



A STUDY OF ISSUES & CHALLENGES OF IMPLEMENTATION OF INFORMATION TECHNOLOGY IN HRM

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Abstract

HRM is a vital function of the organization, and technology and Human Resource Management influence each other to a great extent. The extensive use of technology within human resource management has majorly increased over the last decade. Information technology has created a revolution in the every sphere of human endeavor. Today IT is used extensively across the organizations to perform various functions such as recruitment, maintenance, development etc. IT and its wide range of applications have not only impacted their operations but also have made their presence greatly felt in every sphere of management. Even in the field of HRM, technology has not only contributed towards the paradigm shift, but has brought in various challenges and opportunities along with it. The biggest challenge faced by the organizations is the adoption and acceptance of these technologies, as the re-designing and re-engineering of the HR functions is very critical for the systematic and effective functioning of the various functions. Development of a proper managerial climate is crucial for innovative and knowledge based organizations. The accurate merger of functionality and reporting devices can only lead to the smooth and effective functioning of the organizational functions. The present paper focuses on the study of issues and challenges faced by an organization by implementing IT techniques across various HR functions.

Keywords: Human Resource Management (HRM), Information Technology (IT), HR Functions, IT Techniques, Human Resource Information System (HRIS)

1. INTRODUCTION

Today Human Resource Management has come up more as technology oriented profession. The current studies done in this field shows that those organizations which can successfully implement and accept the HR technology tools, can definitely surpass the other organizations, in terms of their efficiency, brand name and reputations which are not using these IT enabled recent techniques. This leads to not only the transformation of the HR Practices but also increase the speed, efficiency and accuracy of the functions across the organizations. This transformation of HR service delivery can be named as “e-HR,” Human Resource processes in the organizations are currently focusing on technology –oriented processes, reason being, it will help to streamline the processes and henceforth reduce the paperwork. Other reasons include the reduction of the Compliance and Administrative costs and therefore increase the accessibility of data to the employees and managers.

The technological orientation helps HR to create more impact by playing a crucial role in the business. The gradual penetration of information and communication technology (ICT) in all facets of business is leading to multidimensional and often unpredictable changes and advancements. Except manufacturing and operations most of the functions of the organization is performed with the click of mouse and latest evolution touch screen, thus most of the business and its employee in present face many challenges and opportunities that evolve from complex nature of work and unending changes taking place in the range of work. One of the major challenges includes rapid change in work technology. One of the largest breakthroughs in the work arena is automation, and digitization of the work and near constant technological advancement, with a definite move towards the use of technologically sophisticated ways of getting things done, hence HR function of an organization cannot remain aloof and secluded and same pattern has got to be followed for human resource management practices, henceforth new, dynamic ways of managing HR are being seen every day. This has more impetus as different stakeholders are hungry of information need and ask for customized information in 24*7 mode at their finger tips.

Organizations have increasingly been introducing web-based applications for HRM purposes, and these are frequently labeled as electronic Human Resource Management (e-HRM). Much is expected of e-HRM in terms of improving the quality of HRM, increasing its contribution to company performance and freeing staff from administrative loads. The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department from all these tasks, allowing the most HR staff to focus less on the operational and more on the strategic elements of HR in organisation, and allowing the organisations to lower the HR department staffing levels. It is anticipated that, as E-HRM develops and becomes more important in business culture, these changes will become more prominent, but they have yet to be manifested to a significant degree. A 2007 CIPD survey states that "The initial research indicates that much-commented-on development such as shared services, outsourcing and e-HR have had relatively little impact on costs or staff numbers" Employees' satisfaction is must for smooth working of an organisation. Without this, the peaceful running of an organisation is not



possible at all. If some changes are done in the organisation and employees are not satisfied with it then the results of those changes are not in favor of the organization. So, the employees' perception towards e-HRM is also important.

2. OBJECTIVES OF THE STUDY

- a) To identify the challenges and pitfalls faced by organizations after implementing IT techniques across HR functions.
- b) To find out the various methods and techniques through which HR can overcome these challenges in the present business scenario.

3. METHODOLOGY

The study is secondary in nature and the content of the research paper has been collected through various sources as, journals, books and various website from the internet.

3.1 Scope of the Study This study explores current areas including:

- The current available strategies and technologies used by HR Executives.
- Issues and challenges faced by organizations during the strategic use of e-HR technology.
- The successful and effective use of HR technology in the various HR Function like recruitment, maintenance and development of workforce.
- The avoidance of common pitfalls in the technology oriented HR Functions and its acceptance by employees.

4. LITERATURE REVIEW

4.1 The Paradigm Shift

Information technology has greatly impacted the Human Resource Management through one of the important and effective tool i.e Human resources information systems (HRIS). This tool has not only streamlined the data processing, but also has made the employee information more readily available to managers. The two primary areas of application of computer in the managerial decision making process include, the increasing use of electronic computers in managerial decision making and the coordination among the various strategic functions in the organization.

Foster et al. (2004) describe that the application of the internet to the Human Resource function (e-HR) combines two elements; one is the use of electronic media while the other is the active participation of employees in the process. Bondarouk, T. et al. (2004) states organisations need to embrace the e-HRM revolution which relies on cutting edge information technology, ranging from internet-enabled human resources information systems (HRIS) to corporate intranets and portals. According to Biesalski (2003), e-HRM is a webbased tool to automate and support HR processes. According to Lengnick-Hall, & Moritz, (2003) the final stage of total digitalization in the 1990s arrived when HR professionals and ICT specialists joined forces and developed electronic information systems that moved HR decision making from drawers to computer As per Watson Wyatt's (2002) survey of HR technology issues revealed that a wide variety of HR and payroll systems are being used today. According to the results of the study, web technology is the predominant method for delivering HR-related services to employees and managers, and offers significant opportunities to improve communication, knowledge sharing and HR delivery systems In the views of Wright, M. et al. (2001) e-HRM refers to the processing and transmission of digitized information used in HRM, including text, sound and visual images, from one computer to another electronic device. As stated by Doughty (2000), today, within the HR software market there are a myriad of HR systems, payroll, training administration, 360 degree feedback, psychological testing and competency software tools operating in their own software features.

- As per Ulrich, (1997), while attempting to make strategic changes within the human resource function, HR professionals must still deliver good HR services to their stakeholders who include employees and managers. One of the most important fundamental principles in managing human resources is fostering the employment relationship so that employees may feel an attachment to their work and contribute willingly to the success of the organization. As per Keebler & Rhodes (2002), there is agreement on the fact that the employees of an organization are just as important as its customers, and therefore need to be kept satisfied and motivated. This can be achieved to an extent by improving HR service delivery. According to Kettley P, and Reilly P (2003), before embarking on e-HRM, organizations should review and optimize their business processes. This may be a case of major process redesign, or a more tactical exercise tackling areas of concern. Following a process review, a common next step is to introduce a form of self service. This is likely to involve employee self service, where staff can access their personal record and update it or add new information. Keebler & Rhodes (2002) go on to discuss how, while improving HR efficiencies is the major focus in e-HRM technology design, it should also assist in making e-HRM technology more user-friendly. This should improve the service experience of the managers and employees. In this way, a client service improvement of the HR system can be achieved.



Benefits of Electronic Human Resource Management System

By reviewing the relevant literature, this paper extracted some benefits of E-HRM from various studies which are as follows:

- E-HRM has the potential to influence both efficiency and effectiveness.
- Effectiveness can be affected by improving the competence of both managers and employees to make better,
- Quicker decisions. A higher internal profile for HR leading to better work culture.
- It leads to a more transparent system.
- Considerable reduction of administrative burden
- Provides Integral support for the management of human resources and all other basic and support processes within the company A more forceful workflow in the business process, productivity and employee Satisfaction
- E-HRM can save costs while maintaining the quality of data• Decentralization of HR tasks (Kaur, 2013).
- Standardization
- Access to ESS training enrollment and self-development
- User-friendly interface
- Connectivity with the client's existing information system (payroll accounting, ERP, attendance registration, Document systems... gradual implementation. Parametric and customizability.
- Access to archived records and documents Employee
- The generation of HR metrics to support strategic decision making (Swaroop,2012).
- Transforming HR professionals from administrative paper handlers to strategic partners
- The automation of routine HR tasks and replacing “filing cabinets” (Davoudi, Fartash, 2012).

GLOBALIZATION PARADIGM

When a paradigm is ruling, it demands its specific principles to be fulfilled. With the start of any emerging paradigm all others reach their start off point. And if a country or an organization explores any emerging paradigm beforehand and understands its relations and regulations, the said country or organization will totally be able to remove or destroy all other countries or organizations in competitive scene (Yazdanizadeh & Habibi, 2009). Globalization paradigm is used to define a combination of factors - a single market place with growing free trade among nations; the increasing flow and sharing of information, connections and opportunities for organizations and people to interact around the world without being constrained by national boundaries (Connell, 2007). Most academics still subscribe to the view that globalization paradigm is more a work in progress, the boundaries of which are still hard to fathom. We need to understand better how this process operates in relation to the E-HRM inside organizations. Globalization paradigm is examined at different levels of analysis, each tending to produce different perceptions of how advanced or pervasive the process is and the extent of its influence over IHRM policies and practices. The main models and frameworks that have been used in the field concentrate on five levels of analysis:

1. Comparative analysis of national business and management systems which itself can have different embedded levels of analysis from business system down to specific HR practices
2. The globalization of industries
3. Relative levels of internalization of the firm and
4. The progressive building of international capabilities within organizations and
5. Processes of functional realignment taking place in response to globalization paradigm (Sparrow, 2006).

Globalization paradigm provides more freedom and discretion for the low level of government due to the revolution of information technology. To attract investment or promote trade, local governments directly work with foreign governments and big corporations, and thus create more jobs and stimulate the local economy (Kyun Kim, 2008). The Society for Human Resource Management (SHRM) bi-annual strategic forecast identified international trends that affect HR managers. In these surveys, United States (U.S.) HR managers state their opinions about issues that shape the field of human resources. In 2006, HR managers reported that the desire of companies to expand globally, economic growth in Asia, and increased cross cultural awareness were most likely to have a major impact on the workplace (Friedman, 2007).

4.2 Issues and Challenges affecting the use of HR technologies

The use of the technology oriented processes in an organization are affected by various factors, which are highlighted as follows:

- Employee orientation-The employees of the organization needs to be convinced by the fact the use of technology in the processes will help in generating better and improved results compared to the existing processes.



- Work Culture-Work culture also affects the acceptance of the implementation of new system in an organisation. The dimensions of better results can be timely and accurate information, ease of use and completion of work in lesser time.
- Security Concerns-A system or technique designed for one country may not be effective in other country. Implementation issues across boundaries comes with the challenges of data privacy and data movement across boundaries.
- Cost factor- Cost is an important factor to be taken into consideration before implementation of the e- systems. The companies must prioritise and take the decisions of acceptance and implementation of e-systems on the basis of vital, essential and desirable operations.
- Training and learning- The process of training and adaptation to the new esystem be a cumbersome and time consuming process. It may be challenging for the users if they do not find it user friendly.
- Technical limitation- An organization cannot depend on technological websites or software completely to handle every issues related to HR. A website cannot ever replace a skilled professional. Employees may not be able to make senses of choice from the website and may need to discuss the issues personally with HR experts or professionals, in case of doubts, faced by them.

5. RECOMMENDATIONS AND SUGGESTIONS

The above mentioned factors are imperative and therefore should be carefully considered before undertaking the e-HRM venture. The important dimensions that should be taken into consideration are highlighted here:

1. Cross cultural training of HR personnel- Strategies should be developed to ensure the cross cultural training of the personnel in the HR Department so that so that they understand other cultural background and people and avoid conflict of interests.
2. Motivation of the employees is required so that they continue to be a part of the organization and contribute more towards the development and growth of the current organization with their ideas. It should be kept in mind that apart from the financial motivation, training and development opportunities, job satisfaction and other motivational factors should be taken into account .
3. Adaptability- HR should adapt itself to the changing environment and technology and should opt for sufficient and sustainable technological supportability of equipments and resources.
4. Flexibility- The HR technologies adopted should be agile and flexible so as to accommodate the changes in the adjust to the new paradigm shift. The demands of the changing economy should be taken care while developing new policies or changing existing policies.
5. Technical training- The changes in the workplace often require the implementation of additional training for workers. As training and development is generally the realm of the HR department, this creates yet another challenge for human resource managers. HR must first determine what training is necessary and then implement training measures to ensure all workers can keep up with technical changes. Human resource managers must also determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization.
6. Communication- To ensure the smooth implementation of the system, organizations must ensure the need to address the potential issues like calculating organizational impact and proper communication of the various training plans to the employees.
7. Monitoring and feedback- Successful implementation has also to be followed with regular and periodic follow up. This will ensure to understand and solve the problems faced after the implementation, and accordingly steps can be taken for the further improvement or modification of the system.

6. CONCLUSION

The e-HRM installation and adaptation process, if handled in a correct perspective, can lead to the growth and efficiency of the organizations in the long run. The technology based HR functions provides real time metrics to the managers, which help them to track and spot trends effectively and thus leads to an effective management of the workforce. Effective HR transactions, increased speed, lesser paperwork and cost effectiveness are definitely some of the advantages which not only ensures transparency, but also facilitates better controls by the top management. But the implementation of e-HR requires a fundamental change in the way HR professionals view their roles. The successful and efficacious implementation is only possible when the HR professionals learn to be proficient with the traditional HR skills and knowledge, and develop the ability to apply their knowledge via the technology. 7. Limitations The strategic issues and the scope of research is very vast. 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.

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