

# *e-HRM Systems Implementation: A Conceptual Framework*

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## **Abstract**

Information and Communication Technologies (ICT) enable innovative ways of carrying on routine organizational tasks via the power of virtual work environment. Piggy-backing on the success of e-commerce systems, organizations are increasingly making use of Electronic Human Resource Management (e-HRM) systems. These systems offer organizations the promise of huge performance improvement as well as of overhauling the entire Human Resource Management (HRM) function itself. This latter possibility is expected to offer competitive advantage to organizations. However, it is not known (a) what is the benefit of e-HRM systems implementation (b) what contextual factors moderate the relationship between e-HRM systems implementation and their benefits. In this paper we offer a conceptual framework of e-HRM systems implementation.

**Keywords:** Information and Communication Technologies (ICT), Human Resource Management (HRM), e-HRM systems, Information Systems, HRM Strategy, Organizational Culture, Organizational Communication Patterns.

## **1. Introduction**

In today's organizations, thanks to Information and Communication Technologies (ICT), Human Resource Management (HRM) is undergoing a major change. One agent of change identified by researchers is the use of the Internet and the Web technologies to augment and enhance HRM (Gueutal and Stone, 2005; Legnick-Hall et al., 2003; Lee, 2005). Such use of the Internet and the Web technologies is popularly referred to as Electronic HRM (or e-HRM). This term gained currency along with its more popular cousin, e-commerce. In the 90's organizations started using the Internet and the Web technologies for a myriad of human resource (HRM) activities such as managing payrolls, maintaining

employee directories, and for communicating with the employees (Gueutal and Stone, 2005). As Web technologies matured and organizations enthusiastically adopted them, more and more of the HRM functions got Web-enabled. e-HRM essentially transfers HRM functions to employees and managers. They access these functions over a web interface, typically over a corporate intranet. e-HRM can range widely in scope; at the low end it can be a simple web-based system to access Human Resource (HR) related documents. At the high end e-HRM is a fully integrated, organization-wide electronic network of HRM related data, information, services, databases, tools, applications, and transactions that are generally accessible at any time by the employees, managers, and HRM professionals (Hussein et al., 2007). Advanced e-HRM systems typically include Enterprise Resource Planning (ERP) systems, HRM service centers, Interactive Voice Response (IVR), manager and employee portals and web applications.

e-HRM systems have their origins in payroll systems which were first used by the US firms in the 1950's, around the same time that computers were introduced in businesses. Companies used these systems to efficiently process huge amounts of data and also to comply with tax and wage regulations. At the end of the 20<sup>th</sup> century, other legislations like Affirmative Action, Equal Employment Opportunity, the Occupational Safety and Health Act, and the Employee Retirement Income Securities Act led to a demand on the US firms to collect, store, manage, and report unprecedented amount of personnel data. In response to such demands, the first generation of information systems geared toward human resources were developed (Fletcher, 2005; Ruel and Bondarouk, 2004).

In the 1990's, competition amongst firms increased substantially as customers became more demanding and Internet technologies reduced entry barriers. Organizations started to decentralize functions while

trying to maintain centralized control through standardized processes and information. Dow Corning, for example, for a long time maintained a decentralized organizational structure, with local information systems. Reporting structure for employees was also particular to a region, a division, or a country and this resulted in a lack of insight, coordination, and best practices. Dow Corning streamlined its HRM processes through a global installation of a Human Resources Information Systems (HRIS). This system reduced global organization barriers, decreased redundant activities, as well as decreased cycle time for key processes. Generally, as the workforce became more educated, diversified, and global, organizations needed better insight into personal data as well as tools that would make employees feel "empowered" and connected to the corporation. e-HRM provided one such tool, and became almost mandatory for a firm like India-Tech (discussed later in the case study section). Furthermore, employee talent became a critical competitive but scarce resource and firms needed a tool to tap in to global talent pools (Fletcher, 2005; Lee, 2005). Gartner Consulting, for example, studied the South African brewing company SAB Ltd. and found that HRM was required to make hiring decisions based upon outdated information that resided in multiple information systems. Later, SAB Ltd. consolidated its HRIS and now they have real-time data that enables them to make right hiring decisions (Fletcher, 2005). In another ROI study conducted by the Gartner Consulting, a major North American utilities company TransAlta Corporation created value through its HRIS by automating approximately 2000 employee data transactions yearly, which in turn reduced the amount of time that employees spent on transactional tasks and were able to focus on activities that positively impacted its business (Fletcher, 2005).

The use of technology within HRM has increased a lot over the recent years, with 77 percent of organizations using some form of HRIS (De Alwis, 2010). Although a lot of the use of the technology in HRM is to automate routine tasks, many organizations are using the technology to redefine their HRM function and delivery. It is such an impact of the Web technologies on HRM functions that it is being dubbed as "transformational"

(Legnick-Hall et al., 2003). While e-HRM systems indeed offer wide-ranging and unprecedented benefits to organizations, they also entail huge costs and risks (Bell et al., 2006; Weekes, 2006; Anonymous, 2006). Such costs emanate not only from the systems costs but also from those associated with changing the organizational processes, employee training, and the time of the HR and the top management in implementing, adopting, and promoting these systems. Risks are inherent in employees not using the system, as well as in employee alienation and resistance to change. Thus the purpose of this paper is to: (a) study the relationship between e-HRM systems implementations in organizations and their benefits and (b) identify the factors that moderate the above relationship. We have drawn our insights from many sources, viz., published articles, brainstorming sessions, interviews with HRM practitioners, and a study of e-HRM implementation at one big information technology firm in India (referred to as India-Tech here). The remainder of the paper is organized as follows: In the following section we discuss the research method used in this research. In the next section, we discuss our study at India-Tech. This is followed by the conceptual model that we have developed. We conclude the paper with a discussion of implications of our work for practice and research.

## 2. Research Method

This research is qualitative in nature. Qualitative methods are well suited to research an area about which little is known (Stern, 1980). As mentioned earlier, we conducted a 90 minute brainstorming session with twenty one HRM Managers from a myriad of industries - IT, hospitality, manufacturing, finance, retail, and defense. The initial session provided us with some thoughts to work on. Based upon the initial brainstorming session and our theoretical understanding of the field, we conducted a number of semi-structured interviews with HRM Managers. Relying on such "theories-in-use" of thoughtful practitioners for theory building is advocated as an appropriate and desirable method for studying a phenomenon that is new, and thereby, lacking in systematic and rigorous research (Cooper, 1995). Our initial working model (Figure 1)

resulted. A number of working propositions (P1 through P8) were a result of the brainstorming session, a few interviews, and our logical reasoning.

### 3. e-HRM Systems at India-Tech

At the heart of our conceptual model is a study that we conducted at a large Indian IT firm, called here India-Tech, to conceal its identity. India-Tech is one of the largest Indian IT firms. Currently the firm has over 60,000 employees, has offices in the five continents, and it earns a revenue of over 1 Billion USD. Growth of India-Tech has been spectacular - starting off as a small entrepreneurial outlet to cater to the IT needs of a few customers in the US and the UK, the firm grew from a mere 1000 employees in the early 1990's to its present size. Initially the firm provided trained IT personnel to its few customers to work at their site. Now it has multiple delivery models - it provides personnel to work at the customer sites as well as it brings their IT problems to its centers to provide what are known as off-site solutions. The growth story at India-Tech continues unabated and it is expected to have 100,000 employees on its rolls in the next few years. India-Tech enjoys a high reputation in the industry; it earned the highest level of professional competence, the Capability Maturity Model Level 5 and has also won many awards for excellence in leadership and employee training. The firm, despite its current size, has maintained its entrepreneurial DNA and has evolved a matching organizational structure.

The main challenge for India-Tech was to manage its HR needs in the face of its rapid growth - i.e., how to recruit employees and subsequently manage them by way of training, performance appraisal, addressing their grievances while maintaining its homely, close-knit culture. When India-Tech implemented their e-HRM system in the late 1990s, they didn't have many models to emulate as they were one of the pioneers. Instead of relying on software packages like Peoplesoft, the firm decided to develop its own systems. The system was developed by the technology team of the firm and the HR worked closely with it. At the time of this study, the e-HRM system has been in place at India-Tech for nearly a decade. However, the system itself has evolved

and changed a great deal from its inception. Initially the system was used for more routine HR tasks like employee management and payroll. At the time of this study, the system was being used for wide ranging activities like performance appraisal, training, employee counseling, and for company-wide communication. We made our initial contact with India-Tech when the head of their HR visited one of the author's management institutes to make a presentation on their e-HRM systems. We discussed the system at India-Tech with him and expressed an interest in studying it in detail. The HR manager got his top management's approval for the study. We visited India-Tech's corporate headquarters and conducted a total of 12 interviews. We interviewed many managers at India-Tech. These were mostly middle and senior managers who were responsible for myriad HR activities like recruitment, training, compensation, and performance appraisal. Our sample came from HR as well as line of business managers of the managers in the HR department as well as managers in India-Tech 's line of business. Each interview lasted about one hour, was tape recorded, and transcribed. All three researchers independently went over the transcripts to highlight the emerging themes.

What emerged from this study was that India-Tech had a dire need to come up with a solution to help them cope with rapid growth, while at the same time keeping alive company culture of entrepreneurship and being a close-knit family. The company had two major options (a) either to decentralize their HR or (b) create a Web-enabled, virtual HR. Decentralization of HR would have been costly and would have resulted in fragmentary HR processes and practices. Furthermore, being an IT firm, India-tech felt confident that they will be able to design and successfully implement a virtual HR system and they opted for the second option. As one manager remarked:

"When we embraced e-HRM, we were not sure if it will succeed, but now, looking back, our strategy has paid off".

What he meant was that the e-HRM system has worked well, employees have embraced it enthusiastically, and they are using the system regularly. The following quote captures the motivation for adopting the system:

"Philosophy behind the e-HRM is that whoever is using e-support, we want them to be productive in what they are using it. We want to make sure that employees are concentrating on core work and not on contextual work like HR. If there is any kind of contextual work is there then e-support is there to help them out."

One manager who had concerns and reservations in the beginning told us:

"I was not sure if I will maintain the same quality of contacts with my subordinates - but now, instead of sitting down with them across the table for performance appraisal, they fill out forms on the Web and we conduct review sessions via video conferencing and our employees are as satisfied as ever."

One HR Manager at India-Tech remarked:

"There is no resistance to e-HRM; instead employees love it. We do not force them to use it. However, there are apprehensions to begin with; but when they start using the system, their apprehensions go away."

Part of the reason for the success of this system, we were told, lies in the preference of the younger generation of employees toward technology enabled communications like blogs and social media (the average age of the employees at India-Tech is around 25 years). Another instance of the success of the e-HRM system that was mentioned to us was its role in enabling the Founder's Day celebrations at India-Tech. Every year the firm celebrates Founder's Day by arranging parties, picnics, games, and outings for its employees and their families. This has become a big tradition in the firm and employees look forward to two days of celebrations, which also serves as a strong team- and morale building event. In the past it was easy for the firm to coordinate its activities at a few cities in India. Now, they celebrate the Founder's Day virtually, where employees go on picnics etc. at their respective locations, and also maintain contacts with their colleagues at other locations via web technologies and the social media. For example, managers offered the following insights:

"India-Tech is fairly mature in terms of its policies and in term of its way of automation. Many tasks have been automated by our on-line performance management

system. The other tremendous thing is empowerment as now managers have the freedom to make their own decisions."

"Through e- HRM we have been able to provide access to 60,000 people through a centralized system and propagate common culture across the different location. It is helpful in ensuring that everybody understands the policies, frame work and processes in the same way, hence it establishes the common culture in the organization."

What we learnt from our study of India-Tech was that (a) India-Tech needed something more than an efficient HRIS - they needed a system that would enable their strategy of rapid growth (b) they needed a system that will be sophisticated enough to address their HR needs in an comprehensive manner and would integrate with their other systems. In other words, the complexity and the sophistication of their system were in line with the strategic thinking of the firm, and a low level plain vanilla system would not have served their purpose. As one manager described to us:

"e-HRM at India-Tech is a unique concept - rather than being just a web-based HRM system, it is a virtual shared services platform. If any service is needed, then one can enter it in the system and ask for that service rather than going to people and asking them for help."

What emerged during our discussions was that the e-HRM system at India-Tech affected the role of managers at the firm. For example, HR was heavily involved in choosing and designing a system that would effectively replace a decentralized HR. On the other hand, the line managers are required to shoulder some of the HR responsibilities. As one line manager remarked:

"Now I wear two hats - that of a project manager and that of HR as I am the first physical contact with the employees."

In other words, while HR became more tech-savvy, the tech-savvy line managers became more HR savvy and this has been a win-win situation for all. Finally, it was brought to our attention that this endeavor would not have succeeded without the support of the top management at India-Tech. The top management

communicated to the entire firm the strategic necessity of implementing a system like the one that they have, their support motivated the managers and employees, made funding available for the system, and preempted political issues. Another firm which didn't have these factors in place wouldn't have been able to successfully implement a system of such magnitude and complexity.

We discuss our conceptual model next.

#### 4. The Conceptual Model

Since implementation of e-HRM systems is a new phenomenon, literature in this area is still emerging. We have based our study in available literature, and borrowed heavily from other disciplines like Information

Systems, Organizational Culture and Behavior, Organizational Communication, and of course, Human Resource Management. We conducted a program for HR professionals at our management institute. Twenty one HRM managers from the top Indian organizations attended this program. We used this opportunity to conduct a brainstorming session with HRM managers. The purpose of this session was to gain insights into the dynamics of e-HRM systems implementations. We followed up this group brainstorming session with detailed one-on-one discussions with many managers. Questions used in the brainstorming session are given in Table 1 below, which is followed by key findings, given in Table 2:

**Table 1: e-HRM Systems Implementation - Brainstorming Questions**

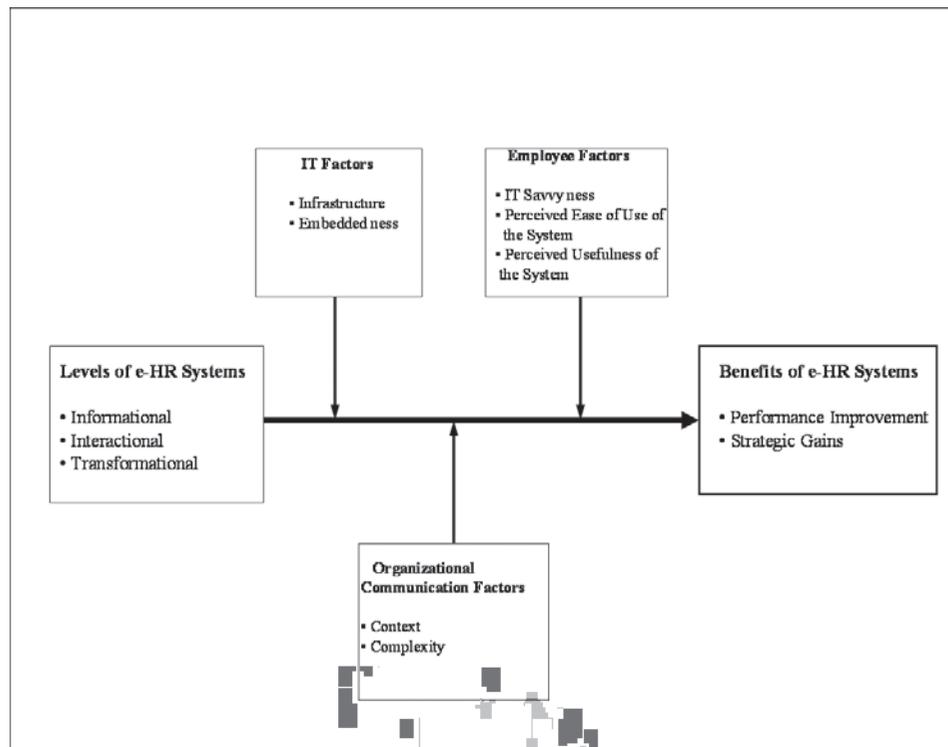
1. What kind of e-HRM systems does your company deploy?
2. How many people/locations are typically covered by your e-HRM system?
3. For what kind of activities do you deploy your e-HRM systems? What kind of applications do you have in your e-HRM suite? Who is the vendor? Is Computer Based Training/Learning a major initiative in your organization?
4. Is this a standalone system or is it integrated with other organizational systems?
5. For how long has your organization deployed an e-HRM system? Or, is your organization still planning on deploying one? What was (or is) the motivation for deploying one?
6. What in your view are the organizational, HR, and employee characteristics under the following three categories that make or mar e-HRM systems success?
7. What are the benefits and disadvantages of implementing e-HRM systems?
8. Which ones of the following three needs is your e-HRM system mainly serving - Operational, Tactical, Strategic?
9. Are employees enthusiastic about using such a system?
10. What employee characteristics - Management Rank, Education, Age, (or other) help or hinder system usage?
11. What are the technical issues (e.g., ease of use, bandwidth, IT support, self-help features, etc.) that help or hinder system usage?
12. Are there any effects (positive or negative) of e-HRM system on employee learning and the quality of communication?

**Table 2: e-HRM Systems Implementation - Brainstorming Session Key Findings**

- 1 "e-HRM system is used for salary slips, leave applications, mediclaim, as an appraisal system, for communicating organizational policies, leave balances, and even for conducting exit interviews. We also use it to conduct online exams for skill verification."
- 2 "e-HRM system is used for routine HR tasks, for sending greeting cards to employees, for making service manuals available to employees and for e-learning."
- 3 "We have a SAP e-HR portal that we are using for e-learning, making useful articles available to employees, for communicating the company's vision and values, for greeting employees on birthdays, for mediclaim, leave, e-recruitment, and for general communication."
- 4 "We are using our e-HRM system for internal job postings- across the globe and in India, as well as for tax deduction and for pay slips."
- 5 "We do not have on-line performance appraisal system - we are using our e-HRM system to mostly collect employee suggestions."
- 6 "Main thrust of the e-HRM system is to act as grievance addressing system."
- 7 "Top leader's support has to be there for the success of e-HRM systems, to be successful, these systems demand utmost transparency, geographic spread of companies will demand an e-HRM system, people have to be computer savvy for these systems to succeed."
- 8 "One major downside of these systems is the huge costs."
- 9 "e-HRM systems are helping us improve our bottom line."
- 10 "e-HRM systems are taking away human interactions are introducing a degree of insincerity in personal records, we haven't seen many improvements through the introduction of e-HRM, traditional HRM function is being replaced by e-HRM, which is not good."
- 11 "Employees have concerns about e-HRM systems and they prefer going to the HRM manager; there are too many applications to fill; employee's age is a factor in the systems acceptance; management of change has to be handled well to ensure success."
- 12 "After working for eight hours on a manufacturing shift, employees are not at all motivated to fill in particulars via an e-system."
- 13 "We have only two computers and employees have difficulty in accessing them; many employees are computer illiterate."
- 14 "Familiarity with technology is not an issue - employees use cell phones all the time and with some training they are able to use an e-HRM system."
- 15 "We are making strategic use of e-HRM systems, for example to carry out climate survey in the firm, for strategic manpower planning, to assess sales patterns, to keep track of attrition as well as for real time interactions with employees as well as to conduct exit interviews."
- 16 "e-HRM systems take away mundane tasks and there is a net upward, positive displacement of the HRM function."
- 17 "e-HRM systems have positive effect on growing our business."
- 18 "Real value of e-HRM systems comes from how the information generated by these systems is used in enhancing the HRM function"
- 19 "After implementation of e-HRM systems, time devoted to HRM is not reduced as the span of HRM is increased; additional time is spent on employee training."
- 20 "With the implementation of e-HRM systems, sense of hierarchy in organizations collapses, e-HRM systems help in decision making, in generating various alternatives, and in getting divergent views."

Based upon our case study, study of literature, and interactions with practitioners, we developed a model for e-HRM Systems Implementation (shown in Figure 1).

**Figure 1: Levels of e-HRM Systems Implementation in Organizations and its Benefits**



**4.1 Levels of e-HRM Systems**

Researchers have mentioned three levels of e-HRM system implementation (Legnick-Hall et al., 2003). The first level, called the "Informational", consists of using the Web technologies to publish HRM related material (e.g. directories, policies, and notices) on a corporate intranet. The second level, called "Interactional", consists of making employee related tasks like leave applications, management of benefits, and performance appraisal interactive via Web technologies. The third level, called the "Transformational", endeavors to overhaul the HRM function itself. At this level most of the routine HRM activities take place via smart suites of applications (like PeopleSoft/Oracle and SAP HRM) which are integrated with the rest of the Enterprise applications. This frees up the HRM managers and staff to devote to HRM development and strategies. For example, HRM managers get involved in facilitating computer based

learning for the employees. More importantly, the role of HRM gets transformed to that of storing, retrieving, and disseminating organizational knowledge (Legnick-Hall et al., 2003; Gueutal and Stone, 2005).

**4.2 Benefits of e-HRM**

Brynjolfsson via his seminal 1993 paper raised the issue of elusive gains from Information Systems (Brynjolfsson, 1993). Since then the Productivity Paradox of Information Systems has been "revisited" (Barua and Lee, 1997). Information Systems (IS) researchers now agree upon and conceptualize organizational gains from IS to occur at three distinct levels. The lowest of these gains automates organizational processes and thus makes them more efficient. Effectiveness gains accrue when organizations not only automate, but also redesign and integrate their business processes. At the highest level, organizations gain competitive advantage by

leveraging IS to create barriers to entry, switching costs, bringing out new products, and capturing new markets (Laudon and Laudon, 2012). In our conceptual model we combine the first two levels of IS-induced gains from e-HRM systems in a variable called "Performance Improvement". The other level of gains in our model is "Strategic Gains".

Higher levels of e-HRM systems implementation invariably enfold the lower levels. It stands to reason that higher the level of e-HRM systems implementation, more will be the benefits. This is so because through e-HRM systems, organizations are able to reduce the paper trail in HRM processes, reduce work-load on HRM employees as many of the tasks are performed by the employees themselves, and organizational competitiveness improves as HRM personnel are freed to devote time to HRM Development. Hence we propose:

**P1: The higher the level of e-HRM systems implementation in an organization, the better will be the performance of its HRM and higher will be the strategic gains.**

e-HRM systems implementation in organizations is likely to entail huge costs. These costs not come from the actual systems costs (software, hardware, networks), but also from the costs of training employees in the use of new systems, top and HRM managers' involvement in strategizing and implementing such systems, and costs of making employees accept a new system. Not all organizations are likely to derive benefits commensurate with the costs of implementing an e-HRM system. Our research findings suggest that many organizational and environmental factors must be present for organizations to derive benefits that will outweigh costs. As shown in Figure 1, we have identified three such contextual factors, which we discuss next.

#### **4.3 Contextual Factor #1: IT Factors**

One IT factor that we have identified as playing a critical role in the success of integration e-HRM systems is the firm's information technology infrastructure required for the creation of e-HRM systems. Presence of sophisticated computers, programs, networks, and the expertise to create good systems has been recognized

as an important factor in creating good information systems (Gunasekaran and Ngai, 2004, Sakaguchi et al, 2004). The other IT factor of interest is IT embeddedness. IT researchers have also applied Uzzi's (1996) concept of social embeddedness to the strategic use of Information Systems (Chatfield and Yetton, 2000). IT embeddedness in these researchers' conceptualization refers to the use of information systems toward realization of strategic goals (Chatfield and Yetton, 2000). Firms that are characterized by high IT embeddedness exploit the power of information systems toward quick dissemination of information and problem solving.

Existence of a well-developed information technology infrastructure (i.e., hardware, software, networks, and human expertise) is crucial for the creating e-HRM systems. The linkage between the quality of IT infrastructure and the success of sophisticated information systems has been established in the IS literature (Brancheau, 1996; Kweku, 1997; Karimi, et al., 1996).

If information systems are already highly embedded in an organization's processes, operations, and internal interactions, the benefits of higher levels of e-HRM systems are likely to be higher. In the case of highly embedded information systems, employees of a firm already engage in a great deal of interaction, exchange of sensitive information, and joint problem solving online (Chatfield and Yetton, 2000). These employees are more likely to understand each other's online communication, data, information, and knowledge exchange and can grasp quickly the context and the significance of the data, information, and knowledge exchange. Also, when information systems are highly embedded in a an organization, then employees can understand almost intuitively how and what it takes to automate various HRM processes in an organization and what type of adjustments are needed in their work methods, processes, and social systems to make the transition to e-HRM systems smooth and successful. On the other hand, if information systems are less embedded in the firm, employees may face a struggle in implementing highly sophisticated e-HRM systems to manage HRM activities.

Thus, when information systems are highly embedded in an organization, more sophisticated e-HRM systems are likely to lead to better and faster exchange of data, information, and knowledge and thus result in higher level of outcomes. In effect, under conditions of high embeddedness, the benefits of higher levels of e-HRM systems are expected to outweigh the costs of the creating such systems. Therefore,

**P2: The more sophisticated the information infrastructure in an organization, the greater the net benefit of high levels of e-HRM systems in the organization.**

**P3: The more embedded the information technology in an organization, the greater the net benefit of high levels of e-HRM systems in the organization.**

#### **4.4 Contextual Factor #2: Employee Factors**

Employee factors seem to have a marked effect on the success of e-HRM systems in organizations (Dessler, 2003). Many factors - education level of employees, their familiarity with information systems, and the nature of the industry - seem to play a pivotal role in the employee's readiness to use e-HRM systems. Some of the participants in our brainstorming session were from the IT industry. Employees in such firms readily took to the transition to e-HRM systems and were comfortable with making their information available on a corporate intranet as well as with receiving on-line feedback and support from the HRM personnel. One IT firm is even conducting part of its exit interviews on-line. Quite a few of the participants from the IT firms mentioned that because their employees are tech savvy, they have no problems with HRM being transitioned online.

The remaining two variables under the 'Employee Factor' category come from the Technology Acceptance Model (TAM) (Davis, 1989). According to this model, if users of an information system do not perceive it to be easy to use or useful, then they are not likely to use the system. TAM is a well-established model in IS research that looks at information systems from a user's perspective (Davis, 1989; Davis et al., 1989, Brown et al., 2002). If e-HRM systems are not perceived to be

easy to use by the employees of an organization, then they are not likely to adopt them fully. Likewise if these systems are not perceived to be useful by a firm's employees, they are not likely to use them. Thus perceptions of the employees about e-HRM systems implemented by an organization are likely to be an important factor in determining if the benefits of higher levels of e-HRM systems are expected to outweigh the costs of creating such systems. Therefore,

**P4: Higher the IT savviness of a firm's employees, the greater the net benefit of high levels of e-HRM systems in the organization.**

**P5: Higher the perceived usefulness of e-HRM systems in the minds of the employees, the greater the net benefit of high levels of e-HRM systems in the organization.**

**P6: Higher the perceived ease of use of e-HRM systems in the minds of the employees, the greater the net benefit of high levels of e-HRM systems in the organization.**

#### **4.5 Contextual Factor #3: Organizational Communication Factors**

Another important factor that seems to moderate the success of e-HRM systems relate to communication patterns in an organization. Effective communication has consistently been mentioned as one prime requirement of organizational effectiveness (Penrose et al., 2005; Punnet, 2004). This is so because effective communication is essential for people who work together to achieve individual or collective goals (Penrose et al., 2005). Communication, which is the transfer of meaning between persons and groups, ranges in value from completing organization tasks and missions to creating and maintaining satisfying human relationships. Effective communication, on its part, consists of knowing the degree of communication or context that must be supplied to the employees. In another way, everything that the management does is a form of communication to the employees. Some organizations send strong, consistent messages that are easily grasped and understood by employees (Hall and Hall, 1990). Furthermore, organizational messages are imbedded in

the context of the communication and the choice of the channel could be disastrous as a message released due to wrong choice could lead to negative or frustrated response. Additionally, almost all communication can be placed along the fast/slow continuum. For example, a person in essence is a slow message because it takes time to get to know a person well. On the other hand, electronic means of communication are much faster. Many organizations seem to be unaware of the fact that speed of communication determines the effectiveness of communication.

Context of communication is related to how much information is enough for the exchange of messages. A high context communication is one in which most of the information is already embedded in the person where very little information is in the coded, explicit, transmitted part of the message. A low context communication is just the opposite, i.e., the mass of the message is invested in the explicit code (Hall and Hall, 1990; Hoeklin, 1994). Organizations too have a high or low context of communication in their culture. Depending on the nature of the context, e-HRM is likely to be less or more effective. Context may perform multiple functions as shifts in this parameter may either signal a warming of the relationship with the employees or may signal its opposite. Therefore,

**P7: The more high-context the organizational culture, the more difficult the interface between e-HRM and employees is likely to be, thus leading to lower net benefit of high levels of e-HRM systems in the organization.**

**P8: The greater the complexity of the communication elements, the less effective the e-HRM in the organizations is likely to be, leading to lower net benefit of high levels of e-HRM systems in the organization.**

## 5. Conclusion

In this paper, we started with studying an interesting phenomenon - e-HRM system adoption - that is fast gaining popularity. We have argued that conceptually e-HRM systems exist at three distinct levels of granularity. Furthermore, we have argued that implementation of these systems can offer organizations

two distinct levels of benefits, viz., performance improvement and strategic advantage. We have delineated three contextual factors that moderate the relationship between the levels of e-HRM systems implementation and their benefits. These relationships are used to build some propositions that articulate the effect of the moderating factors on the focal relationship. Thus, we have laid the foundation for a theoretical investigation of a contemporary and under-researched phenomenon. Our framework will guide our future research, at the end of which we expect empirical studies to emerge. For practitioners, our framework is expected to provide guidelines and pointers about the success of e-HRM systems implementation. Practitioners will be able to learn from the case studies and brainstorming session findings that we have discussed this research. The main lesson for practitioner here is that they need to carefully evaluate the cost and benefits of e-HRM systems before they commit their organizations to any large e-HRM implementation. In the absence of any such rigorous investigation, where managers evaluate the three contextual factors that we have discussed, they may find themselves in a situation where the promised benefits of e-HRM systems are not realized.

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### Wealth? Or Poverty...?

Socrates: There seems to be two causes of the deterioration of the arts.

Adeimantus: what are they?

Socrates: Wealth, I said, and poverty.

Adeimantus: How do they act?

Socrates: The process is as follows: When a potter becomes rich, will he, think you, any longer take the same pains with his art?

Adeimantus: Certainly not.

Socrates: He will grow more and more indolent and careless?

Adeimantus: Very true.

Socrates: And the result will be that he becomes a worse potter?

Adeimantus: Yes; he greatly deteriorates.

Socrates: But, on the other hand, if he has no money, and cannot provide with tools or instruments, he will not do equally well with himself, nor will he teach his sons or apprentices to work equally well.

Adeimantus: Certainly not.

Socrates: Then, under the influence, either of poverty or of wealth, workmen and their work are equally liable to degenerate?

Adeimantus: This is evident.

Socrates: Here, then, is a discovery of new evils, I said, against which the guardians will have to watch, or they will creep into the city unobserved.

Adeimantus: What evils?

Socrates: Wealth, I said, and poverty; the one is the parent of luxury and indolence and the other of meanness and viciousness, and both of discontent.

- Plato, *The Republic*, Book 4, page: 114.