

## Evaluating Employees' Perceptions and Performance in Relation to e-HRM in the Banking Sector

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### ABSTRACT

**Background and Aim:** This study's main goal is to examine the influence on the employees' attitudes regarding electronic human resource management (EHRM) and how well they use it.

**Methods:** Using a purposive sample technique, data were collected among 180 banking professionals in the Indian banking sector. As statistical instruments for analysis of data, the one-way ANOVA test as well as correlation processes used. Findings demonstrate that user performance, which results from the use of EHRM, is strongly correlated with system functionality, user satisfaction, perceived benefits, and user acceptance.

**Results:** The study investigates a favorable relationship between employees' usage of EHRM and attitudes about EHRM. The study also shows that demographic factors like gender, age, education level, etc. have little bearing on how people see and use EHRMs.

**Conclusion:** The study's findings will assist HR managers in taking the appropriate actions to maximize the advantages of EHRM utilization.

**Keywords:** EHRM, perception, Employee Performance, Information Technology.

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### INTRODUCTION

Due to the rapid growth of information technology (IT), HRM is becoming much more dependent on IT Sector to carry out HR functions successfully (Masum et al., 2015). They switch from conventional human resource management (HRM) to electronic HRM after realizing the enormous benefits and characteristics (Masum, 2015). According to Strohmeier (2009), it provides effective HRM facilities for the entire company, making EHRM a strategic player in the company (Ibrahim and Yusoff, 2015). When HR transitions from being an administrative specialist to a strategic collaborator, the working practices, operations, and personnel skills are also altered. As a result, two

crucial questions arise: if banking staff would accept these changes or even if the business will suffer any unintended consequences (Wiblen et al., 2010). Currently, EHRM research is in its early stages for Indian enterprises (Masum et al., 2019). As far as we are aware, no studies have been done on how EHRM implementation affects employee perception and performance in India. As a result, there is a dearth of studies into the perceptions and behaviors of banking personnel as they relate to the use of EHRM (Alam et al., 2016). The main goal of this research is to establish a connection among how banking staff members perform for EHRM and how staff members view EHRM. Additionally, it aims to show if demographic factors like gender, age, etc. get an impact on how EHRM performance is perceived.

## **Literature review**

### **Electronic human resource management (EHRM)**

According to Bondarouk and Rul (2009), "EHRM" is regarded as an umbrella word. In the IT and HRM departments, it is utilized to denote all likely combination techniques and contents. For the HR manager and a chosen group of employees, it is anticipated that it would create value inside and across firms (Stone et al., 2015). According to Masum et al. (2013), EHRM contributes significantly to various HR tasks like payroll, management, and pension sharing across all HR-related divisions. After implementing the EHRM, the HR department afterward becomes a tactical business partner (Wright, 2008).

### **Employee's perception of EHRM**

Additionally, banking staff members may see the use of EHRM adversely if they are not informed of all its advantages. However, banking employees who view the system as a tool for the daily profession and a powerful organizational tool think that the EHRM is more beneficial. Whenever employees recognize the transition situation adversely, the adoption of an EHRM system may be viewed within an organization as a stressful event (Lukaszewski et al., 2008). Banking employees reevaluate their workplace states as a result of the EHRM implementation (Vandenberghe et al., 2011). For instance, staff members may believe they will be let go after the deployment of EHRM due to the compressed demand for personnel connected to managerial activities rather than monitoring (Panayotopoulou, et al., 2007). Masum et al. (2018) assert perception that EHRM utilization is related to the perceived accessibility and perceived practicability by banking personnel. Therefore, the attitude of banking staff regarding the use of EHRM is impacted by this perceptual belief. Personnel will also see an EHRM favorably if they possess the necessary understanding and skills to use it. As a result, an extra effort through training is crucial to ensuring the positive opinion of banking staff. Additionally, if an EHRM system is difficult to use, employees will have a negative attitude toward using it (Bondarouk and Rul, 2009). Regarding usability, staff members presume that an EHRM will increase banking activity efficiency (Lukaszewski et al., 2008). This will increase staff members' perceptions of the EHRM (Lawler and Mohrman, 2003).

### **Banking professionals' performance with the EHRM**

The study of technology acceptance strongly supports the theories and frameworks that describe how an employee requires an IT boom (Ashraf et al., 2019). Such research is typically based on the TAM theory (Technology Adoption Model), and it provides empirical evidence emphasizing people's beliefs and mentalities about using software, which affects both their intentions for using

the system and their usage behavior (Davis, 1989). However, not all analysts believed that attitudes and perceptions toward using the program can predict how banking personnel will behave in businesses, particularly when companies mandate that their employees use new software (Masum, Mamun, Islam, and Beh, 2017). As per Viswesvaran (1993), there are three ways to evaluate an employee's job performance: production, work quality, technical competency, skills, and abilities. Using the Viswesvaran model from 1993, the job performance of employees will be assessed. The output, work quality, technical proficiency, skills, and capabilities are three aspects covered by this approach.

### **Research Methodology**

To accomplish the research goal, this article gives detailed research procedures and strategies for data gathering, variable measurement, and analysis of data.

#### **3.1 Sample and data collection**

Participants in the study included 200 banking executives, managers, and officers from 36 private banks. There were 180 valid questionnaires. The survey was carried out between May and July 2019. As there are just a few firms in India employing EHRM, purposive sampling was employed in this study to choose appropriate participants for the sample.

#### **3.2 Measure**

Three parts make up the designed questionnaire. Demographic information in the first component includes organizational role, race, age, education, and job skills. Two scales were used as the research's measurement tool system functionality, user satisfaction, perceived benefits, and user acceptance of EHRM apps were evaluated using nineteen elements in the 1st scale. 8 items that were developed from previous research were used to evaluate the effectiveness of the project among the four measurements (Doll & Torkzadeh, 1988 Davis, 1989). Davis (1989) provided the basis for five of the items used to measure perceived usability; Davis (1989) provided the basis for four of the items used to measure perceived usefulness, and Davis (1989) provided the basis for two of the items used to measure user support (2007). Linda Koopmans et al. modified 3 questions for the second scale to measure user performance for EHRM (2012). In this study, the EHRM environment was used to modify every scale item.

#### **Data analysis**

Performance and perception of individual employees regarding banking staff were measured on a five-point Likert-type scale. From "1: strongly disagree" to "5: strongly agree," the scale reads. In this study, parametric testing was used. Traditionally, the Kolmogorov-Smirnov test was used to ensure that the data were normal. The findings demonstrated that the data were normally distributed. To begin with, participants' demographic information was represented using descriptive statistics. Second, the reliability test, mean, and standard deviation were utilized to determine the validity of the study instrument. The Pearson correlation test was used to investigate the relationship between user performance for EHRM and perception of EHRM. Subsequently, the one-way ANOVA test and t-test applied to recognize the gap together with demographic qualifiers. For data analysis, the SPSS was used.

### **3.4 Hypotheses of the Study**

This study investigates the relationship among bank staff performance for EHRM and staff perceptions of EHRM. Additionally, it is examined whether or not demographic factors like gender, age, and position fluctuate including these two variables (staff performance and staff perceptions).

#### **The following are highlighted as the main research hypotheses:**

H1: The effectiveness of banking employees in using EHRM and employee perceptions about EHRM are related.

H1.1: Employees' perceptions in relation to EHRM demonstrate disparities in addition to their employment.

H1.2: Employees' performance in relation to EHRM demonstrate disparities in addition to the respective job position.

H1.3: Employees' perceptions in relation to EHRM demonstrate disparities in addition to respective genders.

H1.4: Employees' performance in relation to EHRM demonstrate disparities in addition to respective genders.

H1.5: Employees' perceptions in relation to EHRM demonstrate disparities in addition to a respective qualification.

H1.6: Employees' performance in relation to EHRM demonstrate disparities in addition to respective qualifications.

H1.7: Employees' perceptions in relation to EHRM demonstrate disparities in addition to respective ages.

H1.8: Employees' performance in relation to EHRM demonstrate disparities in addition to respective ages.

#### **RESULTS:**

Cronbach's alpha coefficients were determined to determine the measurement variables' dependability. Perception of EHRM and performance for EHRM had reliability scores of 0.921 and 0.815, 180 employees from the banking sector took part in the study. Table 1 shows that a sum of 68 women (37.38%) and 112 men (62.22%) completed and returned the questionnaires. The age range of the participating banking professionals was 25 to 60 years, with 34 (18.89%) of them falling between the ages of 25 and 30; 65 (36.11%) between the ages of 32 and 36; 45 (25%) between the ages of 37 and 42; and 36 (20%) over the age of 43. The responders were 37.56 years old on average. Additionally, among the banking professionals, 2.78 percent (5 individuals) had an M.Phil degree, 81.11 percent (146 people) had a post-graduate degree, and 16.11 percent (29 people) had a Bachelor's degree. Regarding their current roles within the company, 78 individuals (43.33 percent) had low-level officer positions, 34.45 percent held mid-level management positions,

and 40 individuals (22.22 percent) held top-level managerial positions. The average number of years that respondents had worked for the organizations was 6.25. According to the descriptive statistics, the average employee performance on the e-HRM fulfillment scale was estimated at 3.69, and the average employee perception of the use of e-HRM was 3.78 (SD: 0.73). (SD: 0.69). Table 2 provided the std. deviation and mean value for every variable. Moderate scores were reported for each variable. The results are shown in Table 2, where the respondents marked "agree" for both scales. Respondents perceive the scale's four components as having approximately equal importance, and four of the scale's components are evaluated side by side. In a similar vein, 3.69 was determined to be the mean for the aspects of employee performance for the EHRM scale (SD: 0.69). the respondents emphasized the value of EHRM while also expressing their satisfaction with the EHRM program. H1 is therefore considered true. Pearson correlation analysis was used to examine the relationship between employees' performance for EHRM and employees' perceptions of EHRM. According to the findings, there is a very favorable and significant correlation between employees' performance for EHRM and employees' perceptions of EHRM. The correlation coefficient is also 0.857 (p 0.01). H1 is therefore considered true.

***Table: 1: Demographic Data***

| <b>Variables</b>     | <b>Particular</b>        | <b>Freq.</b> | <b>(%)</b>   |
|----------------------|--------------------------|--------------|--------------|
| <b>Gender</b>        | <b>Woman</b>             | <b>68</b>    | <b>37.78</b> |
|                      | <b>Man</b>               | <b>112</b>   | <b>62.22</b> |
| <b>Age</b>           | <b>25-30</b>             | <b>34</b>    | <b>18.89</b> |
|                      | <b>31-36</b>             | <b>65</b>    | <b>36.11</b> |
|                      | <b>37-42</b>             | <b>45</b>    | <b>25</b>    |
|                      | <b>43</b>                | <b>36</b>    | <b>20</b>    |
| <b>Qualification</b> | <b>Pursuing graduate</b> | <b>29</b>    | <b>16.11</b> |
|                      | <b>Degree Holder</b>     | <b>146</b>   | <b>81.11</b> |
|                      | <b>Doctorate</b>         | <b>5</b>     | <b>2.78</b>  |
| <b>Rank-Level</b>    | <b>Top-Management</b>    | <b>40</b>    | <b>22.22</b> |
|                      | <b>Mid- Management</b>   | <b>62</b>    | <b>34.45</b> |
|                      | <b>Executive</b>         | <b>78</b>    | <b>43.33</b> |
| <b>Exp.</b>          | <b>Less than 1</b>       | <b>32</b>    | <b>17.78</b> |
|                      | <b>1-3 year</b>          | <b>42</b>    | <b>23.33</b> |
|                      | <b>4-6 year</b>          | <b>47</b>    | <b>26.11</b> |
|                      | <b>7-9 year</b>          | <b>33</b>    | <b>18.33</b> |
|                      | <b>10 and more</b>       | <b>26</b>    | <b>14.45</b> |

*Table 2. Mean, Dimensional, and scaling standard deviation measurements*

| Scale and Dimension           | Mean | SD  | N   |
|-------------------------------|------|-----|-----|
| System functionality          | 3.82 | .71 | 180 |
| User satisfaction             | 3.76 | .79 | 180 |
| Perceived Benefits            | 3.85 | .68 | 180 |
| User Acceptance               | 3.61 | .72 | 180 |
| Perception towards (total)    | 3.78 | .73 | 180 |
| Employee performance for EHRM | 3.69 | .69 | 180 |

The relationship between EHRM evaluation of employee perception and performance from EHRM was also looked at in table 3 to fully explain this beneficial association. To identify the major influence of the construct, a correlation analysis was done between these factors and user performance from EHRM. Additionally, the findings show a strong association between software quality and user performance ( $r=0.588$ ,  $p0.01$ ). User performance exhibits a positive connection ( $r=0.666$ ,  $p0.01$ ) with perceived usefulness. Similar to this, perceived usability and user performance have a positive association ( $r=0.588$ ,  $p0.01$ ). Additionally, there was a correlation between user support and performance ( $r=0.452$ ,  $p0.01$ ). As anticipated, there was a correlation between user performance and facilitating conditions ( $r=0.452$ ,  $p0.01$ ).

*Table 3: Correlation among perceptions in relation to dimensions and employee performance*

| Variable                        | 1             | 2             | 3             | 4             | 5 |
|---------------------------------|---------------|---------------|---------------|---------------|---|
| <b>1. System Functionality</b>  | 1             |               |               |               |   |
| <b>2. User satisfaction</b>     | <b>.773**</b> | 1             |               |               |   |
| <b>3. Perceived Benefits</b>    | <b>.771**</b> | <b>.595**</b> | 1             |               |   |
| <b>4. Employees Acceptance</b>  | <b>.588**</b> | <b>.745**</b> | <b>.689**</b> | 1             |   |
| <b>5. Employees performance</b> | <b>.675**</b> | <b>.771**</b> | <b>.591**</b> | <b>.761**</b> | 1 |

**\*\*p<0.01**

T-test performed for determine if or not the position variable and personnel's views of EHRM varied. As a result, the findings indicate a statistically significant difference among 2 variables ( $p: 0.007$   $0.05$ ). H1a thus a recognized theory. Therefore, it is noted that there are differences in how employees perceive themselves as upper-level managers, middle-level managers, and low-level executives. According to the findings (upper-level management s 3.92, middle management 3.67, lower executive 3.03), upper level management' and middle management' perceptions are different with those of lower executives.

*Table 4th: Overview one-way ANOVA for Perception regarding Electronic Human Resources*

|                      | Total of squares | df        | Mean Square  | F            | Significance |
|----------------------|------------------|-----------|--------------|--------------|--------------|
| <b>Among Groups</b>  | <b>5.786</b>     | <b>3</b>  | <b>1.929</b> | <b>6.123</b> | <b>.009</b>  |
| <b>Within Groups</b> | <b>32.674</b>    | <b>56</b> | <b>.584</b>  |              |              |
| <b>Total</b>         | <b>38.460</b>    | <b>59</b> |              |              |              |

Then, a one-way ANOVA test was used to see if employees' performance from the EHRM differed depending on their position. The analysis shows a statistically significant difference (p: 0.0280.05) between the two variables. H1b is a recognized theory, so. The outcomes also demonstrate that upper-level managers, middle-level managers, and lower-level employees all behave differently in the banking industry. According to Table 5's findings (upper-level management 3.87, middle managers 3.61, and lower rank employees 3.10), performance of managers and executive in terms of EHRM is statistically different from that of officers and senior employees.

*Table 5: one-way ANOVA results for EHRM performance*

|                      | Sum of Squares | df        | Mean Square  | F            | Sig.        |
|----------------------|----------------|-----------|--------------|--------------|-------------|
| <b>among Groups</b>  | <b>5.988</b>   | <b>3</b>  | <b>1.996</b> | <b>4.189</b> | <b>.028</b> |
| <b>Within Groups</b> | <b>43.781</b>  | <b>56</b> | <b>.781</b>  |              |             |
| <b>Sum</b>           | <b>49.769</b>  | <b>59</b> |              |              |             |

**Table 6: Research Hypotheses**

| p-value | Result   |
|---------|----------|
| .000    | Accepted |
| .009    | Accepted |
| .028    | Accepted |
| .189    | Rejected |
| .231    | Rejected |
| .786    | Rejected |
| .453    | Rejected |
| .099    | Rejected |
| .179    | Rejected |

### **Hypotheses**

H1: There is a relationship among employee's performance and perceptions in relation to EHRM

H1a: Employee's perceptions in relation to EHRM demonstrate disparities in addition to the respective job position.

H1b: Employee's performance in relation to EHRM demonstrates disparities in addition to the respective job position.

H1c: Employee's perceptions in relation to EHRM demonstrate disparities in addition to respective genders.

H1d: Employee's performance in relation to EHRM demonstrates disparities in addition to respective genders.

H1e: Employee's perceptions in relation to EHRM demonstrate disparities in addition to a respective qualification.

H1f: Employee's performance in relation to EHRM demonstrate disparities in addition to respective qualification.



H1g: Employee's perceptions in relation to EHRM demonstrate disparities in addition to respective ages.

H1h: Employee's performance in relation to EHRM demonstrate disparities in addition to respective ages.

The t-test and one-way ANOVA tests used to determine if the variables of gender, education level, and age were associated with differences in how people perceived and performed using EHRM. According to Table 6, there were no statistically significant differences between age, education, or gender. Above is a summary of every hypothesis. 154 HR professionals were interviewed by Yuslizaa and Ramayah (2012) to identify the variables that may influence their attitudes about EHRM. They discovered that employee attitude had a strong correlation with EHRM goals' clarity, perceived utility, user support, user performance, social influence, and enabling circumstances. Bal et al. (2013) have found a link between personnel views of EHRM in Turkish companies and employee performance for EHRM. Consequently, this study also examined the same directions.

## **DISCUSSION and CONCLUSIONS**

In this research, the effectiveness of banking staff in using EHRM and the attitudes of HR staff about EHRM were assessed. As per correlation research, there is a strong and positive association between all of the EHRM-related characteristics, including user support and the quality of the program, information, and perceived usability. The findings revealed no association between demographic factors (gender, age, and educational attainment) and opinions about or performance concerning EHRM usage. The study's findings show that banking staff members view EHRM as practical and sufficiently user-supportive, and as a result, they are happy with it. Additionally, it was discovered that position variables and performance variables for banking personnel's view of EHRM differ. With more in-depth information about how new technology is adapted and used by businesses, this might work. Longitudinal research can be used for additional analysis with bigger sample size. To offer comprehensive insights in the future, more research methodologies, including case studies, will be used.

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