

Literature Review on: ‘The Advantages and Disadvantages of Implementing E-HRM for an Organisation, E-Learning as an Example’

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Abstract This paper focuses on the third type of e-HRM. In particular, it attempts, through reviewing the literature, to address the question of what are the advantages and disadvantages of implementing e-HRM for an organisation in term of e-learning. To achieve that aim, first the paper will examine, briefly, the debate about defining e-HRM. After that, it will illustrate the benefits and drawbacks of adopting e-learning in an organisation. Finally, a conclusion will end the paper.

Keywords Technological advancement, e-HRM, e-learning, Formal e-learning, Blended learning

1. Introduction

In the current marketplace, and with the growth of global competition, organisations are forced to innovate to survive. Technological advancement is considered one of the most influential driving forces, not only reshaping the manner in which we communicate, work, and live, but also how business is conducted [1]. Information technology (IT) tools are fundamental for faster and more efficient processes in contemporary businesses. There are countless IT possibilities for human resource management (HRM) because all HR processes can be supported by IT [1]. The analysis and design of work, recruitment and selection, training, performance appraisal, and compensation and benefit issues can be streamlined by utilizing IT ([2]; [3]; [1]). The intervention and support of IT to HR functions is called electronic human resource management (e-HRM), which is rapidly increased in use in last years ([2]; [3]). It aims to transform HR functions by rendering them paperless, more flexible, and more resource-efficient [1].

2. e-HRM Definition

Reference [4] has stated that e-HRM has been interchangeably used with HR Information System (HRIS), virtual HRM, web-based HRM, intranet-based HRM, HRM e-service, business-to-employee systems B2E, and HRIT ([5]; [4]).

There is no common agreement about the definition of e-HRM [5]. However, the definitions suggested by [2] and [4] are the most comprehensive and widely used definitions [5]. According to Bondarouk and Ruel, e-HRM is “an umbrella term covering all possible integration mechanisms and contents between HRM and Information Technologies aiming at creating value within and across organisations for targeted employees and management” (2009: 507).

They indicated that this definition represents the consensus-based understanding of electronic HRM. Moreover, they believed that their definition suggests an integration of four aspects: the content of e-HRM, which concerns any HR practices that can be supported with IT and any type of IT that can offer support for HRM; implementation of e-HRM, which includes the adoption and appropriation of e-HRM by organisational members; targeted employees and managers as e-HRM, which are directed toward the HR department but, by the evolution of e-HRM line management and employees, are actively involved in using e-HRM applications; and finally, e-HRM consequences, which besides the discussion of creating and capturing value comprise a multilevel perspective of the value received from e-HRM [4]. Moreover, Reference [6] said that this definition captures all important components of e-HRM.

3. The Advantages and Disadvantages of e-HRM

Many researchers (e.g., [7-9]) have argued that e-HRM systems offer organisations numerous benefits. For example, they enhance HR efficiency, save time, reduce costs, decrease administrative burdens, facilitate HR planning, and

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Published online at <http://journal.sapub.org/economics>

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allow HR professionals to become strategic or business partners in organisations[10]; [11].

However, other researchers [12-14] had claimed that despite these benefits, unintended consequences could arise from using e-HRM systems [10]; [11]. For instance, some worry that these new systems emphasis mainly efficiency and cost control instead of developing effective HR processes (e.g., selection systems). There are also concerns that e-HRM systems may have an adverse impact on members of some protected groups, as well as the possibility that they may invade personal privacy [11].

4. e-Learning

According to CIPD, e-learning can be defined as 'learning that is delivered, enabled or mediated using electronic technology for the explicit purpose of training, learning or development in organisations' (2013). While the definition provided by [15] seems to be comprehensive, it shows the different forms e-learning may take. This definition is 'e-learning is education or training courses delivered to remote locations via synchronous or asynchronous means of instruction, including written correspondence, text, graphics, audio or video tape, CD-ROM, online learning, videoconferencing interactive TV, facsimile, and the World Wide Web' (cited in [11]).

There has been considerable growth in e-learning in recent years ([16]; [17]). As Reference [18] stated, the swift development of telecommunications has made e-learning possible and advantageous [6]. For instance, estimates show that the annual earnings of online faculties are 17.6 billion US\$, which is fourfold that of traditional faculties [16].

E-learning includes three main categories: formal e-learning, informal e-learning and blended e-learning [17]. In formal e-learning, technology is used primarily to deliver formal content such as training courses without important support or interaction with training professionals. Also, there are growing opportunities for technology to assist informal e-learning in the workplace. According to Reference [17], blended learning occurs when there is a combining of formal or informal e-learning with traditional learning methods. For instance, the delivery of the content may be via face-to-face lecture, while searching for supportive materials is conducted via the Internet.

4.1. Advantages of e-learning

4.1.1. Flexibility

Flexibility is one of the major characteristics that differentiate e-learning from traditional learning. E-learning can be accessed from anywhere at any time ([19]; [17]). Learning can occur wherever technology is available. The opportunities that e-learning provides are substantial in cases in which it is difficult for learners to travel to a university or training centre due to poor infrastructure or roads [19].

Moreover, the flexibility of e-learning helps organisations overcome conflicts that may arise between training and work time [19]. Supported by e-learning, an HR department can make a multitude of courses available through the employee's desktop computer. Then the employee can select courses from a list at his or her convenience and at any time. Also, an employee can be credited after completing an online quiz at the end of each course [20].

Additionally, since it is possible to deliver learning through mobile devices, employees can utilize what previously was dead time such as waiting or travelling for learning purposes [21]. Also, the flexibility of e-learning allows each learner to study at his or her own pace, not at the pace of the slowest member in a class. The employee can skip irrelevant elements and spend more time on others that are more important for him or her. Similarly, since e-learning allows learner to repeat and complete any task multiple times, it results in increased learning retention [21]. For example, Reference [22] found that retention rates of e-learning were at least 12% higher than those of traditional methods [21].

4.1.2. Cost Savings

According to Reference [23], e-learning is less expensive than traditional training. Fore-learning, there is no need for organisations to book classrooms, hire trainers, or pay travelling expenses for their employees [6]. Reference [1] added that e-training reduces direct costs like instructors, printed materials, and training facilities and indirect costs such as travel time, lodging and travel expenses, and workforce downtime.

Moreover, since online training does not require rooms, it leads to savings on building, parking, and maintenance. Also, the increase of web-based courses decreases the need to build new facilities and infrastructure [19]. For instance, in 2009, McDonald's UK stated that in the first year of adopting e-learning, the corporation saved over £1m, which amounted to nearly 50% of its training costs [21]. Reference [23] also demonstrated that by using e-training, IBM saved US \$200 million in 1999 [6]. Furthermore, a study in 2011 showed that on average, organisations were reporting cost savings of 26% by introducing e-learning [21].

Also, e-learning includes authoring tools such as Zembl that allow changing and updating e-learning materials without the need for a special programmer. This saves hassle and outsourcing costs [24].

4.1.3. Time Savings

By adopting e-learning, an organisation saves a lot of its employees' time. The most significant business benefit from e-learning is a financial benefit achieved through a reduction in training time – 'learning compression' [21]. Reference [20] added that since employees do not need to leave work to attend a training class when e-learning is implemented, this leads to greater productivity for the organisation.

Reference [25] reported that it cost British Telecom £5.9m to deliver e-business training to 23,000 employees in three months, compared to £17.8 million and a five-year time span for traditional training [21].

In addition, Reference [16] found that by implementing e-learning, Wisconsin-Madison University saved 172,000 US\$ in professors' time, who in traditional learning had to spend much more time in teaching sessions to accommodate large groups of students.

4.1.4. Consistency

In traditional training, an instructor cannot guarantee exact consistency between his or her sessions. There would always be some differences either in the content of the course, the time allocated for a particular topic, or the way of delivery. Conversely, e-learning is always consistent [24]. Thus, by using e-learning, organisation can ensure that the same amount of content is delivered in the same way to trainees.

Shilpa and Gopal stated that 'The greatest strength of e-learning lies in its potential to provide a consistent level of training when and wherever it is needed' (2011:21). Furthermore, a study by Training Magazine (2006) found that e-learning has proven to have a 50-60% better consistency of learning than traditional classroom learning [21].

4.1.5. Unlimited Numbers of Trainees

In traditional training, the number of employees who can attend a training session is limited, perhaps due to the number of trainers available or the size or number of the classrooms. Such concerns would be eliminated with the adoption of e-learning [21], which allows all the company's employees to take a training course simultaneously regardless how many need to attend ([6]; [17]; [24]).

Indeed this is very important if the company introduces new services, working practices, software, or equipment and requires all employees to be trained. Reference [17] added that e-learning is possible even in dispersed sites or complex organisational structures such as case of multinational companies with different subsidiaries worldwide. According to Reference [6], Multinational corporations can have trainings with different personnel from their subsidiaries from different locations at the same time and cut down costs' (2011:14).

4.1.6. Improve the Computer, Internet, and Thinking Skills of the Learner

One of the great benefits of e-learning is that it encourages an employee to develop her or his computer and Internet skills, particularly if s/he does not use a computer regularly [19]. Moreover, since in most cases e-learning requires the learner to work primarily independently, it encourages him or her to take the initiative and think on his own [19] and [24]. These skills are essential in the global marketplace, and developing them would definitely reflect positively on the employee's performance at work. According to Reference

[26] self-service e-learning chances have helped employees retain knowledge and keep their skills up-to-date.

Thus, attracted by these significant advantages, most companies plan to adapt online learning primarily as a more efficient way to provide training within their organisations, making it available anytime and anywhere [1].

However, some disadvantages need to be taken into account by organisations that are considering adopting e-learning. Some of these are described in the next part of this paper.

4.2. Disadvantages of e-learning

4.2.1. Challenges of Infrastructure

Although e-learning is not restricted solely on learning via the Internet, online learning has become the dominant form of e-learning [21]. For instance, studies by Towards Maturity, 2010 indicated that 69% of participants reported improved effectiveness of learning when they used online solutions [21]. Thus, unless such technological infrastructure is available, online e-learning cannot be achieved. For example, slow Internet connections can cause weak performance of video or sound or may result in long waits for downloads.

4.2.2. No Face-To-Face Meetings (Direct/Live Interaction)

Voice intonation, hand movements, facial expression, and eye contact are very important in transferring ideas and motivating students to focus during training sessions [19]. Moreover, the flow of discussion and interaction is slower in online training, and sometimes it is important to get an answer of a question immediately [19].

4.2.3. No Traditional Group Projects

Some argue that e-learning does not allow students to participate in group works as occurs in the traditional learning. However, sophisticated technology allows learners to work in groups through the Internet, by phone, or through teleconferencing [19].

4.2.4. Varying Learning Preferences

People, particularly adults, vary in their learning styles [27]. Consequently, e-learning might not be accepted, or at least preferred, by some employees. Hence, HR officials within an organisation need to consider this fact and identify the learning methods that are best accepted by the employees [27]. Moreover, they need to make sure that trained employees possess the necessary computer skills to deal with e-learning materials [27].

Hence, firms need to be careful in making the transition from traditional to e-learning. They have to evaluate how a shift to e-learning will benefit the organisation and its employees [6].

5. Conclusions

To conclude, this paper illustrated the advantages and

disadvantages of implementing e-HRM for an organisation, e-learning as an example. It first defined e-HRM and, in brief, discussed different definitions of the term. Then, the discussion centred on the benefits and drawbacks of adopting e-learning in an organisation.

As was clear from the discussion, although adopting e-HRM in an organisation brings substantial benefits, these advantages are surrounded by some challenges. For example, one of the main benefits of e-HRM, as mentioned former, it increases the contribution of the HR professionals in achieving the strategic goals of the organisation. However, Reference [3] stated that 'no evidence was found of an actual increased involvement of HR in business decision making'.

Hence, there is a need for further research to generate more evidences on the impacts of implementing e-HRM on an organisation in terms of its strategic orientation and other benefits, particularly in the area discussed in this paper; and whether it is going to replace the traditional practices in human resources management. Therefore, based on the findings, it can be said that it might not be appropriate for an organisation to entirely shift from traditional HRM to e-HRM. Such a transition should be carefully evaluated, taking into account what benefits it could bring and how to overcome any barriers that might arise.

Furthermore, return on investment must be properly considered. Reference [28] stated that HRIS poses financial barriers for SMEs in terms of recruiting technical staff for maintaining the system and providing the required training to all employees. Thus, it is fundamental for a company planning to introduce e-HRM to invest attention in selecting the right software vendor and to choose the suitable software which matches its circumstances. Ceridian, Cascade, and Box are a few of many well-known software providers in the market. They all can tailor make the software according to the client's needs although that is more expensive [29].

So, a combination of traditional methods supported by technology seems to be the ideal way for achieving the best results in managing human resources within a firm.

ACKNOWLEDGEMENTS

I would like to thank Dr. Raouf Alsamarraie for his vital encouragement and support to do this paper. My thanks would be expanded to Nottingham Business School and particularly to Watling Derek, Principal Lecturer and program leader, MSc Human Resource Management. And Kougiannou Konstantina, Senior Lecturer, HRM for her supervision of my literature review research. My acknowledgement forwarded to my employer the Ministry of Endowments and Religious Affairs, Government of Sultanate of Oman for their sponsorship and motivation of my study at Nottingham Trent University, United Kingdom. Additionally, I should warmly thank my family and friends who did a lot to breakdown all challenges in front of me to make my studying journey as easy as possible. Finally, my greatest thanks to his Almighty God who made all things

possible.

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