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**ABM MODULE - B**

**CHAPTER 16: HRM & INFORMATION**

**TECHNOLOGY(PART-I)**

**What we will study?**

- \*What is Knowledge Management?**
- \*How to use Technology in Training?**
- \*What is the advantage & disadvantage of  
E-Learning?**

## **KNOWLEDGE MANAGEMENT:-**

**The information and the knowledge are considered most active resources for competitive success and strategic decision-making.**

**In this knowledge era, knowledge creation and deployment has certainly moved to the center stage of organizations' priorities.**

**Thus, the Organizational experts are talking about knowledge management as vital task for organizations.**

**Primarily knowledge management refers to the process of creating knowledge, storing, distributing and pooling it (Wilcox).**

**These processes have implication for all the subsystems of the organizations.**

**The people in an organization are the sources of creating knowledge, while storing and distributing the information is the responsibility of information technology machinery of the organization.**

**Pooling the knowledge depends on the culture, inter-personal interaction and other management processes.**

**Ultimately, the individuals have to explicitly state their thinking, rationale, basis of judgment so that it can be stored and used in similar situations by others.**

**Obviously, management of the ‘knowledge workers’ is a very critical issue and cannot be done by the traditional, bureaucratic processes.**

**The knowledge-based economy needs to recognize the value of human capital and the knowledge workers need to be continually “re-skilled”.**

**Thus, the knowledge management is the process of capturing the **tacit knowledge (living experience)** of people in a systematic manner for future use.**

**New knowledge and new skills are required to manage the new challenges due to deregulation, globalization and technological advancements for speeding up of processes and acquiring competitive edge.**

**Knowledge management is gaining more and more prominence in the light of the fact that it is not sure whether an employee who has been developed by the organization will remain for long with the organization.**

**The obvious and direct implications of this are visible in IT industry.**

**With the attrition rate going higher particularly in the Information Technology Industry, this trend is already visible. However, it is applicable everywhereelse too.**

**The banks in India have also been affected by this trend.**

**Public Sector Banks have lost a good number of competent employees who have joined the new private sector banks and foreign banks at lucrativeremuneration.**

**The work will not remain the same when we put 'Knowledge' and 'Innovations' as strategies to face competition.**

**In any service industry, particularly in banks, the knowledge management will become a need as well as a strategy.**

**These had been aptly highlighted by Nonaka and others in their book titled 'The Knowledge-Creating Company' where in they have documented their exploration of success of Japanese companies.**

**They have defined the organizational knowledge creation as 'the capability of a company as a whole to create new knowledge, disseminate it through the organization and embody it in products, services and systems'.**

**This implies that an industry/organization which adopts 'Knowledge Management' as a strategy will have to do the basic exercise of identifying who are the knowledge workers.**

**They could be seen in different categories as knowledge creators, handlers, processors and so on. Since knowledge is critical, managing all these is critical too.**

**Organizations will have to examine their management processes with a view to utilizing their knowledge workers.**

### **TECHNOLOGY IN TRAINING:-**

**Developments in technology have dramatically increased the potential leverage of trainer and opened up a number of new and more sophisticated options for learning.**

**The opportunities presented by technological advancements could bring about drastic changes in training techniques and could substantially bring changes in training methodology.**

**The technology offers an opportunity in tailoring and designing training intervention to suit individual learners.**

**Its main advantage is its cheap production of user friendly, learning material. It allows an element of choice to the learner.**

**Trainer and trainee (s) are physically separated. Technology has provided a lot many opportunities**

**for open learning.**

**Trainee has the flexibility to choose time, place and form convenient for learning.**

**Technology based training methods help in Distance learning.**

**Communication technology facilitated anytime, anywhere learning.**

**Graphic user interface (GUI) and interactive software have helped in developing e-Learning packages. It is a powerful tool for distance learning.**

**The learner has the choice of control and routing through the program depending upon his individual needs.**

**The use of multimedia has improved the effectiveness of the e-Learning packages.**

**Communication technology has provided the facility of remote logging.**

**IT has provided various technology driven options for learning in the form of interactive multimedia**

**(i.e. audio, interactive video, animation, graphics), electronic publishing, video conferencing, computersimulation and virtual reality (VR) that enhances thespeed and quality of learning and training at workplace.**

### **Advantages of E-Learning:-**

- \* Enables learner to study at his convenient timeand place and can have privacy.**
- \* Enables him to study at his own pace.**
- \* Can offer high level inter-action with immediate feedback and provide opportunity to check his understanding.**
- \* Can be cost effective depending upon its use.**
- \* Can be simulated to real life situation.**

### **Disadvantages of E-Learning:**

- \* Relatively inflexible depending on a pre-producedprogram.**



- \*Requires greater self-discipline and commitment by the learner.**
- \*May induce a sense of isolation.**
- \*Does not permit personal reinforcement, therefore, the motivational effects are forgone.**
- \*Can prove costly as expensive Hardware and Software are required.**

### **Emerging Trends in E-Learning:**

**Animation software, fusion of computer and communication technology, image processing and video conferencing all will simulate the learning to the real life situation.**

**Artificial Intelligence (AI) technologies viz. Expert/Knowledge-based systems, speech and natural language understanding, user interfaces, sensory perception, will be commonly available. The interactive video disc with a video camera can help in role-play exercises. The multimedia aids will be the part and parcel of any training exercises.**

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**ABM MODULE - B**

**CHAPTER 16: HRM & INFORMATION TECHNOLOGY**

**(PART-II)**

**What we will study?**

**\*What is the role of IT in HRM?**

**\*What is HRIS?**

## **ROLE OF INFORMATION TECHNOLOGY IN HRM:**

**To envisage the qualitative change, HR departments have to be transformed to set an example for the entire organization.**

**It has to become a 'learning' set-up with all its ingredients like self-introspection, sensitivity to environmental changes, and openness to accept new ideas and systems.**

**As such its first responsibility would be to adopt the IT orientation within the department.**

**There is tremendous scope to use IT in a whole range of HRM functions, viz., recruitment, training, placement, appraisal and reward systems, organizational development initiatives, etc.**

**The need for use of IT can be seen through the following observations:**

**\*Certain basic information about an employee is used by number of functionaries within and outside the HR department.**

**For instance, if the organization has a geographical spread, the information about an employee is floated at field units, maintained and processed at field administrative units as well as at the corporate (control) office.**

**This means that same database is used for different purposes.**

**Conventionally, the data collection took place from both these sources involving duplication of efforts.**

**This could definitely be avoided if database is regularly updated and shared.**

**\*The database related to an employee is becoming broad-based as various dimensions are getting added, e.g., along with the traditional data regarding salary, allowances, increments, leave, etc., information about his work experience, training, competencies, skills, performance, expectations, etc., need to be stored.**

**This makes the entire HR database voluminous.**

**\*Updating the data could be done partially by different individuals from different locations.**

**\*The decisions related to HR – day-to-day or policy reviews – need to be embedded in databases to achieve objectivity and consistency in decisions.**

**Such objectivity is imperative and can be achieved as IT enhances transparency.**

**For example, if someone has to be deputed for training, can help in choosing the right person for the right training at the right time.**

**\*Human Resources being one of the significant components of internal environment, policy must be undertaken to respond to the changes.**

**To examine how the existing practices or policies are functioning and whether there are biases/prejudices in any one, the database available could be analyzed.**

**\*To ensure adherence to statutory requirements, maintaining of such database is needed.**

**From the points observed above, it is evident that just like any other MIS, a comprehensive computer based Human Resource Information System (HRIS) is the need of the hour.**

**Proper security measures required to be implemented to ensure the confidentiality, integrity, availability and access control of data/information stored.**

### **HUMAN RESOURCE INFORMATION SYSTEM (HRIS):**

**Human Resource Information System (HRIS) has become an organizational necessity.**

**The need for HRIS is an offshoot of the requirement to take frequent strategic decisions concerning employees.**

**Decisions taken on the basis of information, whether it is concerning, posting, training, compensation, job rotation, promotion, etc., need the background of the person in terms of his competence, training needs, performance appraisal, etc.**

**A computer-based data can enhance such decisions and make them objective.**

**When the criteria are known and systems are used, the decisions are perceived to be unbiased and fair.**

**A typical Human Resource Information System (HRIS) includes the Bio-data (Name, Gender, Address, Age, Insurance Policy, Blood Group, etc.), Educational and Professional Qualifications, Organizational History (Placements, Promotions, Training, Competencies, Performance Appraisal), Salary and Allowances, etc.**

### **Maintenance of Database, Access Control and Use for Decision Making:**

**It is evident from the contents of HRIS database mentioned above that all data do not need updating frequently.**

**Some of the static data required to be entered only once in master file, viz., name, birth, date of joining, etc.**

**Data on placement, training, etc., are upgraded frequently. Secondly, all sections of data are not needed by all.**

**The computer technology gives scope for having partial access to such sections enabling a number of individuals to have simultaneous access to basic data for upgrading or analysis.**

**It can also be possible to maintain the confidentiality of some part of data like performance appraisal data, etc., which can be allowed to be accessed by selected persons through implementing software supported access control measures through assignment/restriction of permissions.**

**The database also makes it possible to have any kind of analysis.**

**For instance, for any reviews, the analysis could be done on variables like age, gender, geographical regions, level in the organization, etc. such simple analysis can enhance reviews.**

**The analysis could also help in deciding about training placement or career planning of an individual as it can consider the past experience of an individual and indicate the gaps that need to be filled.**

**HRIS, thus, is not only a desired database system but an imperative decision support system.**



**Newer and newer software tools are available to help in organizing classifying, analyzing, querying and mining the data from the databases.**

**The Decision Support System (DSS), Expert Systems, Structured Query Language (SQL), Artificial Intelligence (AI), Data warehouse and Data Mining tools help not only in accessing the relevant data but also help the decision-maker to take a better and well informed decision.**

**Thus, the database does not remain passive on the hard disk of the computer, it is kept in such an active way that it itself prompts the decision-maker to use it from time to time depending upon the need of any activity involving use of data for arriving at a decision.**

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**CHAPTER 16: HRM & INFORMATION TECHNOLOGY**

**(PART-III)**

**What we will study?**

**\*How IT is helpful for HRM?**

## **HRM & IT:-**

In the **emerging information age** the parameters of success have changed and the one who can have access to data and can convert and analyses the data into information and then extract knowledge and wisdom out of it, has an edge over those who cannot.

An organization, therefore, **cannot shy away** from information technology.

Though initially the use had been concentrated in the area of **business-related dimensions**, its application is possible in practically **every activity** in the organization.

The use of information for **decision-making** can improve the efficiency and effectiveness of the organization.

HRM as a function has **dual responsibility** in responding to this trend of the 21<sup>st</sup> century.

As a part of the **strategic HRM**, the most significant is the **transformation required** in the **mind set** of all individuals across the organization since this technology **challenges** some of the **traditional beliefs and attitudes**.

The **second responsibility** is its application to **HRM function** itself for **day-to-day decision-making** as well as policy decisions.

There is an emerging need for **data-based decisions** for which a **comprehensive Human Resource Information System (HRIS)** is the answer.

The **twenty first century** marks the **beginning** of information age.

What the **railroad** was to **nineteenth** century **enterprise**, what the **assembly line** was to **twentieth** century **manufacturing**, 'knowledge is providing to be just that to **twenty first** century **business**' as **Khanna** puts it. (Business Today).

**Globalizations** has **wiped out** the national boundaries linking organizations from all parts of the world.

Information Technology has **contributed** to a **great extent** to this process.

A time has come, perhaps, where regardless of an ideology not supporting the technology, nations/ organizations would be compelled to adopt it.

It is a matter of **survival** as well as **achieving excellence**.

The advent of **microprocessor**, the dramatic **increase in its power** in the last two decades and the equally dramatic **slide in its prices**, are forming the **shift of manufacturing economy to information economy**.

**As Thomas Stewart puts it:** 'the microchip is going to be the engine around which world will be built and software will be the fuel.'" (Prabhat).

There is no sector which has not touched by it – however, the **banking sector absorbed** the technology in **its fullest potential** for improving operational efficiency and providing customer service.

The **role of technology** in **HR Management** has also been quite significant.

**Information Technology** is the **merging of two technologies**, namely, **communication** and **computers**.

Both these technologies have been making advances in their own fields.

In addition, **intelligence** in the form of **Decision Support System and Expert System** is embedded in the technology, to help the **machine take human-like decision** with much faster speed.

With the synergy of these technologies what has become **feasible is storing voluminous data** which can be accessed from any geographically distant place.

The **speed and ability to process data** has been so much enhanced that it can answer most human queries and information needs.

When **effectively applied, technology** is expected to **drastically change the concept of 'work'** as there may **not be any office (physical)** but there could be **multiple workstations** – mainly at homes – from where people can communicate, negotiate, and do the business.

Employees may not be meeting each other in the traditional sense.

Thus, to accommodate this **new industry** (information industry) and the **new workforce**, the **physical and psychological setting** of the **workplace** has to be

**substantially different** from the traditional ones.  
(Mankidy).

This has thrown a great challenge before HR Managers to prepare people to adopt the new order.

There is a **myth** that the **IT has diluted the importance of Human Resources** in the organizations.

The **mechanization** of business has **not reduced** the role of **HRM**. **Computerization** cannot replace the **strategic decision-making abilities** of human beings.

The importance of **human resources might be reduced** in terms of **needed quantity** but the **pressure** on the **quality** has **increased** hundred-fold.

So, the **HRM** will continue to **occupy an important position** in any organization where **human beings are considered crucial** (Sharad Kumar, Times of India).

It is evident that moving to the future organization will imply change for the **existing workforce** and there is every possibility that the change will be **resisted**. It will be more so if organization is a **successful** one today.

**There can be various reasons for the resistance, part of the resistance could be due to the inability of individuals to change their thinking.**

**Anxieties, implicit loss of power and fear of unknown could operate at a subconscious level leading to resistance.**

**Similarly, the mind could be blind to the opportunities of improvements and the possibility of creating multiple solutions by playing with the data.**

**If an organization has to adopt technology for survival and also utilize it for excellence, the prime responsibility will be changing the mind-set of individuals across all levels and units in the organization.**

**HRM therefore, has **dual responsibility** in responding to this revolution.**

**The major one would be to build an organizational culture that will facilitate creativity and innovation thus enabling individuals at all levels to make use of IT.**



**Implementation of IT initiatives and HRM are closely inter-dependent.**

There are instances where the implementation of IT suffered due to improper HRM and also HRM initiatives could not be implemented effectively due to change in technology.

Thus, these **two need to be properly interlinked** for their individual success.

**Utilization of technology** is bound to release **excess staff**, will have **increasing need for officer staff**, will **release a lot of space**, and will render certain branches and its employees **surplus**.

This group of employees will act as a damper (make less strong) on the enthusiasm of the organisation.

This has to be **appropriately managed by H.R. strategies** including exit policy.

One of the **foreign banks** had handled this issue **quite successfully**.

The **banking sector worldwide** has **absorbed** maximum **technology** for their operations.

**Technology** has also provided **variety of delivery channels** to support customers' needs in an efficient and effective manner.

The **banks in India** are also increasingly being **driven** by **power of information technology**.

However, the applications are limited to the **core banking operations**, the **power of technology** has not been utilized to the **desired extent** for Human Resource Management and Development.

There is need to do a lot in this area to get best out of the people within the organisation.

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**CHAPTER 16: HRM & INFORMATION TECHNOLOGY**

**(PART-IV)**

**What we will study?**

**\*What is HR research?**

## **HR RESEARCH:-**

**One of the primary orientations of the future organizations is to develop a problem-solving perspective.**

**As such a research orientation is a necessity in all functions - all the more in HRM.**

**For instance, some problems related to business parameters would get such attention through the usual activities of market share analysis, surveys, etc., as they are reflected obviously in the tangible dimensions of the business performance.**

**But for HRM, a conscious effort to identify the issues is required.**

**Research in HRM areas can be undertaken to understand:**

**(a) Trends of existing systems like recruitment, promotion, training, appraisal system etc. and**

**(b) To feel the pulse of workforce in terms of their motivation, commitment, expectations, frustration and so on.**

**With reference to systems, a regular review by looking at the analysis of 'what is happening' can also be undertaken.**

**For instance, a comparison of applicant population and finally the selected one can indicate, biases or prejudices – if any, that are present in the selection strategy being used.**

**It will help to understand the profile of new entrants which can then be compared with the existing one to identify if there is any mismatch that might affect their working together.**

**The analysis on the variables like education (discipline and level of achievement), gender, regional representation, can be valuable for taking proactive steps.**

**The research on methods and the best practices adopted by different organizations and their relevance and applicability can also be studied through HR research initiatives as part of organizational development and change management process.**

Other important **subsystems** in this regard are:

**Promotions, Performance, Appraisal and Training.**

Very simple analysis and research can, at times throw up a problem, indicating the need for a policy revision.

For a better understanding of the intangible environment which is very critical, a climate or a job satisfaction survey can provide data for action.

It can also be a meaningful feedback to the management to ensure that some of the things stated in the HR philosophy are actually being felt by the employees or otherwise.

In the framework of strategic HRM too, research is viewed as an integral component.

Since one of the functions of HRM is to remain sensitive to internal and external environment, a research perspective is imperative.

HR functionaries cannot afford to be happy while maintaining a status quo (the existing state of affairs).

To remain sensitive to internal environment, regular opinion surveys, benchmarking, climate studies, etc., have to be conducted.

**Opinion Survey or Poll:** It a method for collecting information about the views or beliefs of a given group.

**Benchmarking:** It is defined as the process of measuring products, services, and processes against those of organizations known to be leaders in one or more aspects of their operations.

**Climate survey:** It is a tool used to solicit and asses employee opinions, feelings, perceptions and expectations regarding a variety of factors pertinent to maintaining the organizations climate, such as opportunities for growth, management, working relationships and environment, etc.

**Thank you....**