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IMPACT OF IT ON HRM

KAVLEEN BHAREJ

Assit Prof.

S.D. College (Lahore), Ambala Cantt, KU.

Abstract:

In this era of information, technology has changed the world of businesses many times over. The advent of information technology, computers and internet has increased the impact significantly. IT capabilities have spread its wings in various fields of organisation, HRM is one of them. Human resource management is one of the crucial aspects of an organisation, and its practices such as clearly definition of jobs, participation of employees, formal training and development have given rise to the impact of IT in this segment. This paper highlights the developments in the field of HRM with the advent of IT. It also studies the moderate effect of the source of IT capabilities both external and internal on the relationship between the rate of usage of IT and HRM practices.

Keywords: *Information technology, Human resource management, Practices and policies, Performance.*

Introduction: *“True motivation comes from achievement, personal development, job satisfaction, and recognition”- Frederick Herzberg*

In this era of competition and globalisation, management of the human resource is a difficult task. To achieve success with great adversities specially related to human resource it is important that significant utilisation of IT is done. HRM practices are viewed as the most crucial activity for an organization as it involves soft skills. It supports the development of the employees as well as motivates them to align their actions with the goals of the organisation. Many past studies have also highlighted the fact that these HRM practices not only shape the climate of the organisation but also affect the behaviour and attitude of employees. (Delaney, J. T.)With the dynamic environment in the recent years it has been observed that in order to coordinate with the changes, organisations need to heavily rely on IT support and services.



Information technology has given ways for efficient and accurate multitasking to cope up with the fast moving changes.

Human Resource, one of the essential elements of an organisation involves training programs, recruitment, incentive systems, employee participation, clearly defined jobs, career opportunities, data storage and retrieval, performance management etc. Earlier all these functions were carried out in manual way. But with the advancement in technology, and globalisation, all these manual activities have taken a backseat. IT has become a saviour in disguise, as it helps in every activity's smooth functioning.

This paper tries to find the impact of Information Technology on HRM indicating the various advantages it offers. India as a developing economy is on the path of project digital India, with effect of which there are many changes occurring in every field of organisation.

Literature Review:

There have been a range of perspectives on IT and its impact on HRM. Various organisations disclose its functioning in their annual reports in order to tell its stakeholders the use of latest technology and its effect. Due to globalisation, organisations need to cope up with the furious competition and hence many researches have been carried out in this field. According to researchers due to advancement in the technology organisations are in continuous pressure to upgrade their human resources. (Ferris, 1998; Dany Guedri and Hatt, 2008)

All these changes have strong impact on a country's ability to maintain its competitiveness (Huselid, 1995). Human resource handling is a complex task, which requires both technical as well as soft skills, if strategically handled it can result into competitive advantage over the other firms.(Dany et al,2008) Therefore studies are still going on the impact of IT on HRM.

Objectives of the study:

- To understand the theoretical and practical perspectives of IT and HRM
- To highlight the changing development in the field of IT
- To determine the impact of IT on HRM

Methodology:

A secondly source of methodology is used to carry out this research. A comprehensive review was done of the academic and professional literature. An analytical approach is carried



out in understanding the recent developments in the field of IT and its impact on human resource of an organisation. Reliable secondary sources were used to understand the impact on a larger perspective.

Findings and Analysis:

Human resource management as “a strategic and coherent approach to the management of an organisation’s most valued assets the people working there whom individually and collectively contribute to the achievement of its objectives.” Agarwal (2001) It is the combination of crucial activities that becomes the means to achieve organizational success. Besides satisfying the regulatory agencies and employees HRM practices provide significant utility to the organizations.

The output of the organization increases manifold with the help of HRM practices such as training programme, incentive systems and employee participation.

HRM not only supports the development of the employees but also motivates them to align their actions and goals with the business strategy and organization’s goals.

The driving forces for IT usage are users’ beliefs and attitudes, towards technology and leveraging human and business resources. It has been observed that in today’s era the relationship between HRM practices and IT support has increased tremendously. With the advent of computers and internet it has become impossible for the businesses to work without them. And this impact continues to have a lasting effect on HR practices. The wide range of impact of technology on HR can be clearly viewed on mostly all HR functions such as All these functions incorporate the usage of IT, the first step such as recruitment and selection before the internet and IT, manual methods were used, which hampered the selection process and involved biasness. Technology has made recruitment more efficient with proper screening of the resume, highlighting the strengths of the candidates. IT makes it possible for the professionals of human resources to train new staff members in a more efficient manner. Virtual classrooms helps the employees learn more quickly and their performance can be checked through computerized testing programs. This has saved the time and energy of the HR professionals to train the new employees.



Technology improvement has also helped the management to enhance and measure the performance of the employees. Managers can get employee's performance and feedback by the use of computer technology. Usage of various software and metrics are done to ensure that the performance standards are met and whether additional training or replacement is needed for their upgrading is known through IT capabilities. The talent management of the employee can also be enhanced by the use of Information technology.

The main function of HR is to upgrade the capabilities of the employees and bring out their hundred percentages so that organizations performance is increased. Succession and career planning is influenced by the policies followed by the organization. If the organization has an internal IT capability, there is enhancement of career opportunities.

Whereas if there is external IT capabilities there are more chances to improve the career planning as the organization has more concentration to focus on their core activities. Job enhancement and



enrichment give the employees a better opportunity to explore their hidden potential and improve their overall performance.

Labour relations are the key element for a cohesive environment, thus helping the employees and manager work in full coordination. These relations can be improved if the job roles are clearly defined.

Organizations with clearly defined jobs speak to the desire for less ambiguity, more efficiency and more well-documented procedures so that employees know how to act or to coordinate their actions to accomplish organizational goals. Organizations with clearly defined jobs are likely to be facilitated by IT since IT helps with the recording and retrieval of information about events and activities.

For a proper HR planning a considerable amount of time and paperwork is required. The use of IT has made it possible for the companies to store and retrieve the file in a compact electronic format. Printing on demand, telefax, internet, computer etc. have made the working simpler.

Conclusion and Potential for further research:

It can be concluded that latest technologies and tools of Information technology increases the effectiveness of human resource management. In this competitive environment there is a need to be dynamic. Globalisation has forced the environment to be upfront and take the various challenges. One of the challenges is to cater to the needs of the most important resource i.e. human beings. IT has a positive impact on the development and training of the HR in an organisation. People from different cultures and department can work together in conformity with the organisations goals and strategies and IT is like the wheels towards them.

As the technology is evolving at a very high pace, it is important to incorporate those changes as soon as possible in order to be in competition. The scope for further study is to understand the impact of increasing IT capabilities in HRM.



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