



Traditional HRM and E-HRM: A comparative study

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Abstract

With the development of information technology e-HRM becomes available and will be expected to replace the old ways of HRM gradually to meet the requirements of IT era. The aim of this paper is helping people to understand e-HRM, providing new information for corporations which intend to transform conventional HRM to e-HRM to catch on the pace of the new era, as well as the companies providing e-HRM solutions. The objective of this paper is to know the concept of conventional human resource management and e-HRM, the various techniques used by these two approaches and the comparison between these two. The data is collocated through the secondary source by various research papers, websites, articles and book and on the basis of that the various problems, issues and suggestion are made. With the help of the data an analysis is made and on behalf of this analysis the suggestion and conclusion is made which help the entrepreneur for better decision making.

Keywords: traditional HRM and E-HRM.

Introduction

Concept of HRM

The National Institute of Personnel Management (NIPM) of India has defined human resource as "that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success."

HRM is concerned with the human beings in an organization. "The management of man" is a very important and challenging job because of the dynamic nature of the people. No two people are similar in mental abilities, tacticians, sentiments, and behaviours; they differ widely also as a group and are subject to many varied influences. People are responsive, they feel, think and act therefore they cannot be operated like a machine or shifted and altered like template in a room layout. They therefore need a tactful handling by management personnel."

HRM is the process of managing people of an organization with a human approach.

Human resources approach to manpower enables the manager to view the people as an important resource. It is the approach through which organization can utilize them an power not only for the benefits of the organization but for the growth, development and self-satisfaction of the concerned people. Thus, HRM is a system that focuses on human resources development on one hand and effective management of people on the other hand so that people will enjoy human dignity in their employment.

HRM is involved in providing human dignity to the employees taking into account their capacity, potentially, talents, achievement, motivation, skill, commitment, great abilities, and so on. So, that their personalities are recognized

as valuable human beings. If an organization can trust, depend and draw from their bank account on the strength of their capital assets, they can trust, depend and draw more on their committed, talented, dedicated and capable people. This is what the HRM is involved in every business, managerial activity or introduction. Human Resources Management is concerned with the "people" dimension in management. Since every organization is made up of people acquiring their services, developing their skills, motivating them to high level of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieve organizational objectives. This is true regardless of the type of organization, government, business, education, health, recreation or social action. Getting and keeping good people is critical to the success of every organization, whether profit or non-profit, public or private.

Recent developments

Recent developments in the area of human resources management include treating the employees as economic, social, psychological and spiritual men and women. The important aspects of development of human resources management year wise is shown below:

- In the year 1995, emphasis has been shifted to human resources development (HRD).
- In the year 1998, emphasis on HRD, cultural diversity, teamwork and participative management has been continuing. Further, the emerging areas are total quality in management in HRM, empowering the employees and developing empowered teams and integrating HRM with strategic management as the top management, realised that HRM is the core of competencies of the 21st century corporations.
- In the year 1999, second National Commission on Labour was setup to study the labour conditions.

- In the year 2001, emphasis has been on 'smart sizing of the organisations'.
- In the year 2002, emphasis has been shifted to positive attitude of the candidate/employee rather than skill and knowledge.
- In the year 2003, shift from intelligence quotient (IQ) to emotional quotient (EQ).
- In the year 2004, shift from skilled workers to knowledge workers.
- In the year 2005, shift from hierarchical structure to flexible and virtual structures.
- In the year 2006, HRM has become the core of strategic management level.
- In the year 2007, the concept of HRM has been relegated to human capital management.
- In the year 2008, emphasis has been on retention management and development of own human resources by companies through alliances with universities/colleges. In the same year, there was decline in business operations due to global economic recession and crisis.
- In the year 2009, continuation of job cuts, pay costs and lay-offs due to prolonged global recession and crisis.
- In the year 2014, emphasis is shifted to talent management and flexible human resource policies and practices.

Concept of e-HRM

Information technology completely infuses HRM processes and HRM departments in today's global networking timeframe. For more than a decade now, digital possibilities have been challenging traditional ways of delivering HRM services within business and public organizations.

Definition of e-HRM

As defined by Kettley and Reiley (2003), a Computerized Human Resource Information

System (CHRIS) consists of "a fully integrated, organisation-wide network of HR related data, information, services, databases, tools and transactions". Such a system can be described as e-HR, meaning the application of conventional, we band voice technologies to improve the HR administration, transactions and process performance.

As stated by Ernst Biesalski (2001)"Electronic Human Resource Management (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 employees. E-HRM facilitates the usage of HR market places (e-recruitment) and offers more self- service to the employees. E-HRM is a collection of many different technologies".

Mary Gowan (2001) has defined electronic Human Resource Management System (e-HRM System) as a web based solution that takes advantage of the latest web application technology to deliver an online real-time human resource management solution. It is comprehensive but easy to use, feature-rich yet flexible enough to be tailored to your specific needs.

According to Ruel, Bondarouk and Loosie (2004), "e-HRM is a way of implementing HR strategies, policies and practices in organisations through a conscious and directed support of and/or with the full use of web technology based channels".

Features of e-HRM

- Based on internet and intranet
- Strategic involved
- Self-serviced
- Electronic input replaced paperwork
- Expedite and speedy communication channel
- Objective appraisal system
- Enhancing the employee satisfaction through higher level of internal service
- Improving employment relationship
- Cost reduction
- Changing the centre of HRM from operational management to strategic management.
- Reducing unfairness and dissatisfaction in performance appraisal
- Meeting the requirement of IT era
- Achieving more competitive advantages

E-HRM Challenges

Various e-HRM challenges are below:

- Keeping pace with the rate of technological change: These days, technological innovation occur at a relentless pace. Keeping up is a constant challenge.
- Knowing whether and when to act: It can be difficult to determine whether a software product or system will deliver what it promises, especially given the excitement that often surrounds the launch of new HR technology. If an application has already been installed somewhere, it can be helpful to request the names of users and contact them for the irrealactions.
- Making choices: Evaluating technology and assessing the ability of applications to meet needs can be daunting.
- Assigning responsibility: If HR staff is too busy or not qualified to take responsibility for e-HR initiatives, HR may need to hire additional staff or, at a minimum, forge a close partnership with information technology (IT) staff.
- Deciding on the right amount of Back-Endintegration: Some e-HR applications standalone. Others share a common database with the organisation's core human resource information system (HRIS).
- Controlling expenditures: Although HR technology promises to save money and has that potential; it can be a big-ticket item when indirect costs, such as customization and upgrades, are taken into account.
- Monitoring vendors: Issues about vendors' roles and performance can arise, particularly if there is no formal agreement about how service will be measured.

Comparison between traditional HRM and e- HRM

It can be seen that the use of e-HRM system has numbers of advantages for organizations. Nevertheless some researchers pointed out that the advantages and effectiveness of e-HRM depends on the size of organizations. As it is indicated that use of HRIS in HRM process like recruitment, training and HR planning or even appraisal seems "sophisticated" but it depends on the size of the company and the human resources strategy. Indeed, HRM practices are changing with the size of the firm increases. Using HRIS in HRM and implementing e-HRM which is totally digitization could facilitate effectiveness and efficiency of HRM in macro organizations,

but there is limited literature on small sized organizations using e-HRM.

Nowadays, e-HRM is still at its infant stage that organizational size determines whether an organization operates e-HRM. However the trend of digitization in management might decrease the differences in using e-HRM between small and large companies.

Conclusion

This research will give an introduction of e-HRM and adopts comparison in many aspects to demonstrate e-HRM actually which is different from most of the previous studies. It includes the comparison between two corporations currently conducting different HRM style, as well as the comparison between the previous system and new e-HRM system in one corporation. Based on these comparisons this research examined the facts of e-HRM both in theory and in practice through comparison study between conventional HRM and e-HRM in the purpose of contributing to advancing e-HRM research. Taking the essential theories of HRM as the foundation which promoted by several famous researchers such as Storey, this study learned the previous research on both conventional HRM and e-HRM and found out how is the e-HRM developed and its relationship with conventional HRM. Furthermore the features and advantages of e-HRM are generalized according to all kinds of research papers. Therefore the reasons for adoption of e-HRM were reduced.

In general, e-HRM is developed from HRIS and shares the same basic theory with conventional HRM, whereas the efficiency and effectiveness of e-HRM are much higher than conventional HRM because of the adoption of technology in e-HRM. Thus the performance of e-HRM mainly depend on the application of software or even larger management system, including self-service capability based on internet and intranet, integrated capability, and shaking off the inefficient work flow. Moreover contribution of e-HRM to strategic HRM is distinct. The cases and evidences from literatures illustrated better that the application of e-HRM could bring a great many benefits in the long term.

Considering the controversies of the relationship between the corporate size and e-HRM practices, the findings show that it indeed existed. On the one hand, the producers of e-HRM software could not consider more about the small-sized companies' needs. On the other hand, e-HRM is not that popular in most of the companies, especially in small-sized companies.

Therefore the effectiveness of e-HRM for small companies won't be achieved unless much effort from both providers of software and companies themselves.

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