

Impact of Information Technology on Organization or Company

Dr. Ritu*

Assistant Professor, Delhi University, India

Abstract – *The importance of knowledge and human capital make extra suppression on HR functions and new competencies for HR professionals are expected. With the arrival of information technology, human resource management practices are changed. Information Technology (IT) as a structural factor and instrument transforms architect of organizations, business processes and communication and is increasingly integrated into Human Resource Management. While IT has impacts on HR at the same time managers, employees, customers and suppliers increase their expectancies for HR functions. The system is able to produce more effective and faster outcome than that can be done on papers. HRIS can acquire and track almost any type of data. Some of the effects of HRIS are that it has brought about an improvement in the overall HR functions of the organization not only in administration work. HRIS can be one of the powerful levels of change for the HR Department in any organization.*

Keywords: *Human Resource Management, HRD, Importance, Employees, Organizations, Information Technology, etc.*

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INTRODUCTION

Today with an increase in the number of organizations, HR is now viewed as a source of competitive advantage (Michael et al., 2012). It is necessary for firms to have highly skilled human capital to provide them with a competitive edge. So, an effective management of HR in a firm is to gain advantage in the marketplace which requires timely and accurate information on current employees and potential employees in the labor market. Many HR (human resource) executives and managers are so busy taking care of their daily duties, which are generally administrative, that they neglect to consider important issues that are coming down the road. This is a trap that any department can fall into, but it can be especially devastating for HR, which must battle decades of preconceived notions about the department's ability to contribute to corporate planning. Leading management thinkers suggested that, "It is not technology, but the art of human and humane management" that is continuing challenge for executives in the 21st century. Similarly, Smith and Kelly (1997) believed that future economic and strategic advantage will rest with the organizations that can most effectively attract, develop, and retain diverse group of the best and the brightest human talent in the market place. With the changing world and evolution of new technology, meeting this information requirement becomes important. HR managers need to be aware that the change in technology will not only increase the quality of

employee information, but also will have a strong effect on the overall effectiveness of the organization.

REVIEW OF LITERATURE:

HRIS has increasingly transformed since it was first introduced at General Electric in the 1950s. HRIS has gone from a basic process to convert manual information-keeping systems into computerized systems. Because of the complexity and data intensiveness of the HRM function, it is one of the last management functions to be targeted for automation (Bussler & Davis, 2001/2002). This fact does not mean that HRIS is not important; it just indicates the difficulty of developing and implementing it compared with other business functions (e.g., billing and accounting system). Powered by information system and Internet, almost every process in the every function of HRM has been computerized today (Helfen and Krüger, 2002). Currently, HRMS encompass: (1) payroll; (2) time and attendance; (3) appraisal performance; (4) benefits administration; (5) HR management information system; (6) recruiting; (7) learning management; (8) training system; (9) performance record; (10) employee self-service; (11) scheduling; (12) absence management.

These strategies are led to prepare an IT strategic plan that in turn translates into an appropriate human resource strategic plan in the field of IT as the Figure 1 depicts (Sameni and Khoshalhan, 2006).

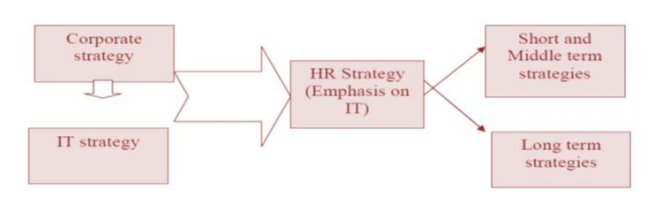


Fig 1 – Information Technology of Human Resources Plan

1. Inter-Organization Problems: The most obvious impact of IT on inter-organization is perhaps the advent of telecommunication systems. A telecommunication system can be defined as a means to the transmission of messages (in writing, images or sounds) between a sender and one or more distant receivers by means of wire, radio, optical or other electromagnetic systems. In this study, we are not interested in the technical aspect of telecommunication; instead we are presenting examples on how IT can change our daily management of human resources.

❖ **Pager/mobile telephone:**

The use of pager and mobile telephone services is commonly encountered in Hong Kong. This practice has further improved our HRM by extending office domains outside a firm. With the help of IT, personnel are able to keep in close touch with their offices while physically present in their clients' offices.

❖ **Teleconferencing:**

At one time, the only possible means to keep closed-contact in solving technical matters with subsidiaries in a multinational organization is either through long-distance calls or direct- flights to branch offices. This practice was claimed to be expensive and waste of man-power resources for several reasons. Firstly, the person who has been sent on trip can no longer be physically present in the office and thus his/her post is not productive during that period. Secondly, matters dealt by telephone calls may not be as decisive especially if the decision was made only by a handful of people from either end considering that it is highly impractical if not impossible to move a whole team of people to the other end.

2. Effect of IT on HRM: As an HRM manager in one of the subsidiary companies, only manage human resources within the company but also required to play an important -role in improving communication with other subsidiaries. In recognizing these responsibilities, the impact of IT on HRM would need to be examined from within and between organizations. In this study, HRM problems within a company will be referred to as intra- organization problems and external ones as inter-organization problems.

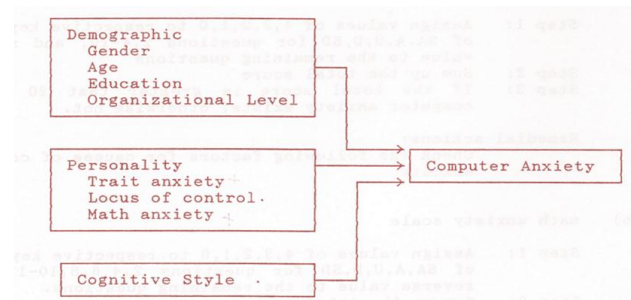


Figure 2: Model for computer anxiety towards IT.

In order to gain an overall view of the impact issues of IT on HRM, we would need to study the structure of a company. An organization typically comprises of a number of different departments/units. Each unit is responsible for a specialized set of affairs. The number of units within an organization increases if such a company is part of a multinational organization.

3. Human Resource Information System (HRIS):

RIS has a very humble historical origin. Although there were some exceptions, prior to World War II HR professionals (then referred to as "personnel" staff) performed basic employee record keeping as a service function with limited interaction on core business mission. Initial efforts to manage information about personnel were frequently limited to employee names and addresses, and perhaps some employment history often scribbled on 3x5 note cards. Between 1945 and 1960, organizations became more aware of human capital issues and began to develop formal processes for selection and development of employees. At the same time, organizations began to recognize the importance of employees' morale on the firm's overall effectiveness. While this period of change in the profession did not result in significant changes in HRIS (although employee files did become somewhat more complex), some believe that it set the stage for an explosion of changes that began in the 1960s and 1970s. Moreover, Burbach and Dundon (2005) conducted a study to assess the strategic potential of HRIS to facilitate people management activities in 520 organizations in the Republic of Ireland. They found that foreign owned large organizations adopted HRIS more often than smaller Irish owned organizations. The main HRIS problems were lack of knowledge of HR department about HRIS and lack of importance given to HR department in these organizations. Cooperation is required across various functions and divisions of the organization for proper implementation of HRIS.

CONCLUSION:

The HR goals moderately, precise plan of implementation of HR information system can

significantly support HR strategy in the company to attain defined key performance indicators (KPI). Globalization brings the requirement to think how IT can contribute to fulfillment of business strategy in the frame of Human Resources management in order to steer the business towards excellence and reach competitiveness in the market. HRIS provides information and guidelines for the operation of HR functions, HRM is still a caretaker of employee records, and however, the existence of an HRIS makes this information readily available and useful for managerial decision making. The system is able to produce more effective and faster outcome than that can be done on papers. HRIS can acquire and track almost any type of data. Computers have simplified the task of analyzing vast amounts of data, and they can be invaluable aids in HR management, from payroll processing to record retention. With computer hardware, software, and databases, organizations can keep records and information better, as well as retrieve them with greater ease. Some of the effects of HRIS are that it has brought about an improvement in the overall HR functions of the organization not only in administration work. HRIS can be one of the powerful levels of change for the HR Department in any organization.

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Corresponding Author

Dr. Ritu*

Assistant Professor, Delhi University, India

E-Mail – ritu.hr.singh@gmail.com