



Electronic Human Resource Management Practices in India: Benefits, Employee Acceptance and Challenges

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Abstract: E-HRM has evolved into an important component of contemporary Human Resource Management (HRM) owing to the increased usage of technology for HRM functions such as recruiting, payroll, performance management, training and employee services. The benefits of using digital HR practices include time savings, reduced paperwork, and convenience of access to HR services. However, the acceptance of employees, user-friendliness, training, infrastructure and organisational readiness are essential factors that contribute to the success of E-HRM implementation. This research paper explores the various E-HRM practices being adopted by organisations, specifically India. The research is purely based on secondary data obtained from published academic literature. The literature review reveals that E-HRM helps to enhance efficiency, service quality of HR, and organisational performance; however, its implementation may pose challenges to employees and organisations. Organisations should not only pay attention to the adoption of digital HR systems but also focus on meeting the needs of employees and ease of using the system.

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Introduction

Technology has found its place in the work environment, and it has also revolutionized the process of Human Resource Management. Before, many Human Resource Management practices took place manually using physical documents, forms, and communication. In today's scenario, organizations are using computer technology for functions like recruitment, attendance, payroll, leave, performance appraisal, training, and employee communication.

Electronic Human Resource Management (E-HRM), in simple terms, is the practice of Human Resource Management using information technology. According to Bondarouk & Ruël (2009), E-HRM is the combination of HRM and information technology with the sole intention of generating value for employees and managers. This means that E-HRM does not mean keeping records of the employees only using computers.

Recruitment is one of the fields where there has been extensive use of technology. An organisation is able to advertise job openings, collect application forms and communicate with applicants via the Internet. In the same way, employees can apply for leave, check salaries, update information and seek HR related services using digital means. Performance management and training of the workforce may also be facilitated via technology.

Using E-HRM may bring about a number of advantages for an organisation. These include reduction in paperwork, saving time and easier access to HR information. It will also enable an HR department to handle many employees and perform its routine activities efficiently. Studies have revealed a positive correlation between E-HRM and organisational performance, but the strength of such relationship varies among different types of performance.

Nevertheless, mere introduction of the technology does not guarantee success of the HR processes per se. People have to know how to work with the technology and be motivated to do it. Besides, the organisation requires adequate infrastructure, training and support. In an empirical study conducted in Indian companies dealing with services and manufacturing, it was shown that the attitude of employees to the technology depended on the usefulness of the technology and ease of use.

As for the employer's attitude, it depended on usefulness for the organisation, IT infrastructure and cost. In this light, the current study will focus on E-HRM practices from both points of view – efficiency and those of users of these systems.

Literature Review

E-HRM has been researched for more than two decades, but the areas of attention have evolved through time. According to Bondarouk & Ruël (2009), the term refers to HRM in combination with IT and states that digital technologies were reshaping the delivery of HR services. Their article has drawn attention to the fact that E-HRM is bringing both benefits and problems to organizations.

In their review, Marler & Fisher (2013) have explored 40 publications published during 1999-2011 years that were dedicated to the relationship between E-HRM and strategic HRM. As a result of the review, the authors have stated that research on the topic remains at an initial stage and there is little empirical evidence of the direct link between E-HRM and strategic activities. Furthermore, they have emphasized the dependence of the relationship on organizational environment.

Bondarouk, Parry & Furtmueller (2017) have conducted a review of four decades of research in the field of E-HRM. The review demonstrates that research moved from focusing on efficiency to HR service quality and HR role in general. In addition, the authors have revealed the main drivers of E-HRM implementation – technology, organizational and human factors.

Marler and Parry (2016) conducted research involving 5,665 organizations in 32 countries to explore the connection between E-HRM capabilities and strategic HR involvement. The results have revealed that there is a positive correlation between the E-HRM capability and strategic involvement of HR. It means that digital HR systems may facilitate the broader role of HR, but technology and HR practices should progress hand in hand.

Bondarouk, Harms and Lepak (2017) analyzed whether E-HRM facilitates the enhancement of HRM service quality. The research based on the data provided by 140 employees has shown that there are positive and direct impacts of the strength of HRM and E-HRM on HRM service quality. At the same time, the frequency of usage of E-HRM has not been recognized as the expected mediator between E-HRM and service quality.

Recent findings have also shed light on E-HRM adoption. In their meta-analysis involving 55 empirical studies carried out from 1997 to 2020, Zhou, Cheng, Zou, and Liu (2022) found a positive correlation between E-HRM adoption and the following: system usefulness, organizational resources, user knowledge and social influence. Moreover, the researchers found a positive association between E-HRM and organizational performance; more specifically, there was a higher correlation in the case of operational performance when compared to relational and transformational performance.

In Indian research, E-HRM has been analyzed from both employee and organizational perspective. According to Sharma and Ahmad (2022), the attitudes of employees regarding technology depended upon the benefits derived by the employees and ease of use while, in the case of the employer, benefits, IT infrastructure, and cost were significant. The researchers conducted their study by taking into consideration 438 employees and employers from 63 organizations dealing in service and manufacturing sectors.

The study by Srihari and Kar (2020) involved 684 employees from IT and ITES industries in Bengaluru. Six E-HRM practices were studied: e-hiring, e-rewards and recognitions, e-payroll, e-employee self-service, e-performance management, and e-learning and development. The results

indicated a statistically significant effect of E-HRM practices on job satisfaction, while e-hiring and e-performance management had more impact than others.

A negative side of E-HRM was analyzed in another Indian study conducted by Gupta, Hassan, Pandey and Kushwaha (2022). The study focused on eight public sector banks, where 53 semi-structured interviews were conducted with employees. It was found that differences in employees' familiarity with technology were related to some negative aspects like knowledge hiding and workplace conflict situations. Also, the importance of appropriate training in E-HRM based on employees' characteristics and their experience was underlined.

Jani, Muduli and Kishore (2023) also investigated digital HR technology in Indian organizations. This study aimed to fill the gap in studies concerning digital HR technology and HR transformation in Indian organizations and investigate the relationship between digital HR technology and HR roles and HR transformation.

It is thus clear that research on E-HRM has been carried out from various perspectives, such as adoption, effectiveness, employee satisfaction, HR service quality, and organizational performance. It has also been found that the acceptance of employees and technology adoption are other aspects which need to be considered. This provides a useful foundation for studying E-HRM in India.

Need for the Study

No longer is E-HRM exclusive to large organisations or specific HR function. Technology is increasingly being used for more than one HR function; however, the success of E-HRM depends on how effectively individuals or organisations can exploit these technological systems. Several past researches have considered various aspects of E-HRM. Researches on organisational performance are prevalent in literature while some other researches consider adoption of E-HRM and its effects on HR service quality. Indian researches, in particular, have considered attitudes of employees, job satisfaction and the problems employees may face when adopting digital HR. Nevertheless, it can be seen from the literature that E-HRM can no longer be perceived as an IT investment alone. Individual acceptance, user-friendliness, training, infrastructure, organisational support and other issues need to be taken into account. It can also be seen from the systematic review conducted by Priyashantha and Chandradasa (2023) that there are still several gaps in empirical E-HRM research including issues relating to adoption, impacts, value creation, relationship between employee and HR, and negative aspect of E-HRM. Thus, the present study seeks to synthesise these past researches and explore the benefits and challenges of E-HRM, specifically considering individual acceptance in Indian context.

Objectives of the Research

Primary purpose of this study is to analyze the E-HRM practices that are used by organizations and know the advantages and drawbacks of these practices, especially in context of India. The other purpose of this study is to analyze the role of acceptance by employees, user-friendliness, training, organizational support and technology support in E-HRM and how E-HRM can help in enhancing the HR efficiency and employee experience.

Methodology

This study has used only the secondary source of data. The data has been gathered through research articles, review articles and various other academic resources related to E-HRM, digitization of HRM, adoption of technology, user acceptance, HRM service quality and organizational performance. Indian studies have received more consideration in addition to certain international studies that provide a broader perspective on E-HRM. This study uses a descriptive and analytical approach. No primary data or hypothesis has been used.

Analysis and Discussion

• Major E-HRM Practices

E-HRM is applied in various segments of HRM. For instance, recruitment is among the most popular areas of application of technology in HRM. An organisation can announce their job vacancies through online mediums, get their applications online and even correspond with the applicants online.

Payroll and personnel record keeping is also an important segment. Electronic mediums can be used for conducting payrolls, attendance, leave record keeping and maintaining information of employees. E-HRM can also offer self-service facilities to employees for availing HR services.

Performance Management is yet another application of E-HRM. Performance data and feedback can be captured using digital tools by both employees and managers. Learning and development can be facilitated using web-based learning.

According to the Indian IT and ITES study by Srihari & Kar (2020), recruitment, rewards & recognition, payroll, employee self-service, performance management, and learning and development were seen to be the key E-HRM practices. This indicates that E-HRM entails a variety of HR activities rather than one specific activity.

- **E-HRM and HR Efficiency**

One of the major purposes of implementing E-HRM is to improve efficiency of HR operations. Routine operations can be accomplished by using electronic means rather than relying exclusively on paper documents and manual procedures. This would allow HR staff to have more time and easy access to data. E-HRM can also ensure that some of the HR services can be provided to the employees regardless of the physical location of the HR department. The benefits of implementing E-HRM from the point of view of organisational performance have been confirmed by research. According to the results of a meta-analysis by Zhou et al. (2022), there is a positive correlation between E-HRM and overall organisational performance. Moreover, it is stronger for operational performance. However, one needs to consider not just organisational efficiency but also the convenience of employees. Inefficient system might cause problems for the staff even if it saves the time of the organisation.

- **Employee Acceptance of E-HRM**

Acceptance of employees is very critical in E-HRM. There could be introduction of a wonderful HR information system by an organisation but if the employees do not feel comfortable with the system introduced, then the benefit to be gained from the same cannot be enjoyed. As per the study conducted by Sharma & Ahmad (2022), employee attitude towards use of HR technologies was determined by benefits offered to employees and perceived ease of use of the technology. This simply means that the employees must know how much the system will help them. For instance, when an employee does not have to fill a lot of paper work in order to get leave, salary details or perform any other task related to performance, he may appreciate the system better. Proper training is equally crucial. Employees have varying levels of technological experience. While some may adapt fast, others may need extra assistance.

- **E-HRM and Employee Satisfaction**

The use of E-HRM may also change the attitude of employees towards HR services. When it is easy to access the information about HR and the process of performing the routine activities is smooth, then it will be easier for the employees to use HR services. According to Srihari and Kar (2020), whose study was conducted among 684 employees working in the IT/ITES industry in Bengaluru, there was a significant effect of E-HRM practices on the job satisfaction of employees. Among those E-HRM practices, e-hiring and e-performance management had a significant effect on job satisfaction. However, the usage of any E-HRM system would not necessarily make employees happier.

- **E-HRM and HR Service Quality**

Moreover, E-HRM is believed to enhance the quality of HR services. Digital solutions allow faster information exchange and quicker performance of typical HR tasks. Still, according to research results, it appears to be insufficient. Specifically, Bondarouk, Harms and Lepak (2017) observed positive impacts of both HRM strength and E-HRM strength on HRM service quality; however, they did not observe the predicted mediating effect of E-HRM frequency. It is a very significant observation for organisations. Indeed, implementing a digital system is only the first step in enhancing HR services. The HR policy, quality of HR assistance and its usage are just as essential.

Implementation Challenges

While E-HRM brings about a number of advantages to organisations, several challenges can be encountered during the implementation process. First, appropriate technology and infrastructure can be one of them. Appropriate technology includes appropriate software, hardware, internet access and technical support. Another challenge that can be faced is that of cost, especially for small organisations. According to the findings of Sharma and Ahmad (2022), cost and IT infrastructure were some of the critical factors affecting the attitude of employers concerning their adoption of IT for HRM activities in India. The third challenge could be that of employee resistance. Those employees who have been using

conventional methods for years might require time before becoming comfortable with the use of digital methods. Lack of training would only add up to the problem. The Indian banking study conducted by Gupta et al. (2022) could provide guidance here.

- **The Human Side of E-HRM**

Though technology helps to make HR functions easier, HRM is still related to people. Employees require personal help in issues like complaints, interpersonal conflicts in the workplace, career counseling, and other similar matters. In this regard, the use of E-HRM cannot totally replace the personal interaction between employees and HR managers. Technology can handle many routine functions for HR managers, and they can then focus on things which need their personal intervention. The literature further indicates that E-HRM has both advantages and disadvantages. While technology makes processes efficient and helps to reach HR services easily, there can be problems with its implementation when employees are not helped appropriately.

- **E-HRM and the Changing Role of HR**

The use of technology can reduce the amount of time HR professionals spend on routine administrative activities. This can give HR professionals more time to focus on employee development, talent management, organisational issues and other important HR activities. Marler and Parry (2016) found a positive relationship between strategic HR involvement and E-HRM capability in their study of companies from different countries. At the same time, Marler and Fisher (2013) had earlier pointed out that there was limited empirical evidence to directly establish that E-HRM itself leads to strategic outcomes. These findings show that the relationship between technology and the changing role of HR is not automatic. E-HRM can create an opportunity for HR to take on a wider role, but organisations have to use that opportunity properly.

- **E-HRM in the Indian Context**

The Indian context is crucial since organizations in India vary in size, sector, infrastructure and technological experience of the employees. For example, a large IT firm would have modern HR systems, whereas the small firm could have several HR technologies. In the Indian literature analyzed in this paper, the authors identify the factors affecting the E-HRM implementation: employee attitude, ease of use, perceived benefits, infrastructure and cost. It was found out that E-HRM can have a relation to the satisfaction of the employees and HR outcome, and problems could occur when employees had different levels of technological experience. That is why organizations should not copy the way how one E-HRM system has succeeded elsewhere. Employee needs and nature of the organization should be taken into account.

Findings

Findings of this study indicate that E-HRM can be useful in supporting critical HR functions like recruitment, payroll, employee self-service, performance management and learning. It can lead to faster and more accessible HR services and can help in enhancing organizational performance. At the same time, employee acceptance, ease of use, training, infrastructure, cost and organizational support are necessary for the successful implementation of E-HRM system. This review indicates that technology cannot enhance HR services without the support of appropriate HR practices and employees.

Implications and Limitations

The results indicate that organizations should implement E-HRM system depending upon the requirements of employees and should provide appropriate training and support. An easy-to-use system can enhance the acceptance among employees. At the same time, it is necessary to keep personal communication in those cases when HR department faces individual employee-related issues. This study relies on secondary data sources only and does not contain the primary views of employees or HR professionals. Studies reviewed in this case vary in terms of sectors, sample size and organizational contexts. Further research can utilize primary data to examine employee acceptance and satisfaction with E-HRM practices in different sectors of India.

Conclusion

It is becoming inevitable that E-HRM plays a crucial role in the contemporary HRM with organizations employing technology for recruitment, payroll, performance appraisal, training and employee services. Electronic solutions can streamline HR tasks in numerous ways. As seen from the reviewed literature, E-HRM increases efficiency of HR management, satisfaction of employees and

organizational performance. However, successful implementation of E-HRM also requires acceptance of employees, ease of use, training, infrastructural and organizational factors. Hence, E-HRM should not be regarded as purely technological shift. Organizations have to take into consideration the users of technology. With proper training, support and personal communication in case of need, E-HRM can contribute to providing more convenient HR services.

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