

A Study of the Impact or Effect of Information Technology on HRD in Company or Organization

Khan Ishtique

Research Scholar, Chhatrapati Shahu Ji Maharaj University, Kanpur

Abstract – 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. 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 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.

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

INTRODUCTION

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. 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. Thus, 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. 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. 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.

It has been scientology proven that one of the supporting pillars which can contribute to the fulfillment of the personal policy is the usage of IT technologies in HR. Information and Communication Technologies (ICT) - a catchall term for techniques associated with mobile

communication, internet, new media and PCs – allow companies to improve their internal processes, core competencies, organizational structures as well as relevant markets on a global scale. ICT is spreading throughout every sector of the economy and has implications for almost every enterprise (Helfen and Krüger, 2002). Human resource processes should be focused on the strategic objectives. 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).

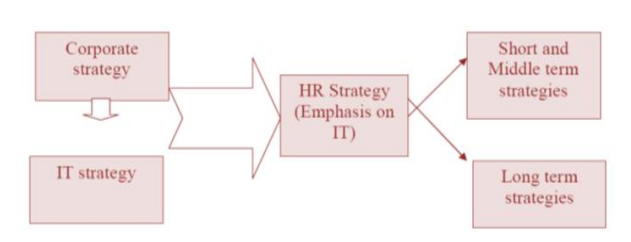


Fig 1 – The Framework of Information Technology Human Resources Plan

1. The Effect of IT on HRM:

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. 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.

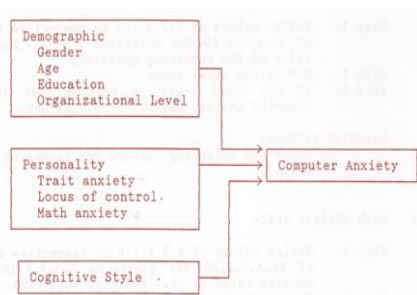


Figure 2: Conceptual model for computer anxiety towards IT.

A great deal of research has been conducted in an attempt to identify the correction factors that contribute to computer anxiety in schools and industries.

2. Impact of IT on 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.

❖ 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 whole¹ team of people to the other end.

❖ 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.

3. Human Resource Information System (HRIS):

HRIS 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. They also found that HRIS technologies were used for administrative rather than strategic decision-making purposes. Another recent study conducted by Delorme and Arcand (2010), aimed to elaborate on the development of the roles and responsibilities of HR practitioners from a traditional perspective to a strategic perspective, found that the introduction of new technologies in the organization affected the way HR professionals accomplished their tasks within the HR department and the rest of the organization. The study of Krishnan and Singh (2006) explored the issues and barriers faced by nine Indian organizations in implementing and managing HRIS. 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.

4. Role of IT in HR:

The globalization and liberalization on the one hand and technological advancements on the other require the business organizations to rethink the role of their HR function. The HR professionals should effectively utilize the information technology for developing competencies of the people to face these challenges and for the growth of the business as well. The application of information technology can make value-addition and raise the status of the HR professionals as a whole. The business world is becoming more and more competitive and faced with new challenges each day including business environmental change, technological change, customer satisfaction, growing competition and issues relating to reduction in cost and increase in productivity. It is the 'people' who can meet the challenges of the present day market. The technological advancement has been driving force for creating new roles for the HR function to improve their business competence. Human Resource Information technology has made it easier for the HR department to integrate their databases, and provide information on the policies, news, and publications etc. It is the simplest form of implementation of the HRIT which could be accessible by anyone, anytime and anywhere within the organization. It has also enabled the employees to update the information and thus, relieved the HR professionals of the burden of maintaining and storing records.

CONCLUSION:

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. 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). 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. 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.

REFERENCES:

- Smith, A. F., & Kelly, T. (1997). Human capital in digital economy. In F. Hesselbein, M. Goldsmith, & R. Beckhard (Eds.), *The organization of the future* (pp. 199-212). San Francisco: Jossey-Bass.
- Michael, J., Kavanagh, Mohan, Thite, Richard, D., & Johnson. (2012). *Human resource information system* (2nd ed.). Sage Publication.
- Bussler, L., & Davis, E. (2001/2002). Information system: The quiet revolution in human resource management. *Journal of Computer Information System*, 19(3), 41-50.
- HELFEN, M., KRÜGER, L. (2002) Information Technology, New Organizational Concepts and Employee Participation - Will Unionism Survive?. 202p. 0- 7803-7824-0/02.
- SAMENI, M.K., KHOSHALHAN, F. Analysis of Human Resource Development for Information Technology and E Commerce in Iran. IT Department, Faculty of Industrial Engineering, K.N.Toosi University of Technology, Tehran, Iran. 2006.
- Burbach, R. and Dundon, T. (2005). The strategic potential of human resource information systems: evidence from the republic of Ireland. *Intentional Employment Relations Review*, 11(1/2), 97-117.
- Delorme, M. and Arcand, M. (2010). HRIS

implementation and deployment: a conceptual framework of the new roles, responsibilities and competences for HR professionals. International Journal of Business Information Systems, 5, 148-161.

- Krishnan, S., & Singh, M. (2006). Issues and concerns in the implementation and maintenance of HRIS. Issues and concerns in the implementation and. Indian institute of management ahmedabad-380015.