

FACTORS AFFECTING SUCCESSFUL IMPLEMENTATION
OF E-HRM – EVIDENCE FROM INDIAN INDUSTRIES



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ABSTRACT

Information Technology has changed today's business scenario by introducing e-commerce concept to the extent that every organization is adapting technological advances in their business processes to optimize its benefits and efficiency. E-HRM is one such application implemented by maximum organizations to conduct their HRM activities. So it is very crucial to understand the factors that lead to successful implementation of e-HRM. This study assesses the organizational factors that influence the implementation of e-HRM in Indian industries. Data is collected for this study by means of a survey and conclusions are drawn

accordingly.

KEYWORDS : E-HRM, Successful implementation of e-HRM, Training and education, User involvement.

INTRODUCTION :

Human resource management has grown in its range to the point where it has become an industry rather than just a simple occupation. Although there may be considerable debate concerning the actual role HR should perform and how it should be done, HR established a place at the senior management table by the early 1990s through their ability to identify and solve practical problems in fields such as recruitment, employee relations, training, etc. (Stredwick, 2005). The practice of Human Resource Management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers activities such as strategic HRM, Human Capital Management, Knowledge Management, Organization Development, Resourcing, Performance Management, Learning and Development, Reward Management, Employee Relations and Employee Well-Being (Armstrong, 2010).

e-HRM was defined as a way of implementing HRM strategies, policies and practices in organizations through the conscious and directed support of and with the full use of web technology based channels (Ruel et al. 2004). According to Strohmeier (2007), to be more specific about the technological and organizational contexts, e-HRM is the application of information technology for both networking and supporting at least two individual or collective actors in their shared performing

of HR activities.

LITERATURE REVIEW

As per Ulrich (1997), e-component adds a new dimension that 'rocks the HR boat'. Lengnick-Hall and Moritz (2003) refers E-HR to conducting business transactions, in particular HRM using the Internet along with other technologies.

Voermans and vanVeldhoven (2007) defined E-HRM as the administrative support of the HR function in organizations by using internet technology. According to Strohmeier (2007), another definition of E-HRM is using computer systems, interactive electronic media and telecommunications network to fulfill HR functions. The rise of the knowledge economy is accompanied by a transformation of the bureaucratic organization into one of the networked types. This transformation also becomes visible in the relationship between the individual employees and the organization (Zafar, 2009). In other words, E-HRM forces 'traditional' HR professionals to rethink and redefine policies and practices and, indeed, their own profession (Zafar, 2009).

E-HRM provides the HR function with the opportunity to create new avenues for contributing to organizational effectiveness (Yusoff et al., 2010).

Gardner et al. (2003) discovered that rather than freeing up time for HR practitioners, the development of e- HRM in practice led to the replacement of administrative duties with technology-related ones.

E-HRM is in essence the devolution of HR functions to management and employees. They access these functions typically via intranet or other web-technology channels. The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department of these tasks, allowing HR staff to focus less on the operational and more on the strategic elements of HR, and allowing organizations to lower HR department staffing levels as the administrative burden is lightened. It is anticipated that, as E-HRM develops and becomes more entrenched in business culture, these changes will become more apparent, but they have yet to be manifested to a significant degree (Martin & Reddington, 2010).

E-HRM creates standardization, and with standardized procedures this can ensure that an organization remains compliant with HR requirements, thus also ensuring more precise decision-making (CedarCrestone, 2011).

According to Aghdam et al. (2014), E-HRM plays an essential role in all fields of an organization. The study shows that E-HRM is considered as a valuable resource that increases the ability of managers and employees and lead to effective realization of the organization goals. Organization's HR Structural characteristics, Management Style, Managerial IT Knowledge, Organization resources, Top Management Support, Organization readiness & Commitment, that Factors Effective on E-HRM, were analyzed and prioritized with Analytic Hierarchy Process. After gathering information and analysis them using the Expert Choice, it was found that through the success factors on E-HRM, user satisfaction is the most important one, and the most important factor affecting success of E-HRM is the top management support.

RESEARCH PROBLEM

However, prior studies on e-HRM primarily focused on the evaluation of its benefits its adaption in specific industries, little attention has been given to understand the factors that will affect the implementation of e-HRM in organizations (Aghdam et al., 2014). In line with this, the paper identifies the factors affecting implementation of e-HRM in Indian industries.

RESEARCH METHODOLOGY

In this research study, two types of variables were used - independent variables and dependable variables. The dependent variable used in this study is successful implementation of e-HRM. The independent variables are used to find the positive or negative impact of these variables on dependent variable. The independent variables used in this research are user involvement, planning and strategy, training and education, change management and top management support.

A theoretical framework was developed from the secondary data, comprised of the published literature. A structured survey instrument was used to generate primary data. Simple random sampling method was used to generate primary data. The sample taken for this study is employees from different Indian industries. A total of 305 survey questionnaire were distributed amongst the employees and on final filtration 178 (58%) usable responses were identified and used for the data analysis.

The respondents are administered a structured survey instrument. This survey instrument is developed on the basis of previous studies. The survey instrument used 5-point Likert type statements and open ended questions. The variables were put in the form of 14 statements and the respondents were asked to record their opinion on a 5-point Likert-type interval scale i.e. strongly agree, agree, neutral, disagree, and strongly disagree.

HYPOTHESES

Keeping in view the research problem, the following hypotheses are formulated in null form.

H1₀: User involvement does not have significant effect on successful implementation of e-HRM in organizations.

H2₀: Planning and Strategy does not have significant effect on successful implementation of e-HRM in organizations.

H3₀: Training and education does not have significant effect on successful implementation of e-HRM in organizations.

H4₀: Change management does not have significant effect on successful implementation of e-HRM in organizations.

H5₀: Top management support does not have significant effect on successful implementation of e-HRM in organizations.

Data Analysis

Correlation analysis

For testing of hypotheses, correlation analysis was done. The following table is showing the correlation analysis and its level of significance.

Table 8: Organizational factors and Successful implementation of e-HRM

S.No.	Variables	Successful implementation of e-HRM
1	User involvement	.910** .000
2	Planning and strategy	.789** .000
3	Training and education	.705** .000
4	Change management	.640** .000
5	Top management support	.459** .000
6	Successful implementation of e-HRM	1

It is evident from the above correlation results table that all the five factors, namely 'User involvement' ($r=0.910$, $p=0.000$), 'Planning and strategy' ($r=0.789$, $p=0.000$), 'Training and education' ($r=0.705$, $p=0.000$), 'Change management' ($r=0.640$, $p=0.000$) and 'Top management support' ($r=0.459$, $p=0.000$) are positively and significantly correlated with 'Successful implementation of e-HRM'. Further, all the five factors have moderate positive relationship with 'Successful implementation of e-HRM' indicating that as the factors improve, 'Successful implementation of e-HRM' also increases significantly.

REGRESSION ANALYSIS

For further testing of hypotheses, regression analysis was carried out between the independent variables of organizational factors and the dependent variable 'Successful implementation of e-HRM'. The average scores of the different determinants were regressed on the overall score of successful implementation of e-HRM.

Table 9: Predictor Effects and Beta Estimates

S.No.	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		(beta)	Std. Error	(beta)		
1	(Constant)	19.018	3.935		4.833	.000
2	User involvement	.959	.095	.454	10.064	.000
3	Planning and strategy	1.638	.232	.322	7.052	.000
4	Training and education	.856	.286	.134	2.998	.003
5	Change management	.386	.167	.103	2.308	.022
6	Top management support	.177	.307	.026	.577	.564
R	R ²	Adjusted R ²	Std. Error of the Estimate	F	df	P=
.624 ^a	.389	.379	7.06668	39.606	5, 311	.000 ^a

The regression results in the above table revealed that out of five factors four factors, namely 'User involvement', 'Planning and strategy', 'Training and education', and 'Change management' emerged as the significant predictor variables in affecting 'Successful implementation of e-HRM'. Surprisingly, 'Top management support' failed to have significant effect on 'Successful implementation of e-HRM'.

$$Y=19.018+.959X_1+1.638X_2+.856X_3+.386X_4$$

Where Y=Behavioural intention to use e-procurement

X₁= User involvement

X₂= Planning and strategy

X₃= Training and education

X₄=Change management

The coefficients of determination when computed taking all the five variables together yielded an adjusted R square of .389 which is statistically significant as indicated by the f value (39.606). This indicated that all the five factors put together have predicted nearly 39 per cent of change in successful implementation of e-HRM.

The hypotheses stand rejected and the organizational factors are found to be influencing the implementation of e-HRM in organizations successfully.

DISCUSSION

Five distinct dimensions emerge out of the data analysis – User involvement, Planning and strategy, Training and education, Change management and Top management support. All the five factors have a positive effect on the successful implementation of e-HRM in the organizations. The results obtained from regression analysis conducted between the dependent and independent variables showed that all the five independent factors are the most influential factors and predict a larger percentage of variance in the implementation of e-HRM by 39 per cent.

When e-HRM system is found useful in different spheres of human resource management, it leads to successful implementation of e-HRM. The results show that the five organizational factors contribute to successful implementation of e-HRM in organizations.

CONCLUSION

Information technology has penetrated to every kind of business, promoting their efficiency and effectiveness. E-HRM, as an application of information technology, abolishes the traditional HRM practices introducing information systems and the use of computer for a far better management.

The primary objective of this research is to identify to how far some organizational factors contribute to implementation of e-HRM successfully. The findings showed that the factors in terms of user involvement, planning and strategy, training and education, change management and top management support contribute to use e-HRM successfully to a greater extent. Firms need to incorporate e-HRM in their administration and this would definitely improve their human resources management.

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