Chapter 13

Impulsion of Information Technology on Human Resource Practices

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ABSTRACT

In recent years, adoption of Information Technology (IT) mechanism has had an intense effect on Human Resources (HR) processes and practices. IT has revolutionized the way in which the organizations execute their day-to-day activities, particularly in the HRM domain, where technology has redefined the way in which HR departments perform their operational, relational and transformational functions. Organizations have realized the emergent value of using IT in leveraging their Human Resource functions and the way they function in the market. Today the organizations are facing more challenges than they ever did due to the rapid and dynamic growth of e-businesses which has lead companies to seek greater opportunities to run HR functions more effectively by implementing technology in the HRM. The chapter provides a conceptual framework on the role of IT in HRM. It examines the impact of technology on HR practices and the factors influencing the effectiveness of human resource dashboards. It also investigates the effect of technology on organizational and work force productivity.

INTRODUCTION

Today, Information Technology (IT) has revolutionized the way in which organizations execute their day-to-day operations, particularly in the Human Resource Management (HRM) domain, where electronic technology has redefined the way in which HR departments perform their operational, relational and transformational functions. The speed of development in the field of technology is such that most theorists glance at it amazed and try to judge, measure and define its boundaries of influence. Although the impact of information technology boom in different fields of science and has an inexpressible affinity to scientific interactions of the world but has also followed concern in different fields of social and human resources. Information Technology has simplified the task of analyzing huge amounts of
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data, and they can be invaluable aids in human resource management, from payroll processing to record retention. With computer hardware, software, and databases the organizations can maintain records and information better, as well as retrieve them with a greater ease.

Information Technology has significantly increased the efficiency of HR management activities and processes through an effective employee communication and engagement while the roles and skills of HR managers has expand considerable overtime due to their adoption and continuous upgrade of knowledge in the use of IT in the discharge of their primary functions. Information Technology assists the HR professionals in the delivery of services and affects all HR practices (Hendrickson, 2003). Undoubtedly the HR professionals who work actively in this area and offer the use of technology to others are themselves concerned by these fast changes and necessarily need to consider ways and new strategies to improve performance and prevent possible risks and need to provide accurate solutions for planners and managers of organizations, for decision-making and policy-making (Tohidi, 2011). Information technology has become an indispensable part of contemporary world while human resource management globally has equally being affected in a number of ways through its adoption and application. Despite the considerable growth in the use of information technology in human resource management, the level of impact is still under-researched.

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. Electronic technology is having an incredible impact on HR practices. When IT tools are implemented in HRM then it is termed as EHRM / HRIS / Web-based HRM, etc. Some of the IT tools used in HRM include Web-based Employee; Manager Self Service tools; Workflow technologies; Vendor management systems; Applicant tracking systems; Hiring management systems; E-recruitment software; Internal mobility software; Performance appraisal management software; Succession planning software; Personnel development software; Career planning software; Package review software; Executives and Key people management software; Payroll and Compensation management software; Employee monitoring system; SAP and a congregation of many others. Each IT tool can be used by different HR functions. For example, web data bases are used for learning at work, decision making and completing works (Benson, Johnson, & Kuchinke, 2002).

The application of IT tools in HRM have enhanced productivity of the workforce, increased efficiency and they have also increased the accuracy and speed with which the employees perform their tasks. Many global companies have started using SAP (Systems, Applications Products), an integrated software technology instead of separate applications for each department. With the arrival of information technology, human resource management practices are changed. In the present business scenario the HR managers have been facing many challenges like technological advances, globalization workforce diversity, and changes in political and legal environment change in information technology. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. 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. Workplace Surveillance by means of employee monitoring system has increased the productivity and performance of the employees. It also avoids wastage of resources. E-recruitment helps the organizations in cost reduction.