



E-HRM Practices in Commercial Banks: An Empirical Study in Kanniyakumari District

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ABSTRACT: E-HRM is an innovative tool which enable organisations to be technologically advanced and enhance their performance. The use of e-HRM leads to easy communication and interaction between as well as among the organisation. In the present competitive world, introduction of e-HRM is a challenging task for banks. E-HRM may prove effective for banks in improving their performance. Nowadays, banks are following e-recruitment, e-selection, e-training, e-compensation etc to ensure automation, transparency, paperless work, empowerment, cost reduction and better performance. The productivity seeking banks are implementing and increasing the use of e-HRM in their banks. Considering this an attempt was made to analyze the implementation of e-HRM in banks and the impact of e-HRM on the organisational commitment in banks. The present study is descriptive in nature. Data was collected from 215 respondents in private and public sector banks using interview schedule. The study revealed that implementation of e-HRM practices in banks is only at moderate level. The level of implementation is higher in private sector banks compared to public sector banks. This brand should be changed by the introduction and implementation of appropriate e-HRM practices since it is needed in the digital era.

Keywords: E-HRM, Digital era, Innovation, Organisation, Public sector banks, Private sector banks

Abbreviations: ICT, Information and communication technologies; HRM, human resource management; CFA, confirmatory factor analysis.

I. INTRODUCTION

The introduction of Information and Communication Technologies (ICT) in the implementation of HRM practices is called as e-HRM practices [1]. Since the e-HRM delivers automation, transparency, empowerment, paperless office with least human interference in the activities related to the implementation of HRM practices in banks [2], its usage is increasing. With the increase in competition, the banks are giving more importance for cost reduction and productivity maximization [3]. Hence, the commercial banks are trying to use so many IT tools for performing their HR functions [4]. The important e-HRM functions are e-recruitment, e-selection, e-training, e-compensation, e-performance appraisal, etc. [5].

II. IMPORTANCE OF e-HRM IN COMMERCIAL BANKS

In the globalised era, the commercial banks are facing so many HR issues and challenges. The main issues are talent management, staffing and promotion, performance appraisal, compensation and incentives; a high employees turnover, and leadership gap and succession planning [6]. Since the management of human resources starts from recruitment and selection and ends with the retention of talents, there is a dare need for error free process to carry out these functions. The answer is the introduction of e-HRM practices since the decisions related to HR issues are based on the data collected from the past events related to HR

issues. It is an automatic process, lesser time consuming, lesser cost, accurate, innovative [7] and free from red tapism. The productivity seeking banks are implementing and increasing the use of e-HRM at their banks for the long term vision of their banks [8].

Application of the Internet to the HR function (E-HR) has two advantages: one ensures the use of electronic media and the other is the active participation of employees in the process. These two elements drive the technology that helps organizations to lower administrative costs, improve employee's communicate, enrich their level of satisfaction, provide real-time access to information while at the same time reduces the processing time. This technology holds on the promise of challenging the past, role of HR as one of payrolls processing and manual administrative process to one where cost effectiveness can be gained, enabling more time and energy to be devoted to strategic business issues [9].

III. REVIEW OF LITERATURE

Budhwar (2000) identified the role of ICT in the implementation of HRM policies and practices [10]. Budhwar and Boyne (2004) found that the rate of implementation of e-HRM practices is higher at private sector banks compared to public sector banks [11]. Chahal *et al.*, (2016) revealed the importance of e-HRM in private sector banks [12]. Ghosh *et al.*, (2016) identified the role of e-HRM practices in the

performance evaluation and fixation of salary in banks [13]. Jain and Jain (2015) assessed the impact of e-training on employees performance [14].

Jeet and Sayeeduzzafar (2014) found the significant impact of e-HRM on employees job satisfaction [15]. It was also supported by Jha and Mishra (2015) [16]. Mathew (2015) identified the usage of e-HRM for talent management in selected organization [17]. Mittal *et al.*, (2016) noticed the mediator role of HRD climate in between the e-HRM and customer satisfaction in Indian private banks [18]. Rani and Singh (2016) identified that the e-HRM makes the smooth employees management relationship in Indian banking [19].

A. E-HRM (Conceptual Framework)

E-HRM helps the organization in talent management, talent attraction, talent recruitment, talent development and retention (Launer, 2010) [20]. E-HRM is an innovative tool which enable organization to be technologically advanced and enhance their performance [21]. The use of e-HRM leads to easy communication and interaction between as well as among the organization [22]. E-HRM includes e-recruitment and selection [23], e-training and development [24], e-learning in the organization, e-compensation, e-performance appraisal [25], and e-grievance handling mechanism. The use of e-HRM enhances efficiency of banking by reducing the time for processing the paper work.

B. Organizational Commitment

It shows the commitment of the employee towards organization [26]. It includes emotional commitment [27], continuity commitment [28] and role commitment [29].

IV. RESEARCH GAP

The study of various qualitative works highlighted the absence of a systematic approach for e-HRM in the banking industry. The studies also revealed that the public sector and private sector banks differ with respect to their background and organizational commitment. Since these differences hold an important factor in sharpening the organizational commitment of an organization, it needs to be explored how they would likely influence the e-HRM practices.

V. OBJECTIVES OF THE STUDY

- To study the implementation of e-HRM in banks and also the organizational commitment to banks; and
- To evaluate the impact of e-HRM on the organizational commitment to banks.

VI. RESEARCH METHODOLOGY

A. Research Design

The present study is descriptive in nature. The descriptive research design is used when the purpose of research is to gain the familiarity in the implementation of e-HRM and organizational commitment at banks.

Since e-HRM is a new phenomenon, to ascertain various facts about it, descriptive research design is used.

B. Sampling Framework

Sample representatives are selected from each bank branch at Kanniyakumari district. The number of representative from public and private sector banks are 146 and 69 respectively. The total sample size is 215 respondents. Judgement sampling method was used to identify the employees in each bank.

C. Collection of Data and Analysis of Data

Both primary and secondary data were collected. The required primary data to fulfill the objectives of the present study are collected with the help of pre-tested interview schedule. The collected data are processed with the help of reliability test, multiple regression analysis and 't' test.

VII. RESULTS AND DISCUSSION

The score of variables in all six e-HRM practices and organizational commitment have been included for confirmatory factor analysis (CFA) in order to examine the reliability and validity of variables in it. The CFA results in content and convergent validity. The overall reliability of variables in e-HRM practice and organizational commitment are measured with the help of cronbach alpha. The results are shown in Table 1.

The standardized factor loading of variables in E-HRM practices and organizational commitment are greater than 0.60 which reveals the content validity. The significance of 't' statistics of the standardized factor loading of variables in it reveal its convergent validity. The significance of 't' statistics of the standardized factor loading of variables in it reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than 0.50 and 50.00 per cent respectively. The cronbach alpha of all practices and organizational commitment are greater than 0.60 which justify the internal consistency.

The highly implemented e-HRM practices in public and private sector banks are e-recruitment and organizational commitment since their mean scores are 2.8919 and 3.2449 respectively. The significant difference among the public and private sector banks have been noticed in the implementation of e-banking, e-compensation, e-performance appraisal and e-information sharing practices and the organizational commitment since their 't' statistics are significant at five per cent level. The level of implementation of e-HRM is higher at private sector banks compared to public sector banks, whereas the same result is seen in organizational commitment.

The implementation of e-HRM and organizational commitment in banks are shown in Table 2.

Table 1: Reliability and Validity of Variables in Each E-HRM Practice.

S. No.	E-HRM	No. of variables	Range of standardized factor loading	Range of 't' statistics	Cronbach alpha	Composite reliability	Average variance extracted
1.	e-recruitment	4	0.8442-0.6117	3.4543*-2.1711*	0.7809	0.7011	51.23
2.	e-selection	5	0.8606-0.6309	3.6177*-2.3248*	0.7496	0.7204	53.01
3.	e-training	4	0.8242-0.6844	3.2892*-2.6117*	0.7261	0.7007	51.09
4.	e-compensation	3	0.8714-0.6249	3.7042*-2.2088*	0.7609	0.7491	54.19
5.	e-performance appraisal	4	0.8619-0.6307	3.6171*-2.1842*	0.7414	0.7206	53.24
6.	e-information sharing	5	0.8704-0.6559	3.7349*-2.4822*	0.7717	0.7545	55.04
7.	Organizational commitment	6	0.2884-0.6771	3.8084*-2.5789*	0.7842	0.7603	56.92

* Significant at 5 per cent level.

Table 2: Implementation of E-HRM and Organizational Commitment among Employees.

S. No.	E-HRM and organizational commitment	Mean scores in banks		't' statistics
		Public sector	Private sector	
1.	e-recruitment	2.8919	2.9224	-0.2446
2.	e-selection	2.6117	2.9997	-1.3408
3.	e-training	2.3084	2.8919	-2.4717*
4.	e-compensation	2.4189	2.8778	-2.3842*
5.	e-performance appraisal	2.2089	2.6779	-2.4086*
6.	e-information sharing	2.4117	2.8996	-2.4171*
7.	Organizational commitment	2.6996	3.2449	2.6973*

*Significant at five per cent level.

Table 3: Impact of E-HRM on Organizational Commitment among Employees in Banks

S. No.	E-HRM	Regression co-efficient in banks		
		Public sector	Private sector	Pooled data
1.	e-recruitment	0.1452*	0.1517*	0.1438*
2.	e-selection	0.0417	0.1209*	0.0844
3.	e-training	0.1309*	0.1441*	0.1347*
4.	e-compensation	0.1022	0.1349*	0.1121
5.	e-performance appraisal	0.0971	0.1246*	0.1064
6.	e-information sharing	0.0886	0.1557*	0.1246*
7.	Organizational commitment	0.4968	0.6892	0.5739
	Constant	0.4968	0.6892	0.5739
	R ²	0.7203	0.7818	0.8147
	'F' statistics	7.6414*	8.4514*	8.7696*

*Significant at five per cent level.

A. Impact of E-HRM on Organizational Commitment at Banks

The present study has also made an attempt to examine the relative importance of e-HRM in the determination of organizational commitment among the employees in banks with the help of multiple regression analysis.

The included dependent variable is the level of organizational commitment among the employees whereas the included dependent variables are the score on the implementation of e-HRM practices. The results are illustrated in Table 3.

The significantly influencing factors in the implementation of e-HRM practices on the level of organizational commitment at public sector banks are e-recruitment and e-training whereas at the private sector banks, they are six e-HRM practices except organisational commitment since its regression co-efficient are significant at five per cent level. The higher impact is noticed in private sector banks compared to public sector banks since its R² are 0.7818 and 0.7203 respectively. A unit increase in the implementation of e-recruitment, e-training and e-information sharing in banks result in an increase in the level of organizational commitment by 0.1438, 0.1347 and 0.1246 units respectively. The changes in the implementation of E-HRM practices explain the level of organizational commitment to an extent of 81.49 per cent since its R² is 0.8147.

VIII. CONCLUSION

The research done reveals that the rate of implementation of e-HRM practices in the banks are only at moderate level. The level of implementation is relatively higher in private sector banks compared to public sector banks. The level of organizational commitment in private sector banks is higher than that of public sector banks. The significantly influencing e-HRM practices on the organizational commitment at banks are e-recruitment, e-training and e-information sharing. The rate of impact noticed is higher at private sector banks compared to public sector banks.

The analysis reveals that the public sector banks are very slow in implementing e-HRM practices which leads to poor organizational commitment among their employees. Moreover, e-performance appraisal is weaker in banks. Banks must introduce and implement appropriate e-HRM practices to overcome these problems. Banks can adopt Human Resource Outsourcing which will help to save cost, provide needful expertise and allow human resource professionals to add value to their key tasks. This study was focused on e-HRM and organizational commitment in banks. It would be worthwhile to conduct studies on the relationship of e-HRM practices with other behavioural variables like job satisfaction and organizational behavior. There is also a need to study the satisfaction of employees through innovative e-HRM practices. More studies can be conducted in which e-HRM practices of Indian banking industry can be compared with foreign banks to enhance the performance of employees.

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