

IMPACT OF E-HRM USAGE ON EMPLOYEE MOTIVATION - A LITERATURE REVIEW

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ABSTRACT

Nowadays, businesses use electronic Human Resource Management (e-HRM) broadly and wide. Has this impact, in any way, the motivation of their employee? It's a topic of interest to new researches since motivating employees becomes more and more challenging in the days of “Great Resignation” and „quite quitting” phenomenon, endemic within Generation Z. This paper is an attempt to help the future research on **e-HRM impact on employee motivation** at workplace. This is the result of a systematic literature review on last two decades, looking for research that has been done on the effects of e-HRM to employee motivation. So far, researches shows that e-HRM can make a big difference: it can be operational, relational, and even change the way people work together. The success of e-HRM with regard to employee motivation is very important for benefits of using e-HRM to come to fruition.

KEYWORDS: *e-HRM, employee, motivation*

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1. INTRODUCTION

It is hard to underestimate the importance of e-HRM, both in organization's and employee's life. Information technology fundamentally changed the way in which people manage their employment, services and their own information (passport, ID card, bank account etc.). The fast development of the Internet (Strohmeier, 2007) and the increasing role of technology in many areas of work, have contributed to this transformation.

Human resource's role has changed dramatically with the adoption and use of e-HRM. Globalization, technology progress, information-based economy, digitization digitalization and digital transformation are factors that impacted dramatically HR department role and function in contributing to achieve organization high performance (Obeidat, 2016; Teo et al., 2007; Waheed et al., 2020). COVID pandemic only accelerated this process.

Generally, e-HRM systems include applications such as Enterprise Resource Planning, HRM service centers, Interactive Voice Response, intranet portals and web-based applications. Employee empowerment (both for managers and operators) to undertake some HR functions, decrease the burden on HR department, allowing HR personnel to focus on more strategic functions of HR, allowing organizations to reduce costs with HR staffing as administrative tasks are reduced (Swaroop, 2012). This will allow organizations to migrate the HR functions to web-based applications and speed up the flow of processes.

Adoption of e-HRM by organizations was mainly driven by the way e-HRM is leveraging the HRM function towards performance – efficiency, effectiveness, economic and ethics (Davaranpanah &

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Mohamed, 2020; Hosain, 2017). As such, adoption and use of IT&C means, favor ways of carrying on routine organizational tasks via automation.

Throughout the history, the majority of transactions in HR departments were completed by hand (Poisat & Mey, 2017). This entice companies in the usage of new technology in the human resources departments - an indication of how critically helpful it is for the HR department (Saleh & Saleh, 2016). It is a widely accepted idea that E-HRM represents a significant advancement in the area of human resources management (Panayotopoulou et al., 2007). One of the main contributions expected from the adoption of e-HRM is the increase of efficiency of the HR department - assisting it in moving up to a more strategic level, and increase the productivity of human resources (Davarpanah & Mohamed, 2020).

Papers have been written about the advantages of electronic human resource management adoption, but not enough data are available to support those assertions - despite the fact that there have been many studies made on the issue and that many scholars maintain that e-HRM may improve the effectiveness of HRM (Khan et al., Panayotopoulou et al., 2007; Ruël et al., 2007). Their interest was more on how electronic human resource management (e-HRM) adoption works, whether or not it has consequences on firms or on their employee, and whether or not business objectives are reached after implementing e-HRM.

However, the impact of e-HRM adoption to employee motivation seem to escape the interest of scholars altogether.

In current times, where "quite quitting" and Motivation 4.0 are facts of organizational life, severely impacting company's performance in their pursuit for survival, prosperity and efficiency, investigating how e-HRM affects employee motivation and their engagement should be taken under scrutiny.

And a last-minute development: Gen Zers are here! As shown in Wunderman Thompson Intelligence (2020) study "Gen Z – building a better normal", just making money is not the top priority for many Gen Zers at the beginning of their careers. Ethics, work-life balance, and purpose is what they are searching for when looking for a job. According to Wunderman Thompson Data, 82% of gen Zers surveyed say it's important that their job contributes to the greater good, and 70% would rather do something meaningful than make a fortune.

Therefore, a thorough literature analysis on the matter seems to be in order, as a valuable help for scholars to commence systematic, data-based studies on e-HRM impact on employee motivation.

2. LITERATURE REVIEW

A great number of distinguish scholars wrote papers and books in the field of IT contribution to HRM. Until the end of second half of 20th century, personnel management was hired to perform office automation in payroll, benefit management and maintaining personnel records (Ball, 2001).

Since then, organizations worldwide have taken measures to increase organization performance investing in IT&C with intent to transform management practices and to increase the efficiency of the organization (Bondarouk et al., 2009; Iqbal & Ahmad, 2016). Hence, organization around the world try to understand how (and if!) e-HRM systems influence organizational performance (Davis et al., 1989). In their papers, researchers shown that E-HRM has the capacity to transform the HR department into a strategic function by exploiting technology for "operational, relational and transformational" purposes (Parry & Tyson, 2011; Iqbal & Ahmad, 2016).

One can find a plethora of papers, supporting the assertion that E-HRM enhances the HR and organizational effectiveness through:

- improved decision making
- improved quality of transactional-HR activities
- reduce administrative load by moving HR repetitive tasks to line managers
- ensure timely completion of work

- cost reduction
- shorten the cycle time
- effective communication (Lepak & Snell, 1998; Hendrickson, 2003; Lengnick-Hall & Moritz, 2003).

Innovative approaches to HRM increases organizational performance - hence employing E-HRM is the logical choice for superior organizational performance (Gardner et al., 2003; Orlikowski & Scott, 2008; Iqbal & Ahmad, 2016; Marler & Parry, 2016).

Recent research on E-HRM show that technology-based HRM practices elevated HR function to higher levels allowing fast and accurate decision making, more flexible work environment and make HRM processes more efficient and effective (Godard, 2004; Iqbal & Ahmad, 2016).

Papers about E-HRM employing ITC use a variety of terms to describe how technology is used in HRM such as human resource information systems (HRIS), HR intranet, computerized human resource management systems (CHRMS), virtual human resource management systems (VHRMS), and human resource portals (Saleh & Saleh, 2016).

The very word e-HRM is often used to refer to HRIS, HRMS, HR software, and a variety of other terminology. According to Ruël et al. (2007), HRIS are a collection of information systems and computer programs that are utilized for human resource management, whether they are employed individually or in conjunction.

In practice, companies tend to use e-HRM as described in Table 1.

Table 1: Use of e-HRM by type

Operational	Relational	Transformational
Information creation, storing and transfer, making information available for decision making	HR databases, supporting HR-related decisions, and increasing abilities to use HR functions and services by all employees	Restructuring, outsourcing, Automation by design and by default
Publishing information	Automation of transactional workflow	Transformation of the way HRM is conducted in the firm HR strategic role in organization
Record keeping, employee services, communication	Performance management	Knowledge management, organizational development, strategic planning
Payroll, record keeping	Recruitment and selection, skills management, training management	Succession planning and talent management
Payroll, administrative HR practices	Performance management learning and training.	Strategic orientation, knowledge sharing
Record keeping, benefit management	Performance appraisal and management, compensation management	Knowledge management, firm communities

Source: authors

In order to investigate if there is a correlation between the use of E-HRM and employee motivation, one must first define what E-HRM is and what motivation theories or principles should be taking into account.

The theoretical framework found in publications examined demonstrates a wide range of theoretical approaches to e-HRM. There are so many themes and components of electronic human resource management. The majority of ideas refer to how people adopt technology and information systems, describing how individuals behave when they employ E-HRM.

The Technology Acceptance Model, for example, has been utilized in this manner by Ruel and his colleagues. Taylor's Theory of Planned Behavior was also used in this manner as well as Technology Trust Model, the Unified Theory of Acceptance and Use of Technology, and the Information Systems Success Model, among other models.

A number of papers were written based on the conceptual framework of e-HRM typologies: the oldest typology of Zuboff (1985), which distinguishes between an automatic type and an informational type, the typology based on the importance of e-HRM that identifies an operational type and a strategic type (Galanaki et al., 2019), the Lepak and Snell's (1998) typology, Parry and Tyson's HRIS Benefit Categories (Tursunbayeva et al., 2019) and the Strohmeier and Kabst's (2014) three types of e-HRM. In an attempt to bring some clarity in the matter of what e-HRM is, Steven Strohmeier (2020) proposed the following, quote:

- "The digitalization of HRM denotes the socio-technical process of exploiting digitization potentials for operational and/or strategic HRM purposes.
- The digital transformation of HRM denotes the socio-technical digitalization subprocess of exploiting digitization potentials for strategic purposes of HRM.
- Digital HRM denotes the socio-technical result of the digitalization of HRM."

According to him, a good definition for e-HRM would be, quote: "the design, implementation, and use of information technology for the networking and support of at least two persons or groups in the shared exercise of human resource activities".

When compared to HRIS, e-HRM is more inclusive, since it is not limited to HR personnel. It is intended for use by all employees, not just those in human resources, regardless their position within the company. Human resource information system (HRIS) is a component of e-HRM technology, which allows all employee to use HRIS in an organization.

And that is to say the least on e-HRM.

Motivation in the other hand, as a concept, is complicated and complex and not well defined so far, although thousands of pages have been written on the topic. There is a lack of agreement between scholars on what motivation is, especially when it comes to employee motivation.

As for the employee's motivations itself, attempts have been made to inventory and systemize the main theories and concepts with regard to the matter in hand. As such, we can see that there is a motivation theory based on expectancy, as the one proposed by Vroom, or based on the needs, as the one proposed by Maslow and Herzberg, or equity and significance of work, such as the one proposed under the name "Motivation 3.0" by Daniel Pink in his book "Drive" (2009).

A literature review is based on the ability to locate and choose publications that are relevant to the subject matter and examine them from that perspective. As such, a search on the internet for available papers was conducted for references to this review in a variety of scientific databases, such as Scopus, Web of Science and Science Direct, among other databases. The distribution of search result can be found in Table 2. It comprises a large number of management journals and HRM journals that are relevant to the subject. The majority of the articles are sourced from the Google Scholar search engine, which searches a large number of such publications.

The key words and Boolean expressions used in the search engines of those databases and internet search engines were:

"e-hrm", "EHRM AND motivation", "e-hrm AND motivation", "e-hrm AND employee motivation".

Table 2 – Distribution of search results by database searched

Source	Expression searched				
	e-HRM	e-hrm AND motivation	e-hrm AND employee motivation	ehrm AND motivation	ehrm AND employee motivation
Google Scholar	100% of 7.200 results	<1% 4 of 3.740 results	<0% 0 of 3.540 results	<0% 0 of 1450 results	<0% 0 of 3.550 results
Science Direct	<10% of 131 results	0% of 2.040 results	0% of 1.292 results	0% of 15 results	0% of 9 results
Jstor	15% of 173 results	0% of 54 results	0% of 40 results	0% of 15 results	0% of 7 results
Emerald insight	90% of 343 results	0% of 194	0% of 191 results	0% of 41 results	0 of 40 results
Human Resource Management Academic Research	0% of 5 results	0 results	0 results	0 results	0 results
Open Library	5% of 20 results	0 results	0 results	0 results	0 results
Scientific Research	100% of 4 results	0 results	0 results	0 results	0 results
Elsevier	0% of 8.385 results	0% of 2.546 results	0% of 2.546 results	0% of 2.539 results	0% of 2.539 results

Source: authors

As it can be observed, only few articles and papers have been found, relevant to the subject.

After filtering the results by type of result – conference paper, journal article, book – the references were chosen by relevance to study topic. The most frequently referenced publications in the area were looked for, as well as recent ones, to see what is new in the topic of E-HRM in general AND the correlation between e-HRM and employee motivation. At the end of this stage, less than 5 references could be chosen to be used in this paper.

When it comes to the language of the references that were identified, more than 95% percent of them were in English, which can be attributed to the large number of papers and publications in English regarding E-HRM that can be found in the scientific databases.

The span of time when these papers were released, the number of publications on the topic of e-HRM has increased steadily since 2010, with the most recent publication being in 2022. This demonstrates that electronic human resource management (E-HRM) is a popular study subject that receives a great deal of attention from the scientific community.

Less than 5 papers were found – considering the same period – on the topic of correlation between e-HRM and employee motivation.

3. FINDINGS AND DISCUSSIONS

E-HRM has been the subject of much academic investigation on its objectives and potential consequences.

There are, however, just a few studies that look at how e-HRM impacts the employee motivation in workplace.

The only empirical study found on the topic is a study in a factory in Tanzania (Shah et al. 2020). The authors found positive correlation between two components of e-HRM (e-recruitment, e-knowledge management) and employee motivation, and no correlation on the third component under study (e-compensation). Hence, the authors conclude, quote: “that the use of E-HRM does affect motivation. E-HRM is effective in motivating organization staff.” end quote. However, the study could not find how employee motivation was affected to lead (or not!) to increase in worker engagement, initiative, innovation or productivity.

Parry and Tyson (2011) classified the impacts of E-HRM into three categories: operational, relational, and transformative. As human resource operations become more standardized, there is less danger of errors, and the work is done quicker and with more transparency. Employees that benefit from these perks are also more productive.

All of these advantages contribute to more efficient and streamlined human resource procedures (Tursunbayeva et al., 2019), which results in increased profits for the organization.

However, no other significant studies on the topic have being found to be made with regard to the impact of e-HRM use on employee motivation at workplace.

4. CONCLUSIONS

Over the past two decades, verry few empirical research on E-HRM have been conducted. In fact, only one was found in scientific data-bases in the past 20 years.

The fact that the scientific community avoided this topic is surprising. This might be since the matter is so complex and rather sensitive in nature.

In current times, phenomena such as “quiet quitting” have come to public attention. Companies realize that this phenomenon, that was recently discovered, is toxic and can produces devastating effects both on business results and society at large. Steps must be taken to alleviate such trends and this is mainly a HR job. And is about motivation.

Can e-HRM come to the rescue?

In order to investigate if there is a correlation between E-HRM and employee motivation, one must first define what E-HRM is and what motivation theories or principles should be taking into account.

New research is needed to determine the correlation (if any) between adoption and use of e-HRM and employee motivation.

In authors opinion, an empirical study to be conducted on this topic can follow the logic depicted in figure 1.

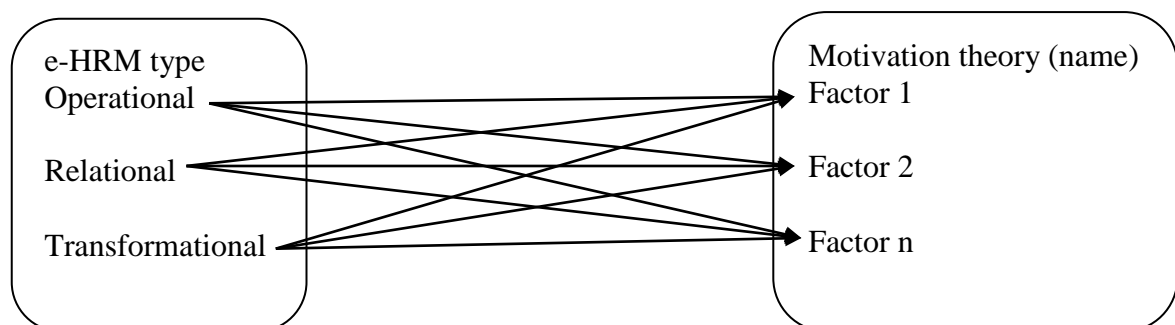


Figure 1
Source: authors

The null hypothesis approach can be employed as such:

Main H0: no correlation between the use of e-HRM and employee motivation.

Partial correlation:

H01: no correlation between operational e-HRM and factor 1

H02: no correlation between operational e-HRM and factor 2

H0n: no correlation between transformational e-HRM and factor n

In order to produce significant and practical results, such a study should be longitudinal in nature with a large base of subjects – various industries, various countries, both gender subjects and a wide range of age.

Authors are currently working at an evidence-based study on this topic. Given the complexity and therefore the resources needed for such study, the authors will limit their study both in scope and nature to a transversal study in a particular segment of population (young intrapreneurs).

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