



E-HRM IN THE PUBLIC, PRIVATE AND CO-OPERATIVE BANKS IN KERALA - AN EMPIRICAL STUDY WITH REFERENCE TO MALAPPURAM DISTRICT

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Abstract

E-HRM refers to a system which allows management and employees to access human resource related information and service through an organisation's intranet or web portal. The face of Traditional HRM (T-HRM) has been changed and the way of doing HRM has undergone a drastic change from recruitment, selection and the like to the handling of grievances or be it the welfare measures being taken by the institution. Banking is one of the sectors which have fruitfully adopted EHRM technologies to handle their human related tasks. This paper tries to find out the level of adoption of E-HRM banks in the Banking Sector by Public, Private and Co-operative sector with respect to their HR functions. Also attempts to assess the level of satisfaction of employee towards E-HRM.

Key Words: *E-HRM, T-HRM, Banking Sector, Employee Satisfaction Level, Adoption Level.*

Introduction

Information Technology is affecting communication between organisation and individuals from many years now. HRM is being more effective through the use of e-HRM technologies like any other developments in the present technical scenario.

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Banking is one of the sectors which have fruitfully adopted EHRM technologies to handle their human related tasks. Almost all the banks in Public and Private sector are making use of EHRM while Co-operative sector banks are yet to adopt the electronic mode in all the HR functions.

Review of Literature

The important Literature available in the field is briefly given below.

Bondarouk and Ruel (2009) tried to examine the linkages of E-HRM applications and perceived effectiveness of E-HRM in a public sector organisation from the perspective of multi-stakeholders being a qualitative study. It was found out that there were differences in the use of E-HRM between line managers and employees and the appreciation of E-HRM applications is associated with HRM effectiveness.

Er.Ajith Kumar Palit found out that bonafide satisfaction of employees needs and increased organisational effectiveness is benefitted to organisational effectiveness by adopting latest technology in HR. MIS plays a vital role and caters to the needs of developing system, changing and growing system. The present study tried to investigate the role of MIS in supporting the organisations in offering EHRM activities in the competitive environment.

Pratheepan and Arulrajah (2012) in order to explore the EHRM practices and to assess its usage and effectiveness, an exploratory study was conducted among selected private sector banks in Sri Lanka. It was found that the 60% of the banks had E-HRM practices, there was moderate level of EHRM usage and as far as



effectiveness is concerned it rated at a higher level. Commercial Bank of Ceylon ranked high in all the criteria learning behind the other three banks considered for the study.

Shane (2009) conducted a study within large South African financial institution. An instrument was developed and validated to measure the E-HRM effectiveness of E-HRM tools and to investigate, analyse and evaluate attitudes towards E-HRM tools. 104 HR professionals and line managers were taken for the survey and they filled the attitudinal questionnaire. The results revealed that the users of E-HRM tools had positive attitudes towards E-HRM tools when compared to the non-users. The conceptual conclusions stated E-HRM is a facilitative tool for improving communication between stakeholders including HR professionals, line managers and employees and potential employees. The users of EHRM have positive attitudes than the users of manual processes toward EHRM tools. Depending on the HR processes used, there were differences in overall attitude towards E-HRM tools.

Woerd (2009) in order to evaluate the readiness for E-HRM conducted a study in Kuwait. Based on different models, interviews were conducted among HR managers from six leading companies. It was found out that personnel management was still given importance in Kuwait. Though HRM readiness is good yet it has to be developed in terms of strategic planning, psychological contract, learning, leadership etc.. Also E-HRM is only used as database in companies without exploring its endless opportunities.

Wyatt (2002) in a survey of HR technology issues found out that web technology was the widely used method for delivering HR related services to employees and managers, and also improves communication, knowledge sharing and HR delivery system.

Statement of the Problem

Electronic HRM has become the mode of operating HRM in Banks like any other sector in present scenario. Some are yet to utilise the electronic form to the fullest, hence, it is relevant to study the level of adoption of E-HRM in various types of Banks and the relative level of satisfaction towards the use of E-HRM.

Objectives of the Paper

The main objective of the paper is to conduct a comparative investigation on EHRM practices followed by selected Public Sector Bank (SBI), Private Sector Bank (Federal bank) and Co-operative Sector Bank (MDC) in Malappuram District in Kerala.

The specific objectives are-

- (i) To assess the level of adoption of E-HRM in various types of Banks
- (ii) To analyse the level of satisfaction towards E-HRM from the perspective of employees of the banks.

Hypotheses Formulated and Tested

H1: There is no significant difference among the banks with respect to the level of adoption of HR practices.

H2: There is no significant difference among profile of respondents on level of satisfaction towards EHRM.

Research Methodology and Data Base: The study is descriptive and analytical in nature.

Sampling and Sample Size

The sample respondents were chosen from branches of public sector banks – SBI, private sector banks – Federal Bank and co-operative sector bank – Malappuram District Co-operative Bank. 30 employees from each bank have chosen. Simple random sampling technique was applied for selection of sample.

Sources of Data: Primary data were collected from employees working in public, private and co-operative sector banks in Malappuram District. Secondary data were collected from published sources and websites.

Tools for Data Collection: A well-structured questionnaire was developed and administered to employees of Public, Private and Co-operative banks in Malappuram.

Tools for Analysis: Statistical tools like Chi-square, independent sample t-test, one way ANOVA etc. are employed for the analysis of the data.

Variables for Analysis

1. Ease of use.
2. Ease of Access.
3. Empowerment.
4. Transparency.
5. Decision Support System.
6. Internal Communication.

These variables are discussed below.

Results and Discussion: The results and analysis based on the variables and primary data collected are presented below.

Table 1: Profile of the Respondents

Criteria	Frequency	Percent
Designation		
Top Level	13	14
Middle Level	40	45
Lower Level	37	41
Total	90	100.0
Gender		
Male	59	66
Female	31	34
Total	90	100.0
Age		
21-30	41	46
31-40	9	10
41-50	24	27
51-60	16	17
Total	90	100.0

Source: Primary Data

The Demographic profile of the respondents show that 45% of them belong to Middle class, 41% to Lower class and 14% to Upper class based on their designation. Out of the respondents 66% are male and 34% are female. As far as age is concerned majority of the respondents fall the age group between 21-30 (46%) followed by age group 41-50 (27%) and then 51-60 (17%) and the least number of respondents in the group 31-40 (10%).

Table 2: Mode of HRM Used In Various Banks

Type of Bank	Mode of HRM			Total
	Traditional HRM	Electronic HRM	Combination of T-HRM and E-HRM	
Public Sector Bank	0	27	0	27
Private Sector Bank	0	30	0	30
Co-operative Sector Bank	0	0	33	33
Total	0	57	33	90

Source: Primary Data

It is clear from the table that E-HRM is the mode of HRM being used by both public and private sector banks. Co-operative sector banks are yet to utilize E-HRM fully and they are still using traditional and E-HRM.

Ho1: There is no significant difference among banks with respect to level of adoption of HR practices.

Table 3: Level of Adoption of E-HRM in HR Functions (Results of ANOVA)

Functions	Banks						F value	Sig.
	Public Sector Bank		Private Sector Bank		Co-operative Sector Bank			
	Mean	SD	Mean	SD	Mean	SD		
Recruitment	4.1852	1.03912	4.8000	.40684	2.5455	1.09233	52.60	.000
Selection	3.9630	1.15962	4.8000	.40684	2.0000	1.14564	69.53	.000
Placement	3.747	1.192	4.6000	.04982	2.7273	1.2316	27.09	.000
Attendance	4.8889	.32026	5.0000	.0000	1.9091	1.1822	177.3	.000
Training	4.5185	.50918	4.4000	.67466	3.0000	.96825	38.77	.000
Appraisal	5.0000	0.0000	4.8000	.61026	2.8182	1.2107	68.36	.000
Compensation	4.8889	.32026	4.7000	.91539	2.1818	1.4885	63.38	.000
Grievance Handling	4.2222	1.05003	4.4000	.81368	2.1818	1.1306	46.85	.000
Welfare Measures	3.9259	.91676	4.5000	.82001	2.8182	1.2107	22.78	.000

Source: Primary Data

The analysis is done on the basis of various functions of HR and how far the electronic mode has been adopted by various type of banks with respect to different functions. ANOVA and Post Hoc Tukey Analysis were employed to analyse the same. The Mean analysis (as shown in table no .3) shows that Private sector has fully adopted EHRM for the majority of the functions like Recruitment (4.8), Selection (4.8), Placement (4.6), Attendance (5.0), Grievance Handling(4.4) and Welfare measures(4.5).However, in case of Public sector, it has fully adopted E-HRM in Training(4.5), Appraisal(5.0) and Compensation(4.8) when compared to Private and Co-operative sector.

In Co-operative sector, they follow both T-HRM and E-HRM. Electronic mode is found to be applied mainly in the areas of training, welfare measures and appraisal.

Out of the Nine HR areas identified, Private sector banks fared significantly well compared to Public and Co-operative banks. This indicates that there is significant difference among the three types of banks in respect of the degree of operation of HR functions through E-HRM.

The results are significant at 5% level of significance and the significance value indicated is .000 which is less than 0.05, therefore the Null Hypothesis that there is no significant difference among the banks with respect to the level of adoption of HR practices is rejected.

Table 4 : Post Hoc Analysis

Functions	Banks					
	Public Sector Bank		Private Sector Bank		Co-operative Sector Bank	
	Mean	SD	Mean	SD	Mean	SD
Recruitment	4.1852(a)	1.03912	4.8000(b)	.40684	2.5455(c)	1.09233
Selection	3.9630(a)	1.15962	4.8000(b)	.40684	2.0000(c)	1.14564
Placement	3.747(a)	1.192	4.6000(b)	.04982	2.7273(c)	1.2316
Attendance	4.8889(a)	.32026	5.0000(a)	.0000	1.9091(b)	1.1822
Training	4.5185(a)	.50918	4.4000(a)	.67466	3.0000(b)	.96825
Appraisal	5.0000(a)	0.0000	4.8000(a)	.61026	2.8182(b)	1.2107
Compensation	4.8889(a)	.32026	4.7000(a)	.91539	2.1818(b)	1.4885
Grievance Handling	4.2222(a)	1.05003	4.4000(a)	.81368	2.1818(b)	1.1306
Welfare Measures	3.9259(a)	.91676	4.5000(a)	.82001	2.8182(b)	1.2107

Source: Primary Data

*(a), (b) and (c) denotes the significant difference in subsets among the banks with respect to adoption level of E-HRM in various functions of HR as depicted by Post Hoc Tukey HSD tests.

Table 5: Response of Sample Employees In Respect of E-HRM Improving Employee Morale

Profile of the Respondents	Level of Employees Morale					Total
	Strongly Agree	Agree	Un Decided	Disagree	Strongly Disagree	
Designation						
Top Level Management	3 (3.3%)	10 (11.1%)	0 (0%)	0 (0%)	0 (0%)	13 (14.4%)
Middle Level Management	3 (3.3%)	31 (34.4%)	6 (6.7%)	0 (0%)	0 (0%)	40 (44.4%)
Lower Level Management	13 (14.4%)	21 (23.3%)	3 (3.3%)	0 (0%)	0 (0%)	37 (41.1%)
Gender						
Male	16 (17.8%)	34 (37.8%)	9 (10.0%)	0 (0%)	0 (0%)	59 (65.5%)
Female	3 (3.3%)	28 (31.1%)	0 (0.0%)	0 (0%)	0 (0%)	31(34.4%)
Age						
21-30	13(14.4%)	28(31.1%)	0(0%)	0(0%)	0(0%)	41(45.6%)
31-40	3(3.3%)	3(3.3%)	3(3.3%)	0(0%)	0(0%)	9(10.0%)
41-50	3(3.3%)	15(16.7%)	6(6.7%)	0(0%)	0(0%)	24(26.7%)
51-60	0(0%)	16(17.8%)	0(0%)	0(0%)	0(0%)	16(17.8%)

Source: Primary Data

It is clear from the Cross tabulation that surely E-HRM helps to increase the employee morale as none of the respondents disagreed to the statement. As far as designation is concerned, the majority of the employees in top, middle and lower levels – 11%, 34.4% and 23.3% respectively agree that E-HRM improves employee morale. Similarly, there is no difference between genders in the agreement that E-HRM improves employee morale. Age wise analysis also shows that majority of the employees in all age groups agree that E-HRM improves employee morale.

Table 6: Difficulty in Use of E-HRM

Type of Bank	Difficulty in use of E HRM			Chi Square value	Sig.
	Never	Seldom	Sometimes		
Public Sector Bank	10 (11.1%)	4 (4.4%)	13 (14.4%)	7.286	.122
Private Sector Bank	12 (13.3%)	12 (13.3%)	6 (6.7%)		
Co-operative Sector Bank	12 (13.3%)	12 (13.3%)	9 (10.0%)		

Source: Primary Data

The analysis shows that employees in Private and Co-operative sector never face difficulty in use of E-HRM while Public sector employees sometimes face difficulty in using E-HRM.

Ho2: There is no significant difference among profile of the respondents on the level of satisfaction towards E-HRM.

Table 7: Level of Satisfaction E-HRM

Criteria	Satisfaction Level		F value	T value	Sig.
	Mean	SD			
Types of Bank					
Public Sector Bank	23.8519	2.01349	26	-	.00
Private Sector Bank	26.7000	3.31298			
Co-operative Sector Bank	22.1818	1.77578			
Designation					
Top Level	23.4615	2.87563	4.348	-	.016
Middle Level	23.4000	2.64866			
Lower Level	25.2973	3.33221			
Age Group					
21-30	25.3659	3.32984	5.487	-	.002
31-40	24.3333	1.32288			
41-50	23.5000	2.60434			
51-60	22.1250	2.57876			
Gender					
Male	23.3390	2.45378	8.744	3.464	.001
Female	25.8065	3.54419			

Source: Primary Data

Analysis brings out that employees of Private Sector Banks (26.7%) are more satisfied with E-HRM than that of other two sectors. As far as designation is concerned Lower level employees (25.3%) have the higher satisfaction and the employees at other two levels are almost equally satisfied. The employees belonging to the youngest age group 21-30 (25.4%) are most satisfied with E-HRM. Female employees (25.8%) are seen to be highly satisfied compared to their Male colleagues.



The result of the analysis is significant at 5% level of significance. As all the values pertaining to the profile criteria is less than 0.05, it is clear that there is significant difference among profile of the respondents on the level of satisfaction towards E-HRM.

Findings, Conclusion and Implications

The major findings of the study are that the Private sector has adopted E-HRM in almost all the Functions of HR and their employees are satisfied with the E-HRM in the sector. Public Sector banks too have been successful in adopting E-HRM but only next to Private sector in terms of adoption as well as satisfaction. Co-operative Sector is yet to explore all possibilities of E-HRM to the fullest, however their employees never face any kind of difficulties in using E-HRM implemented till date. It can be seen that employees are satisfied with E-HRM in all sectors though with variations in satisfaction levels.

The present paper brings out that there is difference among various banking sectors in the level of adoption of E-HRM in their HR functions. The level of satisfaction in use of E-HRM is also significantly different based on the profile of the respondents. It is clear that E-HRM has changed the face of HR functions and employees in banking sector too are getting adapted and comfortable with E-HRM.

E-HRM could be better explored in all the sectors especially by the Co-operative sector. The Public Sector can also extend the electronic mode to all other functions in HR practices which is not currently covered so as to improve the scope of E-HR facilities. It will help the Banks to achieve E Governance in the area of HRM.

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