Research Paper | Management

How E – Hrm Reduce the Cost in Organization

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ABSTRACT

E- HRM is using of information technology for both networking and supporting at least two individual or more than two in their shared performing of HR activities and practices. E – HRM is a fully integrated organization , wide electronic network of HR related data , information , service , database tools , application and transferring that are generally accessible at any time by the employees , managers and HR professionals .E –HRM technology is a way of aligning and coping up with organization HR strategies , policies and practices . This paper mainly concentrates on how E-HRM will be useful in reducing the cost in the organization. The goal of E-HRM is mainly to improve human resource administrative efficiency and to achieve cost reduction.

KEYWORDS : E – HRM, cost effective, Human Resource, Information technology

INTRODUCTION:

The concept of Electronic Human Resource Management known as e-HRM meaning "the adoption of technology in delivering Human Resource [HR] Practices due to the digital revolution in the world is such a tool that organizations can employ to manipulate the performance and behaviour of the people on whom they rely on to achieve business success". E HRM   is the application of IT for human resource practices which enables easy interactions within employees and employers. It stores information regarding payroll, employee personal data, performance management, training, recruitment and strategic orientation. It decreases the paperwork considerably and allows easy access to large volume of data. There are three types of E- HRM. These are described respectively as operational, relational and transformational. Operational E-HRM is concerned with administrative function – payroll and employee personal data .Relational E-HRM is concerned with supporting business processes by mass of training , recruitment , performance management and so forth. Transformational E HRM is concerned with strategic human resource activities such as knowledge, management, and strategic re – orientation.

The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department from all these tasks, allowing the most HR staff less on operational lower the HR department staffing levels.

OBJECTIVES:
1)   To identified how the E-HRM will reduce the cost of an organization
2)   To know the advantages of E –HRM

METHODOLOGY OF THE STUDY:

The present study is a descriptive: the data of this study were obtained from the Secondary sources. The secondary data has been collected from the various references which are already existed in published form.

HOW THE E-HRM WILL REDUCE THE COST OF AN ORGANISATION:

1. Applicant Tracking

In the current economic climate there are typically many applicants for each job advertised. It is important to be able to cross-reference applicants from one competition to another, and to be able to track each applicant through the selection process. Frequently applicants passed over from one competition may be a good match for another. If this matching can be done effectively and efficiently it is possible to save significantly on recruiting costs (e.g., advertising and administration).

2. e- Employee Profile:

The E-Employee Profile web application provides a central point of access to the employee contact information and provides a comprehensive employee database solution, simplifying HR management and team building by providing an employee skills, organization chart and even pictures. E-Employee profile maintenance lies with the individual employee, the manager and the database manager. E-Employee profile comprise of the following: Certification, Membership, Education, Past Work Experience, Assignment Skills, Competency, Employee Assignment Rules, Employee Availability, Employee Exception Hours, Employee Utilization, Employee tools, Job information, Sensitive job Information, Service Details, Calendar, Calendar Administration, Employee Locator easy and to make decisions with less cost and speedy time.

3. e-Recruitment:

Organizations first started using computers as a recruiting tool by advertising jobs on a bulletin board service from which prospective applicants would be contacted by the employers. Some companies began to take e-applications. Today the internet has become a primary means for employers to search for candidates and for applicants who look for a job. As many web based job portals are there were the employers will post their vacancy position in the job search web portals to stimulate the applicants to apply for that particular job and this websites help in review resumes of various types. This helps to screen applicants in online only which helps to reduce the cost.

4. e-Selection:

Most employers will recruit their employees from the online job search engines (website like Naukari, Monster) etc and new selection process are keeping tests online by testing their level of knowledge, behavior, attitude all those the employer will recruit it properly by conducting all the test online by using strong IT which helps to reduce the cost.

5. e-Learning:

E-Learning refers to any programmed of learning, training or education where electronic devices, applications and processes are used for knowledge creation, management and transfer e-Learning is a term covering a wide set of applications and processes, such as web-based learning, computer-based learning, virtual class room, and digital collaboration. It includes the delivery of content via Internet, satellite broadcast, interactive TV, CD – Rom, and provide more Training programs which helps to save time and money.

6. Classical and Virtual Learning:

This classical learning model especially from non- reversible flow of information at the beginning for students it offered information, knowledge, and educational materials mostly in the representation of

educational lecture notes for lessons. For the most part the feedback is weak, inconsistent, or even missing. Virtual education environment by its communications links collects the feedback of participants, simplifies teaching and simplifies teamwork of students with pedagogue. The virtual learning system enables horizontal and vertical communication. For required information, participant can often gets much more information than in classical model of education as here the other participant also share which is not a real happening in the classical model so it is cost effective .

7. e-Training:
Most companies start to think of online learning primarily as a more efficient way to distribute training inside the organization, making it available "any time"," anywhere" reducing direct costs (instructors, printed materials, training facilities), and indirect costs (travel time, lodging and travel expenses, workforce downtimes).

8. e-Performance Management system:
A web-based appraisal system can be defined as the system which uses the web (intranet and internet) to effectively evaluate the skills, knowledge and the performance of the employees.

9. e-Compensation:
All companies whether small or large must engage in compensation planning. Compensation planning is the process of ensuring that managers allocate salary increases equitably across the organization while staying within budget guidelines. As organizations have started expanding their boundaries, usage of intranet and internet has become vital. The usage of intranet and internet for compensation planning is called E-Compensation Management which reduces the money.

10. Anywhere, Anytime Access:
As a web-based HR service system, HRIS offers you the flexibility of accessing the program 24/7, from anywhere with internet connection and IT. Which enables to reduce the operational cost?

11. Grievance Tracking and Analysis:
In unionized settings there is the obligation on both parties to process grievances according to steps and timing stipulated in the contract. Effective automated grievance management system information can save money, avoid unnecessary ill-will, and avoid the prospect of losing grievances or arbitrations for technical reasons.

12. Eliminate Majority of HR Paperwork:
With the growing awareness for environmental sustainability, many companies are looking for ways to "go green." Implementing a HRIS will help reduce almost all of the paperwork associated with HR tasks we can save money and time.

13. e-Leave:
It helps to reduce the cost by defining the work force in advance and to review the past data records of the employee leave etc.

ESSENTIAL SKILL OF HUMAN RESOURCE MANAGEMENT:

ADVANTAGES OF E-HRM:
- It helps to improve client orientation & service.
- It helps to improve HR's strategic orientation and administration.
- E-HRM reduces administrative work.
- It helps HR dept. to get a clean profile of the employees.
- Employees are experiencing more HRM skills with the help of e-HRM.
- Employees get updated news of the org. dynamics.
- Employees take part in online discussion.
- Employees are self initiators of their own career mgt. direction.
- Employee & time managers self manage employee mgt.
- HR managers will become more efficient in their working.
- Internet recruiting is a faster communication.
- E-HRM saves time or it is time efficient.
- The Employees concentrate on the work efficiently
- Strategic aspects of the job as e-HRM relieve them with their routine work.
- Adaptability to client increases after applying e-HRM.
- There is security of data in e-HRM.
- E-HRM supports multi-language.
- E-HRM is a more dynamic workflow in the business process, productivity.
- Security of data, protected levels of access to individual modules, records documents and their component parts.
- Access to archived records and documents
- User-friendly interface
- Connectivity with the client's existing information system (payroll accounting, ERP, attendance registration, document systems… gradual implementation.
- Adaptability to any client.
- Collection of information as the basis for strategic decision-making
- Integral support for the management of human resources and all other basic and support processes within the company.
- Prompt insight into reporting and analysis.
- A more dynamic workflow in the business process, productivity and employee satisfaction.
- A decisive step towards a paperless office.
- E-HRM reduce administrative staff and lower business costs.

CONCLUSION:
The E-HRM installation and adaptation process, if handled in a correct perspective , can lead to the growth and efficiency of the organization in the long run . The technology based HR function provides real time metrics to the managers, which help then to track and spot trends effectives and thus leads to an effective management of the workforce. According to Lepak and snell (1998) these are described respectively as operational , relational and transformational it is concluded that E – HRM helps the organization to reduce administrative work and also helpful for cost reduction programme it helps HR department to get a profile of the employees and current news of the organization. E- HRM (Electronic Human Resource Management) is advance business solution which provides a complete on-line support in the management of all processes, activities, data and information required to manage human resources in a modern company. It is an efficient, reliable, and easy – to use tool, accessible to a broad group of different users. e- HRM is a way of implementing HR strategies, policies, and practices in organizations through a conscious and directed support of and/or with the full use of web-technology-based channels. It covers all aspects of human resource management like personnel administration, education and training, career development, corporate organization, job descriptions, hiring process, employee's personal pages, and annual interviews with employees. Therefore e-HRM is way of doing HRM in cost effective manner.

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