

A Study of Issues & Challenges of Implementation of Information Technology in HRM

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Abstract

HRM is a vital function of the organization, and technology and Human Resource Management influence each other to a great extent. The extensive use of technology within human resource management has majorly increased over the last decade. Information technology has created a revolution in the every sphere of human endeavor. Today IT is used extensively across the organizations to perform various functions such as recruitment, maintenance, development etc. IT and its wide range of applications have not only impacted their operations but also have made their presence greatly felt in every sphere of management. Even in the field of HRM, technology has not only contributed towards the paradigm shift, but has brought in various challenges and opportunities along with it. The biggest challenge faced by the organizations is the adoption and acceptance of these technologies, as the re-designing and re-engineering of the HR functions is very critical for the systematic and effective functioning of the various functions. Development of a proper managerial climate is crucial for innovative and knowledge based organizations. The accurate merger of functionality and reporting devices can only lead to the smooth and effective functioning of the organizational functions. The present paper focuses on the study of issues and challenges faced by an organization by implementing IT techniques across various HR functions.

Keywords: Human Resource Management (HRM), Information Technology (IT), HR functions, IT Techniques, Human Resource Information System (HRIS).

1. Introduction

Today Human Resource Management has come up more as technology oriented profession. The current studies done in this field shows that those organizations which can successfully implement and accept the HR technology tools, can definitely surpass the other organizations, in terms of their efficiency, brand name and reputations which are not using these IT enabled recent techniques. This leads to not only the transformation of the HR Practices but also increase the speed, efficiency and accuracy of the functions across the organizations.

This transformation of HR service delivery can be named as “e-HR,” . Human Resource processes in the organizations are currently focusing on technology –oriented processes, reason being, it will help to streamline the processes and henceforth reduce the paperwork. Other reasons include the reduction of the Compliance and Administrative costs and therefore increase the accessibility of data to the employees and managers. The technological orientation helps HR to create more impact by playing a crucial role in the business.

2. Objectives

- a) To identify the challenges and pitfalls faced by organizations after implementing IT techniques across HR functions.
- b) To find out the various methods and techniques through which HR can overcome these challenges in the present business scenario.

3. Methodology

The study is secondary in nature and the content of the research paper has been collected through various sources as, journals, books and various website from the internet.

3.1 Scope of the Study

This study explores current areas including:

- The current available strategies and technologies used by HR Executives.
- Issues and challenges faced by organizations during the strategic use of e-HR technology.
- The successful and effective use of HR technology in the various HR Function like recruitment, maintenance and development of workforce.
- The avoidance of common pitfalls in the technology oriented HR Functions and its acceptance by employees.

4. Literature Review

4.1 The Paradigm Shift

Information technology has greatly impacted the Human Resource Management through one of the important and effective tool i.e Human resources information systems (HRIS). This tool has not only streamlined the data processing, but also has made the employee information more readily available to managers. The two primary areas of application of computer in the managerial decision making process include, the increasing use of electronic computers in managerial decision making and the coordination among the various strategic functions in the organization.

4.2 Issues and Challenges affecting the use of HR technologies

The use of the technology oriented processes in an organization are affected by various factors, which are highlighted as follows:

- **Employee orientation**-The employees of the organization needs to be convinced by the fact the use of technology in the processes will help in generating better and improved results compared to the existing processes.
- **Work Culture**-Work culture also affects the acceptance of the implementation of new system in an organisation.The dimensions of better results can be timely and accurate information, ease of use and completion of work in lesser time.
- **Security Concerns**-A system or technique designed for one country may not be effective in other country.Implementation issues across boundaries comes with the challenges of data privacy and data movement across boundaries.
- **Cost factor**- Cost is an important factor to be taken into consideration before implementation of the e- systems. The companies must prioritise and take the decisions of acceptance and implementation of e-systems on the basis of vital, essential and desirable operations.
- **Training and learning**- The process of training and adaptation to the new e-system be a cumbersome and time consuming process. It may be challenging for the users if they do not find it user friendly.
- **Technical limitation**- An organization cannot depend on technological websites or software completely to handle every issues related to HR. A website cannot ever replace a skilled professional. Employees may not be able to make senses of choice from the website and may need to discuss the issues personally with HR experts or professionals, in case of doubts, faced by them.

Fig 1 The implications of implementing electronic Human Resource Management (e-HRM) system in companies.

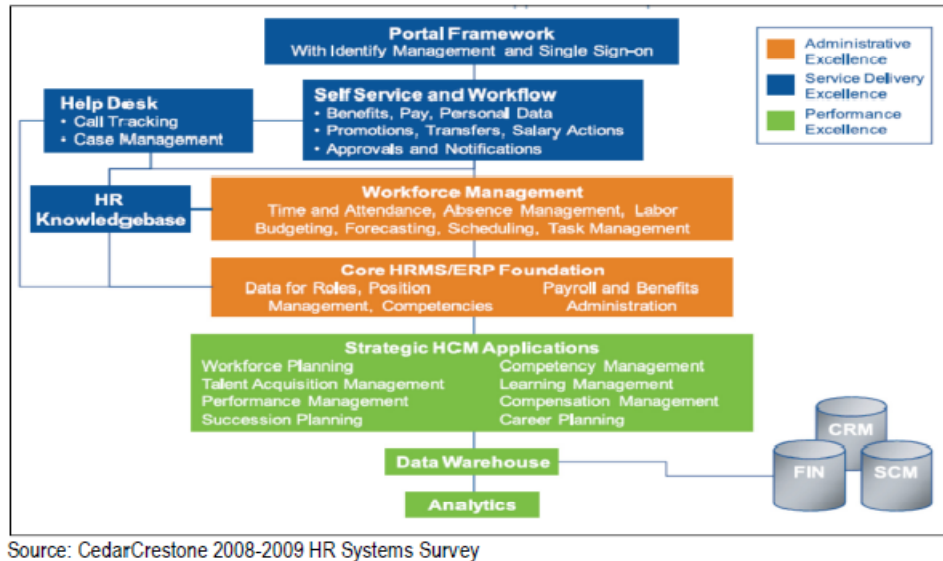


Figure 1: Cedar crestone model of HCM Excellence for organization having an ERP cased HRMS as their foundation.

5. Recommendations and Suggestions

The above mentioned factors are imperative and therefore should be carefully considered before undertaking the e-HRM venture. The important dimensions that should be taken into consideration are highlighted here:

1. **Cross cultural training of HR personnel-** Strategies should be developed to ensure the cross cultural training of the personnel in the HR Department so that so that they understand other cultural background and people and avoid conflict of interests.
2. **Motivation-** Motivation of the employees is required so that they continue to be a part of the organization and contribute more towards the development and growth of the current organization with their ideas. It should be kept in mind that apart from the financial motivation, training and development opportunities, job satisfaction and other motivational factors should be taken into account.
3. **Adaptability-** HR should adapt itself to the changing environment and technology and should opt for sufficient and sustainable technological supportability of equipments and resources.
4. **Flexibility-** The HR technologies adopted should be agile and flexible so as to accommodate the changes in the adjust to the new paradigm shift. The demands of the changing economy should be taken care while developing new policies or changing existing policies.

5. **Technical training-** The changes in the workplace often require the implementation of additional training for workers. As training and development is generally the realm of the HR department, this creates yet another challenge for human resource managers. HR must first determine what training is necessary and then implement training measures to ensure all workers can keep up with technical changes. Human resource managers must also determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization.
6. **Communication-** To ensure the smooth implementation of the system, organizations must ensure the need to address the potential issues like calculating organizational impact and proper communication of the various training plans to the employees.
7. **Monitoring and feedback-** Successful implementation has also to be followed with regular and periodic follow up. This will ensure to understand and solve the problems faced after the implementation, and accordingly steps can be taken for the further improvement or modification of the system.

6. Conclusion

The e-HRM installation and adaptation process, if handled in a correct perspective, can lead to the growth and efficiency of the organizations in the long run. The technology based HR functions provides real time metrics to the managers, which help them to track and spot trends effectively and thus leads to an effective management of the workforce.

Effective HR transactions, increased speed, lesser paperwork and cost effectiveness are definitely some of the advantages which not only ensures transparency, but also facilitates better controls by the top management. But the implementation of e-HR requires a fundamental change in the way HR professionals view their roles. The successful and efficacious implementation is only possible when the HR professionals learn to be proficient with the traditional HR skills and knowledge, and develop the ability to apply their knowledge via the technology.

7. Limitations

The strategic issues and the scope of research is very vast. Henceforth only some selective functions of HRM are included in the scope of the research. The limitations are as follows:

- The study is restricted to the impact of technology on core functions of HRM, which majorly affect the functioning of the organizations.
- The scope of e-HRM is vast and hence forth only few of the functions are discussed. All the functions could not be discussed in details due to time.

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