



The practice of e-HRM and challenges for the organization

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Abstract

The paper on the practices of e-HRM, explains the different challenges faced with the coming of the e-HRM concept. It is not only the organizations but also the employees which face challenges which are scrutinized under four categories. The two decade old concept of e-HRM is dynamic in nature and it allows the organization to learn and unlearn many concepts related to HR and not only with this field, one has to get acquainted with Artificial Intelligence. The human Being the most powerful and dynamic resource in the world has to overcome the challenges and have to include e-HRM in their perspective to make the corporate more user friendly.

Keywords: e-HRM, management, human resource, artificial intelligence, software platforms

Introduction

The fourth revolution that is the Industrial revolution, has put forth different aspects of digitization and it has made the world come to a small digit, where everything is on your fingertips through the bits and bytes, along with their associated algorithmic planning. The currencies have become digitized, where the main concern is that it should be available to all persons without the interplay of government machinery. All aspects of Management have been scrutinized under the word digit. May it be finance, Marketing, Production, Manufacturing and so on and so forth.

Next all the functions of Management through Planning, organizing, directing, controlling are all done through Data sciences. The most interesting thing is that the most complex asset that is the Human resource has been put under this digit. Many software platforms are available where there is a plethora of skilled, semi skilled human resources available on them. The outlook and the scene is dynamic so much in nature that the human resource remains always young and enthusiastic to learn and relearn new aspects of Management and how through Web scraping and data collection one would know so much about the persons, who are not only working in the organization but also outside it. To understand this e-HRM concept where the most complex resource is analyzed, it is essential to understand the nature of the e- HRM.

Nature of e-HRM

e- HRM as the name suggests is an abbreviation for Electronic Human Resource Management. It can be said that it is two decades old, where the concept of E was introduced into all aspects of business activity. It was difficult for the great management scholars to explain that what e- HRM was and then finally in 2009 the International journal of Human resource Management published a special issue on e- HRM, after a lot of discussion and deliberations about what exactly is e- HRM. e-HRM is “an umbrella term covering all possible integration mechanisms and contents between HRM and Information Technologies aiming at creating value within and across organizations for targeted employees and management” (Bondarouk and Ruël 2009, p. 507)^[7]. This definition was the result of a heated discussion among e-HRM researchers. Basically it was observed that it was a non-biased definition. What can be said is that the definition introduces e-HRM as an ‘umbrella term’ and that it is not biased towards either HRM or IT. It has a positive slant, as it stresses creating value. Research on e-HRM throughout the years has been quite modest, if not quite skeptical about the value created by e-HRM (Parry 2011). However, claiming that e-HRM should not aim at creating value would sound strange. The definition does not explain what kind of value or what forms and shapes it may take. The problem with this issue is that it leaves much room for interpretation and may ‘cover’ integration mechanisms and content that cannot really be called e-HRM. Therefore, the suggestion is to specify value creation and extend it by aiming at making HRM processes more efficient, higher quality, and/ or more invested in creating long-term opportunities.

Second, the definition formulated in 2009 still includes human resource information systems (HRIS) that only target the HR department and are not meant to be implemented and used outside of it. An earlier publication claimed that e-HRM was different from HRIS, especially as e-HRM’s focus lies outside the HR department. The core features of the e-movement in its early days was the opening up of data and information resources for the public at large. In the case of e-HRM, it opened up data and information via IT-based tools and channels for the subjects of the data and information. E-HRM as a field of scholarly inquiry focuses on all integration mechanisms and content shared between IT and HRM, aiming at making HRM processes more

Efficient, higher quality, and/or more invested in creating long-term opportunities within and across organizations for targeted employees and management outside of the HR department. The field aims to improve the understanding of this phenomenon, to contribute to its progress in terms of its design, its implementation, its interaction with the organizational context, and its effects.

Types of e-HRM

e- HRM is the electronic Human Resource Management, which includes Operational, Relational and Transformational processes. The Operational e-HRM consists of administration and supervision of HRM which may include leave rolls, Payment and income rolls. Relational e-HRM will include the training purpose of the employees and their relationship with the organization in task completion and transformational e-HRM, is the electronic strategic HR activities, which may include Knowledge Management, Strategic Re-orientation. An organization can follow all the three systems or can take part in any of them. The organizations have started making use of these processes as the basic goal behind e-HRM is to improve services to HR department resulting into more effective and efficient HR practices. This helps in keeping the standards of organization and the HR department which in an organization plays a pivot role reduces complaints and makes the system more systemic.

Literature Review

To understand the e-HRM challenges, it is essential to underscore the various vital papers in this regard. Identifying the e-HRM Research Challenges e-HRM research has grown extensively over the past decade and has helped to provide answers to questions such as whether e-HRM creates value (Bondarouk and Ruël 2013; Parry 2011)^[47], which factors influence e-HRM use (...), and how e-HRM can turn HRM into a strategic partner (Marler 2009). In the period 2009–2012, many papers came forward to understand the challenges of this concept. These papers all resulted from an observation of an omission in e-HRM research: respectively, the lack of a consensus definition of e-HRM and the lack of conclusive answers to whether e-HRM reduces costs (Bondarouk and Ruël 2009)^[7], the lack of diverse perspectives in e-HRM research (Ruël *et al.* 2011), the lack of international and cross-cultural research in e-HRM (Ruël and Bondarouk 2012), the lack of a chronological overview of e-HRM research (Bondarouk and Furtmueller 2012), and the lack of e-HRM research in multinational corporations (Van Geffen *et al.* 2013).

In 2009, The International Journal of Human Resource Management special issue on e-HRM. Based on a review of the research literature, concluded there with four challenges for e-HRM research (Bondarouk and Ruël 2009)^[7]:

1. Clarifying the strategic ambiguity of e-HRM,
2. Conceptualizing relationships between e-HRM and human capital development,
3. The e-HRM web of delivery channels and perceptions of e-HRM, and
4. Measurement of value creation for diverse groups of users (p. 508).

The first challenge, clarifying the strategic ambiguity of e-HRM, refers to the widespread idea that e-HRM enables HR professionals to improve their performance and ‘upgrade’ themselves to the status of business partners. In this role, HR professionals are assumed to act as internal consultants to senior and line managers (Hussain *et al.* 2007). They are also assumed to create value and improve their status within their own organization by using e-HRM (Lawler and Mohrman 2003) and to support strategic decision-making based on digitized and automated personnel databases (Broderick and Boudreau 1992). In contrast to these assumed benefits for HR professionals, empirical evidence reveals a more complicated picture of what really happens. e-HRM is mostly used for routine administrative HR tasks (Ball 2001) and not for strategic HR tasks in more than 50 % of the cases 636 H. Ruël and T. Bondarouk. (Hussain *et al.* 2007); it is used more for administrative goals than for analytical or decision-making support goals (Haines and Lafleur 2008). Furthermore, it brings a certain value to organizations in terms of increased efficiency, service delivery, and standardization of goals, with some evidence of transformational impact (Parry 2011; Parry and Tyson 2011) and that appropriate usage of e-HRM and HR value creation are moderately linked (Ruël and Van der Kaap 2012). However, in the latter case facilitating conditions such as support for users, high data quality, HR professionals’ technology competences, and HR policy–practices alignment seem to have a stronger direct linkage with HR value creation than usage as such (Ruël and Van der Kaap 2012). Overall, it seems that turning e-HRM into a strategic competitive advantage is not as easy and straightforward as assumed. The challenge for e-HRM research is to solve this ambiguity regarding the strategic ‘hopes’ and reality of e-HRM in organizations. One way forward regarding this issue is to build more constructively on existing research. e-HRM scholars should adopt a coherent framework or theoretical perspective from which scholars could continue step-by-step to get this issue ‘solved’. To date, this has not been the case, and e-HRM studies seem to connect with existing studies only in the discussion section of articles and papers. New studies should start from existing frameworks, Theoretical perspectives and outcomes, with the aim to reassess or improve them.

The second challenge, conceptualizing relationships between e-HRM and human capital development, refers to the growing importance of economies outside of ‘the West’ and the need for multinational corporations (MNCs) to attract and retain talent. e-HRM can be a facilitator in global talent management, especially with social media making it easy to reach beyond borders. Bondarouk and Ruël (2013)^[47] found that the most attractive employers do not necessarily use social media such as LinkedIn and Facebook in an optimal way. The results of the quasi-

experimental research design revealed that the corporate websites are found to be more attractive than the way the same companies present themselves via social media. Another study on global talent management (GTM) and the role of social networks (Ruël *et al.* 2013) showed that graduate students do find social networks important for multinationals' efforts to recruit talent, but HR managers are skeptical about the use of social networks for GTM and do not use it extensively for this purpose. Ruta (2009) presents a case study that showed that if HR portals are aligned with the HR strategy, this does leverage intellectual capital creation and development. Clearly, e-HRM research is facing a challenge to understand the relationship between e-HRM and human capital development and talent management, especially in view of the new 'avenues' of e-HRM such as social media. The latter is some sort of 'bulk' concept for all kinds of web-based and mobile device-based communication and interaction channels, and it is beyond doubt that these channels

will develop and diversify further in the years ahead. Also on the talent management side, further developments will emerge in view of changing attitudes to the work-life balance, importance of sustainability, the aging populations in the West, changes in the very juvenile and dynamic societies in the Middle East, and the increasing importance of multinationals from emerging economies. Luckily,

e-HRM Research and Practice: Facing the Challenges Ahead 637 there are clear signs that e-HRM researchers have picked up on this challenge (Bondarouk and Olivas-Lujan 2013; Lyons and Marler 2011)^[47].

The third challenge, the maturation of the e-HRM web of delivery channels, reflects developments in organizations where 'doing HR' is no longer restricted to the HR department and line managers but has diversified with the emergence of external HR service providers, HR shared service centres, and the involvement of and the responsibilities assigned to non-managerial employees. Information technology has enabled HR services to be provided relatively easily by parties outside the organizational boundaries. For example, HR shared service centres (HR SSCs) can deliver HR services to multiple organizations at the same time, while being located physically far away from the client organization. Within multinational corporations, an HR SSC may serve all its branches and subsidiaries in a geographical region. The core point of the challenge, therefore, is the multiple 'faces' of e-HRM (face-to-face, electronic device, external party electronic HR service delivery, and employees' own involvement and responsibility) and the configuration of these 'faces' in order to optimize HR processes to serve an organization's bottom line. HR SSC research has taken off to a certain extent (Farndale *et al.* 2009; Meijerink *et al.* 2013/in press) and is producing results, but much more is needed to serve HR academia and the HR practice.

The fourth challenge, the measurement of value creation for diverse groups of users, refers to the issue of the multiple interpretations and perceptions of the value created by e-HRM. E-HRM aims to serve a diverse group of users, from senior management to non-managerial employees. E-HRM research has so far not been able to come up with a clear set of measures/indicators for value creation per target

Group. Evidence from earlier studies indicates that it is not clear where exactly value is being created. Most of the studies seem to suggest that the actual usage by end users explains whether or not e-HRM creates value. A recent study by Ruël and Van der Kaap (2012) shows that besides e-HRM appropriation and frequency of use, organizational context, or more precisely facilitating conditions such as support from HR professionals, and HR policy-practice consistency explain e-HRM value creation significantly. E-HRM research needs to be able to come up with a defined set of outcome measures per category of users. Only this will help to clear up the vague conversation about how e-HRM is creating value. This will help future research, calm the discussion among e-HRM scholars, and increase the value of e-HRM research for the practice (Bondarouk *et al.* 2011)^[9].

Conclusion

The analysis of different papers studied here explains that the four major challenges can be taken care of by going deep into further research and the upcoming e-HRM will become a promising field not only for the organization but globally too, the HRM data will be widely used by other corporates too. Thus all the organizations which are already using this have to keep in mind that nothing is private in this world now. The process of Web scrapping and machine learning has made the accession easier and the employee turnover may increase in this process. To combat this problem the process of outsourcing is becoming popular. Anyhow these challenges have to be confronted with the input of more research and in depth analysis of the desired results. The problems identified hence will be taken care of by AI functions and e-HRM will become a success in the creation of Value to the organization, will result in Cost effectiveness, will make the department more understanding by removing biases and nepotism.

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