

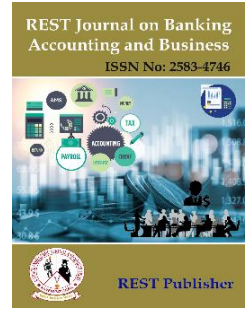


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Prospects and Problems of Electronic Human Resource Management in Banking Sector -An Evidence from Kerala

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Abstract: *Purpose: The purpose of this paper is to discuss the prospects and problems of electronic human resources management practices in banking sector of Kerala, in addition to these four dimensions of "Electronic Human Resource Management" are identified in the study. Design/Methodology/Approach: This paper presents the perspectives of managers in selected private and public banks in Kerala. Study participants included State Bank of India, Canara Bank, ICICI Bank, and HDFC Bank. Geographical scope of study is limited to Malappuram District of Kerala. Findings: This study identifies the areas of electronic human resources management in banking sector of Kerala along with Public and private banks are compared in terms of their practices, prospects, and problems with "Electronic HRM". Results of the study indicates that both public and private sector banks implement E-HRM, but private banks face more implementation problems than public sector banks. Conclusion: E-HRM is implemented by both public and private banks, but private banks have more problems when implementing it. Banks in the public and private sectors don't rely on traditional HR processes to manage performance, employee self-service and compensation. Among them, "Electronic Human Resource Management" was implemented with 100% accuracy, followed by others with 90% accuracy.*

Key words: *Electronic Human Resource Management, Online recruitment, Banking sector, Prospects Of E-HRM, Problems of E-HRM, E-recruitment, E-compensation, E-performance appraisal*

1. INTRODUCTION

“Electronic Human Resource Management” (e-HRM) in the banking industry has the potential to streamline HR processes, improve efficiency, and enhance employee experiences. However, it also comes with its own set of Problems. “Electronic Human Resource Management” was made possible by the dramatic expansion of information and communication technology, which had a major impact on HRM practices and procedures. It is an HRM solution that makes it easier for HR specialists and stakeholders (applicants, employees, and managers) to provide better service by allowing employees to self-serve, share data, and perform duties related to management. (Chansoriya & Shukla, 2019). “Electronic Human Resource Management” expedite the routine processes like record keeping, gathering and keeping pertinent information about the human resources with a significant reduction in cost and time. Further, the system manages data bundles from various places fairly and rapidly (Roy & Jegan, 2019). There are several options available in the modern HR industry to tackle time-sensitive situations. Changes in the world are now possible thanks to human advancement and civilisation. Technologies are always evolving, and as a result, people are becoming wiser and smarter (Rubel, 2020). As a result, it is particularly important to examine the significance of "Electronic Human Resource Management" in successfully addressing these difficulties.

Prospects and Problems of Electronic Human Resource Management in the Banking Industry

“Electronic Human Resource Management” systems can automate various HR processes, such as recruitment, on boarding, performance management, and payroll, leading to increased efficiency and reduced administrative burden for HR personnel. By automating processes and reducing paperwork, “Electronic Human Resource Management” can help banks save on operational costs associated with HR management (Lv et al., 2021). This systems also allow for better data management and analytics, enabling banks to make data-driven decisions related to workforce planning, talent development, and performance analysis. Along with this “Electronic Human

Resource Management” empowers employees with self-service features, such as accessing pay stubs, updating personal information, and requesting time off, leading to increased employee satisfaction and engagement (Kariznoee et al., 2012). In the era of technology digital HR systems can help ensure better compliance with industry regulations and data security standards, safeguarding sensitive employee information. This technology driven HRM improve the recruitment process, attract top talent, and retain employees through effective performance management and career development initiatives.

Problems

Storing sensitive employee data electronically can be a significant security risk, as banks are a prime target for cyber attacks. Adequate measures must be taken to safeguard data and prevent unauthorized access. In reality employees and HR personnel might be resistant to adopting new technology, leading to Problems in implementation and user acceptance (Hossain & Islam, n.d.). The major reason for this resistance is training and Skill Gaps among Employees and HR staff . They may require training to effectively use “Electronic Human Resource Management” systems, and some may struggle to adapt to the digital tools (Rathee & Bhuntel, 2021). The banking industry is heavily regulated, and ensuring that “Electronic Human Resource Management” systems comply with industry-specific regulations can be challenging. Banking HR processes may have unique requirements, and finding an “Electronic Human Resource Management” system that can be customized to meet these specific needs may be difficult. All employees may not have equal access to technology or be comfortable using digital platforms, potentially creating a digital divide among the workforce (Kariznoee et al., 2012). Despite the Problems, the prospects of “Electronic Human Resource Management” in the banking industry are promising, and with careful planning, strong data security measures, and effective change management strategies, banks can leverage “Electronic Human Resource Management” to streamline their HR processes and drive greater organizational success.

1.2 Rationale of the Study

Digitalization in the banking industry is happening to a large extent. Upgrades are consequently being seen in the human resource management field. Implementing “Electronic Human Resource Management” has advantages for both bank management and employees, but there are also difficulties. Consequently, it is extremely pertinent to investigate the effects of system deployment and adoption in the banking service industry. Therefore, this study targets to pinpoint the drawbacks and advantages of “Electronic Human Resource Management” in Kerala's banking industry. The present study's focus is limited to an analysis of “Electronic Human Resource Management” (E-HRM) from the perspectives of managers at a few private and public banking institutions in Kerala's Malappuram district. State Bank of India and Canara bank were selected from the public sector for the study, and ICICI and HDFC were selected from the private sector. It identifies the areas of electronic human resources management in the Kerala banking sector. It was also done to compare the “Electronic Human Resource Management” procedures used by banks in the public and private sectors. The researcher has made an effort to close the gap in this situation.

1.3 Objectives

- To analyze usage of “Electronic Human Resource Management” practices to different HR functions of banking sector in Malappuram district of Kerala.
- To identify perceived importance of “Electronic Human Resource Management” practices followed by the banking sector in Malappuram district of Kerala.
- To identify the Problems connected with execution of E-HRM

1.4 Research Design

A cross-sectional descriptive research based on an administrative community of banks was conducted. The study was conducted in the Malappuram district of Kerala, The sample consisted managers in banks selected from the public and private sectors in Malappuram District of Kerala where “Electronic Human Resource Management” is implemented. Simple random sampling was used in the present study for selecting the banks and respondents will be taken from selected banks. Researcher sampled 50 managers from the Malappuram district of Kerala from public and private banks. Using a systematic interviewer-administered questionnaire that had been pre-tested, information was gathered from participants who were qualified and willing. Information about professional and demographic nature of respondents were collected in initial part. The second part of the questionnaire assesses the use of “Electronic Human Resource Management” practices and the perceived importance of “Electronic Human Resource Management” practices in private and public banks. The responses were assessed using a five point scale . The content was analyzed by experts for validity and necessary changes done before the questionnaire was administered to the public. Collected data is analysed with the help of SPSS Software version 25.0

Objective 1 : To analyze usage of “Electronic Human Resource Management” practices to different HR functions of banking sector in Malappuram district of Kerala

TABLE 1. “Electronic Human Resource Management” practices

Areas of HRM	E-HRM Implemented		E-HRM not Implemented		Total
	F	%	f	%	
Recruitment Through Online	94	94 %	6	6 %	100
Reporting vacancies	98	98 %	2	2 %	100
Receiving Online Application	99	99 %	1	1 %	100
Selection through online	93	93 %	7	7 %	100
Collecting employee details	98	98 %	2	2 %	100
Virtual learning	99	99 %	1	1 %	100
E attendance ,payroll	98	98 %	2	2 %	100
E compensation management	100	100 %	-	-	100
E grievance tracking and handling	99	99 %	1	1 %	100
Application for transfer	97	97 %	3	3 %	100
Employees self-service system	100	100 %	-	-	100
Performance application	97	97 %	3	3 %	100

Source: Sample Data

“Electronic Human Resource Management” implemented in various areas of HRM like Recruitment through Online, Reporting vacancies, Receiving Online Application, Selection through online, Collecting employee details, Virtual learning, E attendance, payroll, E compensation management, E grievance tracking and handling, Application for transfer, Employees self-service system, Performance application. 100% of the respondents says that “Electronic Human Resource Management” fully implemented in compensation management and employees self-service system. It is followed by receiving online application and virtual learning and online training with 99%. In the area of Selection and recruitment through online “Electronic Human Resource Management” is least implemented ones while comparing other functions, It possess 93%. Final conclusion is that “Electronic Human Resource Management” is implemented in most of the functions of Human resource management.

Objective 2 : To identify perceived importance of “Electronic Human Resource Management” practices followed by the banking sector in Malappuram district of Kerala.

TABLE 2. Significance of ‘Electronic Human Resource Management’

Importance of E-HRM	Agree		Disagree		Total
	F	%	F	%	
Performance of routine task	35	87.5	5	12.5	100
HR Functions to be more strategic	39	97.5	1	2.5	100
Level of services	39	97.5	1	2.5	100
Outsourcing of HR activities	36	90	4	10	100
Management of Human resources	39	97.5	1	2.5	100
Transactions to occur fewer fixed responses	29	72.5	11	27.5	100
Accurate information, eliminating bias & reducing prejudices	40	100	0	0	100
Efficiency of HR activities	38	95	2	5	100
HR service delivery	32	80	8	20	100
Reduction of administrative burden & simplifies HR practices	38	95	2	5	100
Improvement of employee productivity	17	42.5	23	57.5	100
Impersonal trust	39	97.5	1	2.5	100
Employee’s job security	25	62.5	15	37.5	100
Timeliness, Data storage and dealing with voluminous data	39	97.5	1	2.5	100

Source: Sample Data

From the above table it is clear that 100 percent of respondents agree with the statement that the use of “Electronic Human Resource Management” helps to provide accurate information, eliminating bias and reducing prejudices. 97.5 percent of respondents agree that the usage of “Electronic Human Resource Management” helps the Human Resource functions to highly strategic. This helps to improve the level of services, it helps to manage the Human resources, the use of technology enables employees to trust organizational procedures and systems and the use of “Electronic Human Resource Management” is to overcome the hurdles of timeliness, storage of data and to deal voluminous data. 95 percent of respondents agree with the statement Efficiency of HR activities. Least of the respondents (42.5) agree that improvement of employee productivity as the importance of E-HRM.

➤ **OBJECTIVE 3:** To identify the Problems associated with the implementation of E-HRM

TABLE 3. Problems faced while implementing E-HRM

Problems	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	<i>f</i>	%	<i>F</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Technological Issues	6	15%	16	40%	14	35%	4	10%	0	0%
Lack of Financial Resources	6	15%	4	20%	10	25%	18	45%	8	20%
Lack of Skills	5	12.5%	19	47.5%	12	30%	4	10%	0	0%
Resistance to Change	6	15%	16	40%	14	35%	4	10%	0	0%
Risk of losing data	4	10%	3	7.5%	15	37.5%	17	42.5%	1	2.5%
Resistance from trade union	3	7.5%	3	7.5%	13	32.5%	21	52.5%	0	0%
Cost of implementing training and development	7	17.5%	9	22.5%	12	30%	12	30%	0	0%
Face to face interaction	19	47.5%	16	40%	4	10%	1	2.5%	0	0%
Personal support	17	42.5%	13	32.5%	6	15%	4	10%	0	0%

In case of technological issues, majority of the respondents (40 percent) agree that the technological issues is a challenge while implementing E-HRM. 35 Percent of the respondents are from the category of neutral. 15 percent of respondents are strongly agree that it is a challenge while implementing E-HRM. Only 10 percent of respondents disagree with this Problems and no respondents opted strongly disagree. In the event of lack of financial resources, Majority of the respondents (45 percent) disagree that the insufficient financial resources is a problem faced while implementing E-HRM. 25 Percent of the respondents are from the category of neutral. 15 percent of respondents strongly agree that it is a challenge while implementing “Electronic Human Resource Management” and 20 percent of respondents agree and another 20 percent of respondents strongly disagree with this challenge. Majority of the respondents (47.5 percent) agree that the lack of skills is a problem faced while implementing Electronic Human Resource Management. 30 Percent of the respondents are from the category of neutral. 12.5 percent of respondents are strongly agreed that it is a challenge while implementing E-HRM. Only 10 percent of respondents disagree with this Problems and no respondents opted strongly disagree Subject to resistance to change, Majority of the respondents (40 percent) agree that the resistance to change is a challenge while implementing E-HRM. 35 Percent of the respondents are from the category of neutral. 15 percent of respondents strongly agree that it is a challenge while implementing E-HRM. Only 10 percent of respondents disagree with this Problems and no respondents opted strongly disagree In case of risk of losing data, Majority of the respondents (42.5 percent) disagree that the risk of losing data is a challenge while implementing E-HRM. 37.5 Percent of the respondents are from the category of neutral. 10 percent of respondents strongly agree. Only 7.5 percent of respondents agree with these Problems and 2.5 percent of respondents opted strongly disagree. Majority of the respondents (52.5 percent) disagree that trade unions resistance is a challenge while implementing Electronic Human Resource Management. 32.5 Percent of the respondents are from the category of neutral. 7.5 percent of respondents agree and also strongly agree that it is a challenge while implementing E-HRM. And none of respondents opted strongly disagree. Subject to the cost of implementing, Training and development, Majority of the respondents (30 percent) disagree that the cost of implementing, Training and development is a challenge while implementing E-HRM. 30 Percent of the respondents are from the category of neutral. 17.5 percent of respondents strongly agree. 22.5 percent of respondents agree with this Problems and none of respondents opted

strongly disagree. In the event of face to face interaction, Majority of the respondents (47.5percent) strongly agree that face to face interaction is a challenge while implementing E-HRM.10 Percent of the respondents are from the category of neutral.40 percent of respondents agree. only 2.5 percent of respondents dis agree with this Problems and none of respondents opted strongly disagree. In case of personal support, it is clear that majority of the respondents (42.5percent) strongly agree that the personal support is a challenge while implementing E-HRM.15 Percent of the respondents are from the category of neutral.32.5 percent of respondents agree that it is a challenge while implementing E-HRM.10 percent of respondents dis agree with this Problems and none of respondents opted strongly disagree.

Testing of Hypothesis 1: The study tries to make a comparison between public sector and private sector towards the Problems faced while implementing E-HRM

The Hypothesis is given below:

H0: There is no significant difference between public and private sector banks towards the problems faced during the implementation of E-HRM

H1: There is significant difference between public and private sector banks towards the problems faced during the implementation of E-HRM

TABLE 3. Independent Sample t- Test

Problems of E-HRM	Banks	N	Mean	SD	t value	P value	Remarks
	Public banks	20	3.2167	0.60049	-1.096	0.282	Hypothesis rejected at 5% level of significance
	Private banks	20	3.3833	0.31935			

This table shows the results of independent sample t-test, here null hypothesis is accepted at 5% level of significance and research hypothesis is rejected. Here P value is (0.282) it is greater than 0.05, so the research hypothesis is rejected. That is there is no significant difference between public sectors banks and private sector banks towards the Problems faced while implementing E-HRM. The mean values of both public banks and private banks are 3.2167 and 3.3833 respectively.

2. CONCLUSION

Based on the above results, researcher can conclude that banks have several Electronic Human Resource Management practices which applied in almost all banks in handling their human resources efficiently & effectively. Compared to public sector banks, private sector banks have a relatively higher level of implementation. The banks use “Electronic Human Resource Management” tools like electronic recruitment, electronic -selection, electronic -training and other tools for carrying out their HR activities. In some cases, employees were also informed that e-HRM required them to maintain data both online and manually. Through this study researcher identified some of the major benefits of “Electronic Human Resource Management” in banking sector, it includes lack of training, difficulty in accessing, problem of security, problems with updating leave, forgot ID and password, Time out of sessions, etc. “Electronic Human Resource Management” offers some benefits to banking institutions it includes transparency, paperless, speedy and easy sharing of information, time and cost effective, quality and objectivity improvement, simplifies HR practices, inaccessibility, privacy and security of employees, user-friendly, etc. In this way, employees will be able to do their work more easily and there will be less repetition of work. The administrative burden will finally be reduced.

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