

# e - HRM: EMERGING PRACTICES IN PRIVATE SECTOR BANKS IN TIRUCHIRAPPALLI CITY

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**Abstract:** Technological innovation lays down several changes which can affect the functioning of the human resource and make it simpler and faster than earlier. Human resource management has always played a very important role in improving and enhancing the performance of organization. HR is the most valuable assets of an organization which never depreciate. Build people to build the organization to build business is an accepted truth. The use of Information and Communication Technologies (ICT) facilitates the innovative ways of carrying on HR work. e-HRM may be most powerful driving force for achieving organizational effectiveness. e-HRM has made few buzzword like automation, transparency, empowerment, paperless office with least human interference, a reality which was once supposed the panacea for all the ills of workplace. With the adoption of e-HRM, organization might be capable of performing their HR activities effectively. With increasing competition and the banks giving importance to cost cutting which has posed challenge on minimizing expenditure not compromising on productivity. The banks adopt several IT tools for performing their HR functions such as e-recruitment, e-selection, e-training, e-compensation, etc. e-HRM provides the information required to manage HR process. The e-HRM provides the portal that enables employees, managers, HR professionals to view extract or alter information which is necessary for managing the HR of the organization and for making decisions quickly. An endeavour through this paper is been taken to reflect the role of e-HRM in performing the HR activities in private sector banks in Tiruchirappalli City.

**Keywords:** Human Resource, Electronic Human Resource Management, Information Technology, e-HRM Tools, Human Resource Functions.

## I. INTRODUCTION

The field of HR was first evolved in 18th century Europe by Robert Owen and Charles Babbage during the Industrial revolution. They described that wellbeing of employee's leads to perfect work. In India also the major change in HR practice was started industrial revolution. The practice of HR in India was started about 90 years back when the first HR department was established in 1920. With the change in scenario there has been constant change in the function as well as role of HR from record keeping to strategic partner.

Industrial revolution was the transmission phase which give rise to new manufacturing process in prior from 1820 & 1840. This phase included going from hand production method to machine production method. This leads to increase in production which require more work forces and require more new policies to be adopted by the manager to regulate work environment. In 1903 the first concept of HRM was established which was given by Federick Winslow Taylor as a "Shop Management". In 1911, the concept of Scientific Management was introduced by F.W Taylor. In his concept, he mentioned that the workers have to be used as machines for increasing the level of output. Taylor ignores social aspect of the human behaviour which was realized in late 1920 and early 1930. During the era, the visualization toward the organization has changed and Behavioral Applied Science forms the basis of HR practice. These changes give rise to Personnel Management. With the development in technology, economics and management, the shifting of Personnel Management began to HRM in 1960 to 1970.

Now, the HR department are more formal and organization are focusing on expert to hire right candidate and they follow a strict procedure for all the HR functions as well as there is a proper hierarchy of management to be followed. With the business become more globalised and the policies for the foreign investors have been liberalized, it has imposed a competition on the organization and motivate them to be technologically upgrade in order to survive in the competitive market and to retain their employees as well as their customer. This gives to rise to e-HRM.

E-HRM is the innovative tools which enable organization to be technologically advanced and enhance their performance. This tool is widely used in 20th century where there is demand for being technologically sound to face the competition. In this paper the focus is on emerging practice of HR in private banks.

## II. e-HRM IN INDIA

With the globalization, liberalization and privatization in India, the organization has been focusing more on being technologically advance in all the aspects. The cutthroat competition, changing employee expectation, change in work environment as well as fight to be on the top, all these driving forces leads the implementation of e-HRM. Mostly all the organization whether private or publicize using e-HRM. They are using several IT tools for performing their HR functions. With the liberalization of the foreign policies, foreign companies are easily investing in India. Many organizations have their head office or branches in other countries. The use of e-HRM leads to easy communication and interaction between as well as among the organizations. There are several e-HRM tools that the organization in India are using such as e-recruitment which is online calling of prospective candidate to apply for the job; e-selection i.e., using web based test and other selection procedure online; e-training which is conducting training program by using web based technology making it available "anytime" and "anywhere"; e-employee profile : maintaining and modifying employees information online; e-learning it is

delivery of content internet, intranet/extranet, audio and videotape, training program provider, etc.; e-compensation which is maintaining employees compensation online. Some other tools are e-tracking, e-learning, e-performance appraisal, e-grievance handling mechanism. Several study done by the researchers in the past on the field of e-HRM agreed that e-HRM is reliable and easy to use tool which reduces HR cost and lesser administrative work load.

### III. REVIEW OF LITERATURE

In today's competitive market being digital in performing HR functions is a challenging task. Banks must adapt the new technologies and innovation which will make their functioning of HR simpler and faster than earlier. E-HRM may prove effective for the banking sector in improving their performance.

As stated by Laumer et al., (2010), e-HRM helps organization in talent management- talent attraction, talent recruitment, talent development and retention. Study by Chamaru De Alwis (2010), founds that in an organization 93% agrees that after adoption of e-HR, HRM plays the role of strategic partner, change management, administrative expert. 83% of the companies have adopted e-HR by recognition of business benefit and also found that e-HRM brings significant change in the roles of HR. A spending on IT has changing the way HR department is handling records and sharing the information. It decreases the paperwork substantially and allows easy access to voluminous data (Pinki J Nenwani et al., 2013). The study by K. RessiSwaroop (2012) stated that e-HRM is the efficient, reliable, and easy to use tool. It is a way of implementing HR strategies, policies and practice in an organization. The use of e-HRM enhanced efficiency by reducing time for processing paper work (NnennaEmeUkandu et al., 2014). As stated by NidhiOswal et al., (2014) e-HRM is a high tech way of performing HRM function. It also helps organization in saving cost and increasing efficiency. Ankita Jain et al., (2014) describes that e-recruitment has made the job much easier for both the organization and the job seeker. It is an easiest and convincing way to hire people from any part of world. The development of web based technology has allowed organization to provide service directly to employees and managers. Organization can make decision accurately (Ms Menka, 2015). As stated by (Steve Foster, 2009) e-HRM play a role of managing people and developing strategic capability by the banking industry. It leads to attraction as well as retention of employees in the organization. As discussed by Ramphool Sharma et al., (2011), those banks which have promoted the HRM strategies in the field of promotion, recruitment, training etc., are performing better in the present time and have a positive impact on bank's performance. Indian banking industries have adopting majority of international trends in IT front. They are moving towards centralized database and decentralized decision making (Prof. M.C Sharma et al., 2014). As stated by Obasan, (2011) ICT plays an important role in attaining effectiveness, efficiency and productivity. It has a positive effect on bank's profitability. The employees in private banks are more satisfied with salary, promotion, performance measurement technique, etc., (Md. Farid et al., 2014). Positive value indicates that private organizations are ahead in application of e-HRM tools as compared to public organization (Bhagwan Chandra et al., 2014). The study by Ruben et al., (2011) discussed that e-HRM brought significant benefit to the organization. It saves time and make possible to reach great amount of people at once, as well as achieve standardization. Use of IT tool has a significant impact on all the sector term of management and planning. It plays an important role in recruitment and development function (Alok Mishra, 2010). Manjariagarwal et al. stated in their study that eHRM tool increased efficiency, speed, growth, flexibility of HR. They foster loyalty and enhance productivity in work place.

### IV. SCOPE OF THE STUDY

This study on E-HRM will help private banks to take a decisive step towards a paperless office. The banks will be able to store, retrieve and update data easily and quickly. The adoption of e-HRM will reduce HR cost and also help in reducing administrative workload. This study will also help banks to store all the employees information at the centralized system i.e., at one place which make it easy to manage employee database. This study will also leads to creation of transparent environment in the bank. It will facilitate the HR manager to perform their HR task quickly and effectively. The private banks will be able to maintain and generate reports online. The performance appraisal of the employees could be done easily. With the help of several e-HRM tools such as e-recruitment, e-selection, e-compensation, e-grievance handling the banks will able to perform their HR functions effectively. This will facilitate banks to provide training to all employees "anytime" and "anywhere" with the help of e-training method.

### V. OBJECTIVES OF THE STUDY

1. To study role of e-HRM in HR activities of private banks.
2. To find various e-HRM techniques used in private banks.
3. To find out awareness of e-HRM among the employees of private banks.

### VI. RESEARCH METHODOLOGY

**Research Design:** The research design used for the study is exploratory research design. Exploratory research design is used when the purpose of research is to gain familiarity with a phenomenon or acquire new insight into it. E-HRM being a newer concept and to ascertain various facts about it exploratory research design is been used.

#### **Hypothesis Formulation:**

H<sub>0</sub>: E-HRM has no significant role in improving HR activities.

H<sub>1</sub>: E-HRM plays a significant role in improving HR activities.

**Sample Design:** Due to lack of time and resources Convenience sample was used for data collection. The universe selected for this purpose was Private Banks of Tiruchirappalli city. The employees and staff of private banks namely HDFC Bank, ICICI Bank, IndusInd Bank was taken as sample units. 40 questionnaires were distributed to these respondents out of which 30 was found to be complete in all aspects. Thus responses from 30 respondents were taken for analysis and interpretation of data.

**Collection of data:** Both Primary and Secondary method of data collection were used the study. Data collection tool used as Primary Method was questionnaire filled by employees and staffs of said private banks and data collection through Secondary Method include

related journals, research paper, website, books etc. The collected data was analyzed by using Likert ratings scale, tables and interpretation was made accordingly.

## VII. LIMITATIONS OF THE STUDY

1. Most of the time respondents were not available at the time of filling the questionnaire.
2. Some of the respondents were reluctant in giving information regarding e-HRM and filling the questionnaire.
3. Some respondents have incomplete or no information regarding use of e-HRM in their bank.
4. Due to lack of time and other resources only nearby banks were selected, hence the convenience sampling is used purpose of study.

## VIII. MATERIAL AND METHODS

➤ 86.67% private bank employees agreed that e-HRM is implemented in their bank 3.33% said no whereas 10% of the respondent have no knowledge about this. (Ref. Table 1).

➤ 56.57% of the respondents said that banks have e-HRM implemented at middle level, 23.33% of them agreed that e-HRM is implemented at top level, 10% of them said that at lower level whereas 10% of them agreed that don't know anything about e-HRM implementation in their bank. (Ref. Table 2.)

➤ In most of the banks e-HRM is implemented from 2-4 years (63.33%), in few banks from 4-6 years (20%), 6.67% said from 1-2 years and 10% have no information. (Ref. Table 3).

➤ Out of 30 respondents, 46.6% of the respondents opined private bank using e-recruitment tool, 40% of them opined private banks use e-selection, 04% of them opined private banks provide training by web based technology. (Ref. Table 4).

➤ 70% of the bank employees agreed that e-HRM help in reducing HR cost whereas 20% strongly agrees and 10% neither agree nor disagree. There were a 23.33% bank employees who strongly agrees that e-HRM reduces distances constraints whereas 66.67% strongly agrees and 10% neither agree nor disagree. When it comes to reducing administrative workload 20% of the bank employees strongly agree, 66.67% agrees, 10% neither agree nor disagree and 3.33% of the respondents disagrees. (Ref. Table 5).

➤ 23.33% of the bank employees strongly agree that e-HRM help in achieving competitive advantage whereas 66.67% agrees and 10% neither agree nor disagree. There were a 20% bank employees who strongly agrees that e-HRM help in better performance of bank whereas 70% agrees and 10% neither agree nor disagree. (Ref. Table 6).

➤ When talking about drivers for the adoption of technology in HRM 76.67% of the respondents agrees that recognition of business benefit was the factor, 13.33% strongly agrees and 10% neither agree nor disagree. Leading edge- 10% strongly agrees, 76.67% agrees, 10% neither agrees nor disagree and 3.33% disagree. Competition- 13.33% strongly agree, 76.67% agree, 10% neither agree nor disagree. (Ref. Table 7).

On the basis of above findings the Alternate Hypothesis ( $H_1$ ) "E-HRM plays a significant role in improving HR activities" is accepted.

**Table No. 1**  
**E - HRM Implementation in Private Sector Banks**

Response	Frequency	Percentage
Yes	26	86.67
No	1	3.33
Don't Know	3	10.0
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Table No. 2**  
**E - HRM Implementation at Various Levels of Management**

Levels	Frequency	Percentage
Top Level Management	7	23.33
Middle Level Management	17	56.67
Lower Level Management	0	0
Full E-HRM	3	10.0
Don't Know	3	10.0
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Table No. 3**  
**Duration of E – HRM Implementation**

Duration	Frequency	Percentage
1-2 year	2	6.67
2-4 year	19	63.33
4-6 year	6	20.0
More	0	0
Don't Know	3	10.0
<b>Total</b>	<b>30</b>	<b>100.0</b>

Table No. 4

## Various IT Tools used by the Private Sector Banks under the Study for the purpose of E – HRM

IT Tool	Frequency	Percentage
e-Recruitment	14	46.6
e-Selection	12	40.0
e-Training	4	13.4
Other	0	0
<b>Total</b>	<b>30</b>	<b>100.0</b>

Table No. 5

## Role in Reducing HR Cost, Distance Constraints, Administrative workload

Variable	S.A		A		A or D.A		DA		SDA	
	No. of Responses	% of Responses	No. of Responses	% of Responses	No. of Responses	% of Responses	No. of Responses	% of Responses	No. of Responses	% of Responses
HR Cost	6	20	21	70	3	10	0	0	0	0
Distance Constraints	7	23.3	20	66.67	3	10	0	0	0	0
Administrative workload	6	20	20	66.67	3	10	0	0	0	0
<b>No. of Responses - 30</b>										

Table No. 6

## Role in Achieving Competitive advantage and Better Performance

Variable	S.A		A		A or D.A		DA		SDA	
	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response
Competitive advantage	7	23.33	20	66.67	3	70	0	0	0	0
Better Performance	6	20	21	70	3	70	0	0	0	0
<b>No. of Responses - 30</b>										

Table No. 7

## Drivers for adoption of technology in HRM

Variable	S.A		A		A or D.A		DA		SDA	
	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response	No. of Response	% of Response
Recognition of business benefit	4	13.33	23	76.67	3	10	0	0	0	0
Desire to leading edge	3	10	23	76.67	3	10	1	3.33	0	0
Employee expectations	3	10	24	80	3	10	0	0	0	0
Competitions	4	13.33	23	76.67	3	10	0	0	0	0
<b>No. of Responses - 30</b>										

## IX. CONCLUSION

The research done on the private sector banks of Tiruchirappalli city reveals that with the implementation of e-HRM, the banks are capable of performing their HR activities efficiently. e-HRM leads to HR cost reduction and reduces administrative work load. In most of the banks e-HRM is implemented at the middle level of management. There are only few banks which are fully using e-HRM in their banks. The banks use e-HRM tools like e-recruitment, e-selection, e-training and other tools for carrying out their HR activities. Employees in some cases also informed that with the use of e-HRM, they have to perform dual work i.e., maintaining data online as well as maintaining it manually. Hence it order to take full advantage of e-HRM, the banks have to implement it at all the levels. This will help employees to perform their work easily and will reduce duplicacy of work. This will finally reduce their administrative workload. The banks adopt the technology in HRM for recognition of business benefit, desire to leading edge, to meet employee expectation, and to face competition.

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