# Digital HRM and its Effective Implementation:
# An Empirical Study

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## ABSTRACT

*Digital HRM or e-HRM is basically doing or managing all the human resource work via soft technologies, applications and internet. Digitization or digital transformation is something which all the firms has to bring in order to be efficient. Otherwise they will lag behind in the race of competition with other firms. This paper talks about the concept of the digital HRM. how it evolved, its various determinants, how the management and employees view it and various facets of e-HRM have been discussed. For this review of several studies and articles have also been done. This paper mainly relied on secondary data only. And an empirical study is made on the basis of research that have already been done.*

**Keywords:** digital HRM, E-HRM, strategic HRM, Innovative HR practices.

## INTRODUCTION:

Today in the world of fast changing technology an organization cannot survive if it does not match itself with pace of changing world. Gone were the days when one has to keep bundles of files and records of everything and a lot of paper work was required to be done. Now we are in the age of computers. It has made work in an organization very easy. But it requires its timely adoption otherwise it will result in failure of the business. Human resource part of an organization is not left untouched with the changing technology. Now everything is managed electronically. For this, in this paper we will be studying about the concept of EHRM. E-HRM is managing human resources in an organization electronically. Human resource functions are usually performed through internet, software and other web based technology. HR functions that e-HRM assist with are the transactional and transformational goals. EHRM aims at reducing the costs by making time reductions for the HR managers in doing their work so that they can address more to the core issues of the business.

E-HRM works in three main ways Operational, Relational and Transformational. (Bondarouk & Ruel, 2009) In 1980s, Human resource functions used to apply for administrative work only e.g. payroll with not much attention to the transformational practices. But as per the Cedar Crestone 2006 HCM Survey, the scope of EHRM was widened to talent acquisition, performance management, compensation management etc. And now almost every company wants to increase their investment in EHRM.

**The evolution of the definition:**

Initially EHRM was defined as similar with the Human Resource Information System (HRIS), Virtual HRM, web based HRM and internet based HRM. If we say EHRM twinning the HRIS, the difference is in the magnitude and the reach of HRM. And considering it similar to virtual HRM or web or internet based, it is something more than it. In fact, EHRM surpasses all the definitions and is basically the umbrella which covers up all and is an integrated mechanism of all the concepts and contents which aims at using IT with HRM to achieve the organizational goals in a better way by creating value inside and across the organization for the employees and for the management. In this paper we are considering both the terms E-HRM and digital HRM as same.

(Bondarouk & Ruel, 2009)The definition has these four aspects:

*E-HRM what all it includes*: It includes doing HR practices via Information technology. Doing all the work operational, administrative or transformational human resource by making use of IT.

*Implementation and execution of e-HRM:* it includes how well the organization adopts and fits itself to the EHRM.

*Targeted employees and managers*: now e-HRM is not directed towards HR department only it is very much beyond that. Now there is e searching for the Jobs and the companies are also adopting E-recruitments of the candidates.

*The results associated*: The e-HRM consequences in creating and capturing value for the organization as the benefits that are received are beyond the cost associated with it.

## Determinants of e-HRM:

(shatha , 2016)The use of e-HRM depends upon the technology acceptance model. The study focused on *unified theory acceptance and use of technology*. The determinants that study has found that affects the behavioral intention are *performance expectancy* that is how much an employee feels that by using e-HRM he can get gains in job performance. Second is *effort expectancy* i.e. how much efforts he needs to put in or the ease of use of e-HRM. Third is *social influence* which means how much an individual considers that the use of e-HRM will be perceived important from others. These three determinants affect the behavioral intention which in turn will affect the use of the e-HRM system. Thus, UTAUT mediates E-HRM use intention and its actual use. So, the employees need to be focused on. (Olivas-Lujan, Ramirez, & Zapata-Cantu, 2007)Found that the Mexican firms they have taken under their study were trying to change the mindset of the workforce in their organization so that it goes with the firms E-HRM strategy. Changing their mindset will help in building the social relationships with the employees.

## e-HRM and Strategic HRM:

(Marler & Fisher, 2013)reviewed 40 research papers over 12 years on e-HRM. It is found to be still in its early stage. No study found there is any direct relationship between e-HRM and strategic HRM in an organization. The papers reviewed suggested indirect relationship between the use of e-HRM and its affect on organizational performance. It was attributed to the fact that the outcome of e-HRM on organizational performance cannot be measured directly. Some scholars viewed that the use of technology cannot provide criteria for competitive advantage as it can be easily copied or imitated. To sum up there was no strong evidence that supports e-HRM as directly affecting the human resource. In sum, the evidence in support of e-HRM as an independent agent creating a positive change for HR is extremely weak.

HR digital disruption:

(Larkin, 2017)The changes in the HR can be categorized in three main groups i.e. *inward, outward and across*. And if an organization *looks inward* it means a digitally enabled office. The employer and the employee of the future will communicate electronically in future and all the flow of information either in the form of video/audio or any other information will be made through mobile device. Another thing which can be included in looking inward category is performance and talent management in a digitized way.

The second is *looking outward*. It implies changes at the employee or the manager level i.e. digitally enabling the workforce and the management. The mobile devices enable the employees to execute their work in a better and efficient way. They will be more informed, more involved and carrier conscious as they can operate and execute their work anywhere and anytime. It brings customization and real-time feedback can be given to the management.

The third is *looking across* which means changes to the organization at large. Digitization will bring new collaborations, innovation and new strategies throughout. The employees will no longer consider themselves to be a part of local office or city. Now they will be global employees. Now there will be sharing of ideas, bringing of new thoughts at global level.

## Impact on human resource management:

(Betchoo, 2016)Studied the impact of digitization on *human resource development, talent management and performance at work*. The results of the study showed that there is a positive impact of digital transformation on all three given variables. Talking of human resource development, it improves employee ICT knowledge, their cognitive skills, develpos them professionally and enhances their career advancement at work. Talent wise the employees viewed it improved their creativity, talent, braught improved changes and qualifies them for higher positions. And in context to performance, improves their productivity, customer services, adds value to the work

and improves responsiveness and adaptability. So now on the part of the human resource managers, they have to understand the system and ensure an effective implementation and management of the system so that it can bring a desired or effective and efficient change in the organization.

**Innovative practices in digital HRM:**
(Tripathi & Kushwaha, 2017)Strongly recommended organizations to bring forward digitization in the human resource management functions because it has become very core these days. A complete transformation is required in terms of changes in policies and strategies and the way they are executed. Innovations are required to be brought in the human resource practices for attracting, rewarding and evaluating employees. Social or virtual media is acceptable nowadays for retaining talents. Digital HRM has also impacted and brought a reform in the way employees are been trained now days.

**Role of HR managers:**
(Bloom, 2017)With the coming of digital transformation, the organizations need to adapt themselves with the changing practices. A lot of change has to be brought in the customers and the employees. And here the role of human resource managers become more crucial as they are one who has to be the change agent. They have to well inform themselves about the influence its going to have on the business and HR expertise. There is need of new employment forms which is again a challenge for the HR managers.
Old HR methods and practices are no longer valid these days and they have to be changed. Now the HR managers have to make flexible policies keeping in view both the conventional and modern practices of HR.
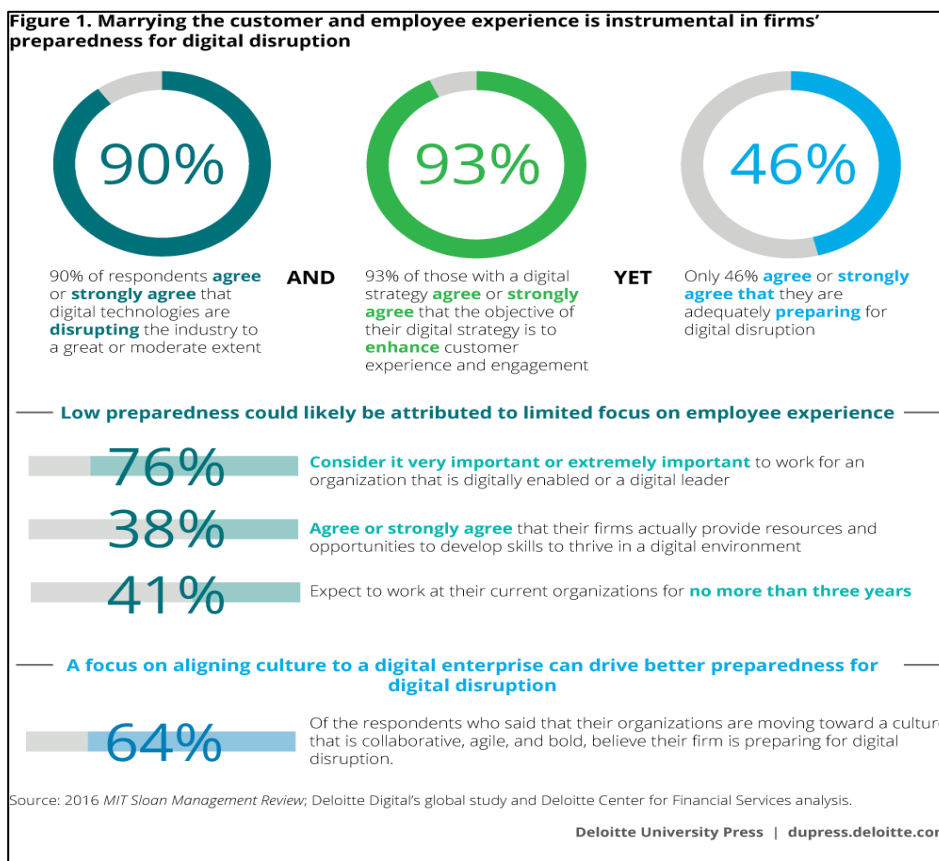
**How employees take it:**
(Iwu, Ukandu, & Ile, 2016) Conducted research at sub-Saharan African universities to know the impact of EHRM. The interview was conducted on the employees there. Out of 450, 306 responses were received.



Figure 2. E-HRM and HR staff performance
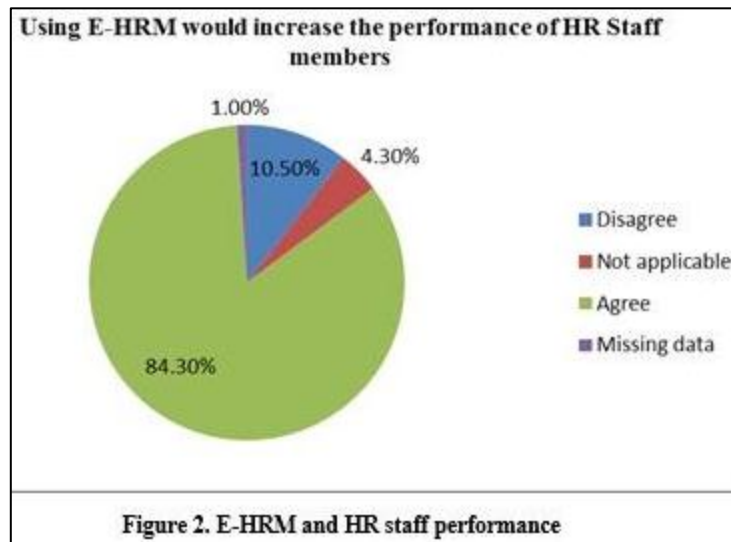
Maximum percentage of employees i.e. 84.30 agreed on E-HRM would increase their performance and only 10.5 percentage disagreed to it.
(Ed. D, Kejriwal, & Wadhwani, 2016) found the following results in their study on employees of financial services. 76% of employees said they consider it important to work with a digital enabled organization. 90% of them agreed or strongly agreed that digitization is disrupting the industry from moderate to great extent.

**Figure 1. Marrying the customer and employee experience is instrumental in firms' preparedness for digital disruption**

**CONCLUSION:**

e-HRM is the need of today's businesses. The firms have to go for digital transformation in order to succeed. Many researchers have contributed to the concept and have also touched many aspects of digital HRM. (Bloom, 2017) The management has to be very active in bringing about the change in the ways the policies have been made and carried before. Because (Ed. D, Kejriwal, & Wadhwani, 2016) the employees to consider it very important for the organization. We studied that it affects the human resource development, talent management and performance of the employees too. So, its on the organization and the management to implement it and be the change agent in such a scenario.

**Recommendations for the future researchers:**

The digital HRM is very crucial these days and its has a growing concern for the management too. The researchers in the field can make findings on how the performance has changed from the past to the present. Evaluations can also be made on how much it has affected the organizations. Its application requires investment, evaluation on the same can also be made.

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