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E-HRM: Opportunities and challenges

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Abstract
The purpose of this paper is to present the opportunities and challenges faced by the electronic human resource management (E-HRM). The present study is a conceptual one and by reviewing the research articles we have been able to find the opportunities and challenges that are E-HRM faces. E-HRM is one of the latest innovations in the business world which is becoming a trend. From our study we can conclude that the addition of technology to HRM has made organizations more reliable, safe and has also helped in making recording and storing information about the human recourse a lot easier. Implementation of E HRM is a new phenomenon which ranges widely in scope, at the low end it can be a simple web-based system to access Human Resource (HR) related documents. At the high end E-HRM is a fully integrated, organization-wide electronic network of HRM related data, information, services, databases, tools, applications, and transactions that are generally accessible at any time by the employees, managers, and HRM professionals.

Keywords: E-HRM, HR practices, traditional HRM, electronic network, web-based system

1. Introduction
Human resource practices have an important role in developing knowledge and skill of the employees. It enables an organization to have competitive advantage by transforming ideas into practices. The lifeblood of an organization is the human resource, and the management of this human resource is responsible for creating the work culture and environment which in turn drives innovation. Human resource management is primarily concerned with the management of people within the organization, focusing on policies and on systems. Basically HRM deals with planning, acquiring the right people, retaining/developing the people, and managing people separation/exit. Therefore, the major challenge for any organization is to manage its human resources in such a manner that it can justify their need for the right jobs. The four dimensions that contribute for innovation are staffing, structure, strategy and system support that enables in effective human resource management. Emergence and success of E-commerce has led to the use of electronic human resource management. E-HRM is relatively a new term. E-HRM helps to improve administration & efficiency and also helps to improve client's orientation & service. E-HRM is a cost reduction program. The rapid development of internet during the last decade has boosted the implementation and application of electronic human resource management. Advances in IT hold the promise of meeting many of the challenges of the HRM area in the future such as attracting, retaining and motivating employees; meeting the demands for a more strategic HR function and managing the "human element" of technological change. Most of the existing studies were conducted in the western countries and in the United States. However the result of these studies may not be applicable to other parts of the world due to the existence of social, cultural, and economical differences (Seyal, 2000) and comparatively very little has been researched in this field in the developing countries.

2. Statement of Problem
The human resource in India is characterized by the lack of innovative HR practices caused mostly due to uncooperative attitude and the resistance to change from the part of the organization. Introducing greater efficiency in HR practices is a task by itself to any organization. With the advent of electronic reporting system and internet facilities playing a major role, E-HRM is gaining popularity. This paper concentrates mainly on identifying the problems involved in implementing E-HRM in the current business scenario.

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2. Objectives of the Study
- To examine the opportunities and challenges of E-HRM in improving the efficiency of HR practices in organizations.
- To review the literature on the topic

3. Review of Literature
Implementation of human resource strategies, policies and practices in an organization can be best achieved if E HRM is adopted(Suramardhini, 2012). E- HRM is a web-based tool to automate and support HR processes.

(Strohmeier, 2007)The paper aims at a reviewing E-HRM and the derivation of implications for future approaches. It is sufficient, to recognize E-HRM as an innovative, lasting and substantial development in HRM that results in new phenomena and major changes.

(Sinha, 2014)On examining the data, it became evident that most of E-HRM tools like ISA, SSA and HRIA are already in use in Indian organizations. From analysis it is quite obvious application of most of E-HRM instruments like IVR, HRIA, SSA, HREA, HRPA, and ISA are significantly different for private and public organizations.

(Oswal, 2014) E-HRM is a high-tech way of performing HRM functions. E-HRM can help organizations to enhance their function pertaining to HR activities bringing benefits of cost savings, efficiency, flexible services, and employee's participation.

(Deshwal, 2015) In the current scenario most of the companies aims to achieve sustainable development for long term sustainability in the business. In spite of several disadvantages E-HRM is considered to be the best way in implementing HR strategies, policies and to formulate decisions.

(Voermans, 2006) He revealed from his research paper, if employers has positive attitude for work then it easy to implement E-HRM in the organization. If the image within an organization is poor then it is slow process in implanting E-HRM.

(Swaroop, 2012) In his research he focuses more on how E-HRM makes things easier, cost effective and very quick. It also focuses on how it takes off the burden from the administrators as this new system helps provide very good and efficient services to all associated with the firm.

(Ruel, 2006) He conducted a study to check how the introduction of E-HRM will have a positive impact on the technical and strategic HRM effectiveness. This study has specifically pointed out to what aspects of E-HRM are most necessary while checking for the HRM effectiveness.

(Ye, 2015)The main aim of this research was to provide more information about the topic E-HRM and to help people understand it more comprehensively and systematically. The study says that this is the most efficient way of working to achieve the goals of an organization so as to meet today's demands and to maximize potential.

(Fındıklı, 2015) the study showed that easily managing the time, getting easy access to personal data, cost effectiveness are some of the major factors which drive any firm to implement E-HRM. Even though it showed a lot of benefits of using E-HRM, one of the major drawbacks was that e-training.

An Integrative It-Organization Perspective on E-HRM

Phenomena	Research questions for e-HRM/HRIS resulting from this phenomena	Recent research dealing with this
The automation of tasks and processes and HRIS	• How do employees and line managers respond to this transfer of HR-related activities? • How do organizations cope with the new division of HR-related tasks between employees themselves, line managers, IS department, and HR staff?	Ruël *et al*. (2004) Broderick and Boudreau (1991) Heikkilä and Smale (2011), Voermans and Van Veldhoven (2007) [6]
The costs of IT: expansion and control	• To what extent are HRIS implementations a consequence of a period of expansion? • What happens to HRIS implementations in periods of control? • Who are the main sponsors of HRIS investments and how do different types of sponsors affect HRIS implementation? • How does HRIS use affect productivity or the return on investment of HRISs?	Buckley *et al*. (2004)
New forms of managerial control	• How do managers use the new possibilities for managerial control? • How can an organizational culture be matched with specific control habits and the control mechanisms and tool available? • What kind of coping strategies do subordinates employ with HRIS-based managerial tools? • To what extent are organizations more self-aware by using more and more HRIS tools?	Beulen (2009), Agarwal *et al*. (2006)
Compression of competitive time	• To what extent do HRISs contribute to organizational flexibility? • How can HRISs facilitate a flexible business strategy? • How can HRISs be used to create a competitive advantage? • How is competence-based management being impacted by HRISs?	Withers and Ebrahimpour (2000), Kovach *et al*. (2002)
Outsourcing	• What are the consequences of outsourcing for HRIS effectiveness? • To what extent do managers and employees trust outsourced HR services? • How can internal, outsourced HR services and the deployment of HRIS applications be balanced?	Dibbern *et al*. (2004)
Convergence of info-com	• How does convergence of HRISs impact HR professionals' roles and activities? • What organizational needs trigger further convergence of IT for HR purposes? • How does the use of HRISs by managers and employees influence	Bell *et al*. (2006) Martinsons and Chong (1999)

	convergence of HRISs?	
Organizational knowledge as a competitive pressure	• How can HRISs support organizational knowledge development, sharing, and maintenance? • What are the mechanisms through which HRIS facilitate or inhibit organizational knowledge development? • How do employees integrate HRIS-supported strategic alignment? • What roles should HR professionals, employees, and managers fulfil in an HRIS-supported aligned company?	Ruta (2009), Hustad and Munkvold (2005)
Organizational change orientation	• What are the conditions for successful HRIS-supported organizational change? • How can different types of organizational change be supported with HRISs? • How can HRISs help to overcome resistance to organizational change?	Svoboda and Schröder (2001), Wilson-Evered and Härtel (2009)
Integration of the IT function with other business functions	• How can the IT function be successfully integrated with the HR function? • Which HR roles should IT professionals understand? • Which IT roles should HR professionals understand? • How can IT and HR professionals communicate effectively in order to design new HRIS functionalities?	Tansley and Newell (2007)

(**Source:** Ruël H., Bondarouk T. (2014) e-HRM Research and Practice: Facing the Challenges Ahead. In: Martínez-López F. (eds) Handbook of Strategic e-Business Management. Progress in IS. Springer, Berlin, Heidelberg)

5. Research Methodology

This is a conceptual paper and does not hold any experimental facts.

Data collection- The required data has been collected from only secondary sources such as research papers, articles, newspaper clippings and various E-resources.

6. E-HRM

E-HRM is considered to be a best way of implementing HR policies and strategies in an organization with the full use of web-based channels. E-HRM has gained importance as it uses web technology compared to traditional HR practices. E-HRM is the new field of technology that is widely spreading in organizations around the world. The main aim of E-HRM is to transform the HR functions into a paperless, more flexible and resource efficient transaction. With the current status of IT around the world, HRM has become more effective through the use of E-HRM technologies, it has the potential to entirely change the traditional way HRM functions are performed. An example to understand this is the function of recruitment, where job opening can be posted online, and the candidates can also apply for the same online. With the issue of compensations and benefits, E-HRM will make it easy for employees to review salary and bonus information and also to seek information about bonus plans. The traditional HRM was not very effective from the view of the employees and the implementation of E-HRM will be a win-win for both the employees and the employers.

When a company implements a new E-HRM system, some of the HR processes must be reengineered in order for the E-HRM system to be more effective. Such reengineering mechanism is applied when transforming HR manual processes to paperless forms. Reengineering should begin before choosing the software system to make sure changes are accepted by the stakeholders and the process can actually be aligned with the new system. Training and education is a critical step in managing change itself, as employees must be educated about the new system to understand how it changes business processes. Education is the catalyst that brings the knowledge of the users up to the point where they can familiarize themselves with the new E-HRM system quickly and sufficiently. Managing change within the organization could be a full time job by itself as it requires the management of people and their expectations, resistance to change confusion redundancies and errors. In order for E-HRM implementation to be successful, top managers have to approve and continuously support the responsible parties during the implementation stage to make sure no obstacles prevent or delay the progress.

The strategic issues and the scope of research are very vast under this topic. Henceforth only some selective functions of HRM are included in the scope of the research. The limitations are as follows:

The study is restricted to the impact of technology on core functions of HRM, which majorly affect the functioning of the organizations.

The scope of e-HRM is vast and hence forth only few of the functions are discussed. All the functions could not be discussed in details due to time.

6.1 Definition of E-HRM

E-HRM is 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.
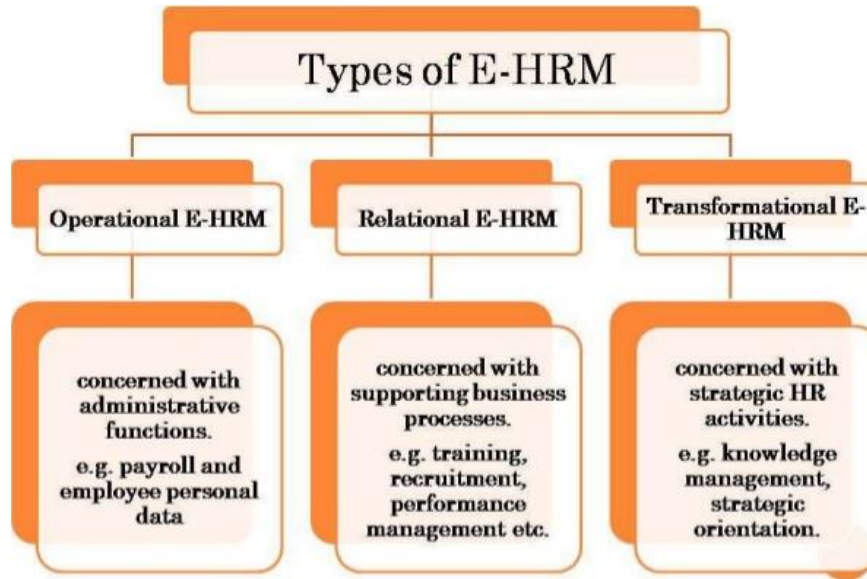
Types of E-HRM

E-HRM Activities

1. **E-Recruitment:** Also known as online Recruiting, is being widely used by companies these days. Through e-Recruitment, companies usually hire the candidates using the internet as a medium.

   The common practice of facilitating the online recruitment is by uploading the recruitment information on the company's official website or hiring the online recruitment websites to serve the purpose. Monster.com, Naukri.com, Timesjob.com are some of the well renowned online recruitment websites.

2. **E-Selection:** The HR department using the online selection process must ensure that each step complies with the procedural requirements viz. Project steps, vendor selection, assessment steps, feedback to the candidates, and the like. The purpose of E-selection is to utilize the maximum human capital at a reduced cost and in less time.

3. **E-Performance Management:** Many companies make use of web-based technology to evaluate the performance of an individual. This can be done either using the computer monitoring tool, wherein the complete working of an individual can be recorded, or through writing the reviews and generating the feedback on the employee's performance using the web portal.

4. **E-Learning:** It means using the internet or organization's intranet to facilitate the training and development programmes for the workforce. Getting the online modules of training, a large number of employees can be covered irrespective of their locations.

5. **E-Compensation:** An organization using the compensation management online enables it to gather, store, analyze, and distribute the compensation data or information to anyone at anytime. Also, the individual can access electronically distributed compensation software, analytic tools, from any place in the world.

   Thus, with the help of e-HRM, the records of all the employees sitting in different geographical locations can be stored and also the new candidates could be hired from any part of the world.

Challenges Associated With HR Technology
(1). Cost
Technology pulls cost. In implementing a technology based HR system, a huge initial investment is required. Once implemented, it reduces the operational costs. Large organizations may install HR portals/packages while it is difficult for a small or medium sized organization to afford them.

(2). Acceptance
Before the implementation of technological innovations in the organisation, HR itself is the biggest obstacle. Due to IT implementation various issues like Skills/Knowledge for its use, employment risks etc. always rise in its way. Acceptance from the workforce is needed for utilizing it up to its fullest. In the information era, information and communication technology (ICT) is widespread and has become an integral part of almost all jobs occupied by knowledge workers (Porter, & Kakabadse, 2006). It increases the burden of the employees by spending more time connected.

(3). Back-ups and Security Concerns

It requires maintaining a fully-fledged back-up system of the overall e-HR system. It leads the maintenance costs. 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 (Kaur, 2012). Open access to the databases destroys the personal information of the workers which may leads to illicit access.

(4). Increasing Isolation

Due to the formation of virtual networks through intranet or web-based HR portals, the personal interaction among the employees has diminished. In the traditional systems, they interact with the administration department regarding their employment issues due to which they were also personally connected. But due to IT implementation they need not to go in the administration branch regarding such issues. They are isolated from each other and are connected virtually through such portals only.

(5). More informed Employees

Due to easily accessibility and transparency, the employees are well informed about the market pay structures. It increases the accessibility of internal and external compensation information. This knowledge may force the organization to modify its compensation structures from time to time in order to comply with the present structure in other companies. It may sometimes, create problems for the organization.

7. Findings and Suggestion

E-HRM is one of the latest innovations in the business world which is becoming a trend. From our study we can conclude that the addition of technology to HRM has made organizations more reliable, safe and has also helped in making recording and storing information about the human recourse a lot easier. E-HRM has made the dream of many small firms; to go global, a reality by bridging the gap between the people who want to hire and the ones that need employment. The tools in E-HRM are already in use by many firms in India proving that this is the most effective and efficient way in the fast growing economy that we belong to. The firms that are a part of this world either have to evolve according to the people around or perish. The only suggestion for all the HR mangers is that the need to be open to change and have a keen eye for learning the latest technologies that are coming out in the market each day. This will help them stay in the race that every business is an unwilling part of.

8. Conclusion

Implementation of E HRM is a new phenomenon which ranges widely in scope, at the low end it can be a simple web-based system to access Human Resource (HR) related documents. At the high end E-HRM is a fully integrated, organization-wide electronic network of HRM related data, information, services, databases, tools, applications, and transactions that are generally accessible at any time by the employees, managers, and HRM professionals. Through E HRM, it is easy to communicate vision and values of the organization. E HRM is mainly used for collecting suggestions from employees. The main thrust of having E HRM system is to act grievance addressing system. In order to have E-HRM successfully implemented it the organization it requires outmost transparency. The major downside of having E-HRM in an organization is the huge cost involved in implementing this system. And compared to the traditional HRM practices, the implementation of E-HRM has reduced human interactions. It has also made most transactions automated reducing the use of paper by almost half. E-HRM also makes it easier to back up all the information saving it from being easily manipulated or destroyed.

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