio-and videotape, satellite broadcast, interactive TV, CD – Rom, and more.

c) **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.

4. **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.

5. **E-Compensation:** All companies whether small or large must engage in compensation planning. Compensation planning is the process of ensuring that managers allocate salary increases equitably across the

organization while staying within budget guidelines. As organizations have started expanding their boundaries, usage of intranet and internet has become vital. The usage of intranet and internet for compensation planning is called E-Compensation Management.

5. Challenges in Implanting E-Hrm in the Organisations
➢ Cost Implications
➢ Data Entry Errors
➢ Improper use due to rigid mindsets
➢ Threat to HR Itself
➢ Aligning the e-HRM system with the business requirements
➢ Security of the information generated
➢ Training the users a crucial issue

6. Conclusion
E- HRM is a web-based tool to automate and support HR processes. The implementation of e-HRM is an opportunity to delegate the data entry to the employee. e- HRM facilitates the usages of HR marketplace and offers more self-service to the employees. e- HRM (Electronic Human Resource Management) is 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. E-HRM is a high-tech way of performing HRM functions. With top management support and HRM at strategic position towards OE, e-HRM can enact as ICT tool to achieve sustainable management. Organizations are recognizing the importance of sustainability in terms of competition, selecting and retaining talented employees and reputation of the company. To stand with dynamic economic, social and environmental forces and keeping in mind both internal and external stake holders, organizations are trying to achieve sustainable environment for business long term growth. 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 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-technology-based channels. It covers all aspects of human resource management like personnel administration, education and training, career development, corporate organization, job descriptions, hiring process, employee's personal pages, and annual interviews with employees. Therefore e-HRM is way of doing HRM.

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