

CHAPTER 1: INTRODUCTION

BACKGROUND OF THE TOPIC

Technology has affected every aspect of human life. Every field of business has been affected by it. It has changed the ways of living of human, the way we communicate, the way we learn, the way think. It has a great impact on private and business sector as well. It provides huge opportunities to help the development of business. Due to technology many impossible things have been become very easier for businessmen. It has reduced the large need of employees, but increased the efficiency of work. In past times which work required a lot of people and a lot of time to be completed, nowadays only single person finish that work in just few minutes.

For example, in past time the work of typing required many people to do that work, but now only a man can do that work in just few seconds.

So we see how technology is affecting our business. Human resource management also has its great influence. Technology has affected directly organizations and HR functions. It has some positive and negative influences on HRM organizations and its functions.

In this dissertation researcher have going to discuss the influence of information technology and telecommunications on human resource management. What are its good and bad effects on HRM, researcher will discuss in this dissertation.

A) POSITIVE IMPACTS OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS ON HRM

In past few years it was a belief that human resource managers use technology only to fulfill few needs such as administrative tasks. But nowadays it is no longer like this, these days the whole structure of business depends upon technology. A single step cannot be taken further without the think of information technology.

'The future growth and development of business will depend on the use knowledge of technology, information technology and services provided by them' (Barley 1996).

So these days information technology is helping businesses to grow and to develop on a large scale. It helps managers to recruit efficient employees, to save their personal information, for the motivation and good leadership if the employees, to finding new techniques of work, to increase profit and for future planning for business.

So let's discuss the positive impacts of technology on human resource management:

Recruitment of new employees:

As we see these days maximum people rely on the internet, and according to the predictions of researchers number of people who use internet is growing in millions every year.

'Well educated people, who have skills and full of ambitions, regular working with information technology and communication, have more influence of information technology' (Bola and Truman, 2003).

So many companies are taking advantage of this thing; they are recruiting efficient, skilled and passionate people online according to their needs. This procedure of recruitment is very much beneficial for the employers, one side it provides those efficient employees and on the other hand it is very cheaper and the third thing is it is a very quicker way of recruitment.

By postal or any other way only limited people can be informed for the company's requirement, but via internet hundreds of people can be attracted by your job and company. So we see information technology has made recruitments very easier.

To save employees full data:

Because of information technology the whole data of each employee can be saved for years. Means even after 50 year it can be confirmed that who worked on which post that time. An employee's personal details, job title, post, pay, duty hours etc can be saved for future use. Even his or her performance at work also can be measured, an organization can come to know that who is performing in the favor of the company and when time comes he or she can get promotion or can be fired from the job due to bad performance.

On the other hand organizations required to save employees skills, work experience, his efficiency on work and his performance in previous job and his salary for that job. These all things organization can get through internet can save on their system.

This information that firm can use in future, and if any employee needs any additional training then that firm can arrange it for him.

Organizations are finding new ways of work:

Because of developments of technology and communications now organizations are finding new advanced ways of work.

'Communications and information technology is providing a wide range of opportunities to organizations to perform well' (Lindstrome, mob erg and Rapp, 1997).

These days' organizations are adopting new ways of ways of work which are more efficient, advanced, and profitable for them. By using these ways they are getting more productivity and more presence of employees at work.

Example:

The most relative of changing ways of work due to technology is teleporting, in which method an employee of an organization can do his or her job sitting at home even in his bed.

'In this term of work, work comes to the worker not worker goes to the work' (Niles, 1998).

Because of this term of work an organization can save a lot of money. If they will do work at offices then organization would have to provide a lot of facilities to the employees, like a table, chair, computer, and a lot of other things but in teleconferencing an organization can save the cost of all these things.

There is another term of work which is being used in project oriented work with subcontracting. Today most skilled and ambitious people do not want to be bound with a company and organizations also hire those people who are necessary for their projects they need their assistance for work just for a limited time of period. So those people are not formal members of the company. It is very beneficial for the firms because they can get 100% benefits of the skills of that man, and they need not to employee him for a long time and if firm starts a new project then they can hire another man required to that project.

'A huge number of people who work for an particular organization may be still work for the same job in future, but a slowly growing small number of people will not work like this. Part timer workers are the contractors for a limited period of time for an organization,' (Ducker, 2001).

Better information management

Because of information technology and communications storage of data and information has become so easier. IT is providing a lot of possibilities for the betterment of information management in organizations.

'By using IT an organization can protect its information from outside world and IT also provides simple storage, maintenance, and sharing of information among organization's members. These all are the essential tasks for a better information management' (Marched et al. 2001).

Information technology helps to improve the performance of a business so to improve the performances.

For the motivation of employees:

Information technology helps organizations to motivate its employees for better performance. They can offer their employees much psychological, financial reward. An organization can offer many beneficial policies to its employees, by these rewards an employee tends to be honest with his work the organization can achieve its goals because without the co-operation of employees organization cannot be successful.

'Because of information technology we can think of many changes about the motivation of an organization employees' (Bola and Truman, 2003).

So we can say that information technology helps a lot for the motivation of the employees, an organization can allow them to know how it is going to satisfy its employees. Like this it can attract other firms' skilled employees who are unsatisfied with their firm or organization.

Technology used in training of employees:

Nowadays many companies required employees trained with modern techniques of information technology because technology is developing with a fast pace and to compete in the industry organizations need employees with the knowledge of modern technology. Organization using technology for the training of employees, they can train them according to their requirements in a particular skill and they can be used for organization's favor and these trained workers can proved to be a profitable asset for the organization. Organizations need not to recruit a large number of employees, who are not perfect for that job, organization can spent money in a positive manner instead of giving wages to those employees who are not useful for them.

Another term is related to that is a company can give training of more than one to a single person, it is beneficial for them in case of one of the employees left the job who was working on a particular project then organization can recruit another employee from their own organization on the same post rather than finding another employee with the same skills, wasting time. Like this an organization can save a lot of time and money.

More profit for the organizations:

Today we can reduce the cost of organization with the effective use of information technology and the profitability of the organizations is increasing day by day with more improved technologies. There are a lot of things to get more profit for instance, these days due to technology; recruitment of people has been decreased. In past organizations had to recruit employees in a large number, their speed of working was less, but organization had to pay them a lot of money without getting much profit. But these days because technology has developed on a large scale so a large part of work which was done by people in past, now days by developments in technology has been done by fewer employees in a very short time period. Due to advancement in technology many HR functions such as recruitment of employees can be performed with less usage of time and resources and organizations can find easily the right persons for their jobs.

Another thing is organizations can always keep an eye on the performance of employees, due to this employee cannot shirk work. He gives his 100%. So like this an organization can get more profit, and more productivity.

So all these are the positive impacts of Information technology and communication but there are some negative impacts also. So let's discuss those too.

B) NEGATIVE EFFECTS OF DEVELOPMENTS IN THE FIELD OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

There are many positive influences of speedily improving information technology but there also some negative effects of it. Due to the developments in this field of business every aspect has been changed, strategy of work, planning of work etc. and it is continuously changing even in present too. So for employees who are working with the old techniques, it is hard to understand new techniques of working. Those organizations which do not adopt new method cannot meet the ever changing requirements of the industry and it is also very hard for an organization to find out right skilled person for them, because persons with the knowledge of latest technology are rare.

Technology is directly affecting the functions of human resource management. So these all things are discussed here:

Cutting jobs:

As we have discussed above that technology is very cheaper and very fast, by technology any type of work can be done quickly as compare to men. So in past a huge number of employees had been recruiting. But nowadays organizations need a few employees with proper skill. As manpower planning a human being is referred as a machine in this technological era means if he is working or giving profit then it's ok otherwise through him out. It is not fault of organizations or human beings rather it is the requirement of today's world. Because of technological developments organizations require less but skilled person for employment to compete the world. An organization cannot tolerate the burden of overstaffing, because it is wastage of money, so organizations are cutting jobs. This action gives harassment to many people, especially to them who were old employees of the firm, having comparatively less knowledge of information technology, but now companies have to kick them out, so they do not have any other way of survival. People are compelled to study technology. The competition among today's generation has been increased. They have to do hard work to have a good job, but cutting in jobs harass them.

Unsatisfied employees of the company:

Organizations are using advanced technology in their work to get more profit and to be more efficient but this makes many employees unsatisfied and angry with the organization because they do not know about that technology and how to deal with that, and they also afraid of to lose their job. So it results in strike or other activities like this which affect the whole structure of the organization.

The latest example is 'royal mail's strike and strikes in bus and train departments because all these companies want to adopt new and advanced techniques but their employees are unsatisfied with them. The reason is same because they do not know how to deal with rapid changes in firms technology, they are also afraid of losing their jobs.

Skill shortage for organizations:

As we know that using new technology in today's era is necessary for organizations, but to use that technology properly organizations need proper skilled persons for each project but there is a shortage of skilled persons for the organizations, because people

are known to last techniques of work, and if an organization immediately decides to adopt new technology then it results in shortage of skilled workers.

For example, in last time period, Australian organization experienced growth in economic era, but suddenly they also faced crises due to the same problem of skill shortage as they want to adopt new technologies.

So this thing is more challenging for the organizations, because on one time they have to consider about so many things, like they have to manage their staff properly, have to satisfy the needs of their staff, and have to maintain themselves in this competitive industry.

Expenditure on employees for further training:

To get employees with proper skills organizations have to train people themselves with new technology, it costs a lot. Organization spend a lot of money on the training of people, but it is not guaranteed that all of them who are taking training will be able to perform a good job, will stay in your company and work with you for long time. All these things are not guaranteed. Moreover, other thing is technology is changing day by day, so in future a new technology can be introduced so it will cost again for the organization to retrain their employees with these changes, so all these factors are affecting organizations.

Hard to do for old people:

If a company is adopting new technology, but its old employees who are working with them for a long time cannot tolerate this change because they are working with old techniques and new ones are difficult to understand for them. On the other hand, organizations also not want to train those people because they want to use new ideas from new generation and if organization will train those old people then it will cost them a lot because those people are near to retirement and spending money on them will be wastage.

Next thing is due to changes in technology organizations are transforming people to one side to another side. So it irritates them a lot and results in strike etc.

PERFORMANCE MANAGEMENT

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance

management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization.

Many writers and consultants are using the term "performance management" as a substitution for the traditional appraisal system. I encourage you to think of the term in this broader work system context.

A performance management system includes the following actions.

Provide effective orientation, education, and training.

- Develop clear job descriptions.
- Select appropriate people with an appropriate selection process.
- Negotiate requirements and accomplishment-based performance standards, outcomes, and measures.
- Provide on-going coaching and feedback.

As companies reorganize to gain competitive edge, human resources plays a key role in helping companies deal with a fast-changing competitive environment and the greater demand for quality employees.

- Effectively managing and utilizing people.
- Increasing the innovation, creativity and flexibility necessary to enhance competitiveness.
- Applying new approaches to work process design, succession planning, career development and inter-organizational mobility.
- Managing the implementation and integration of technology through improved staffing, training and communication with employees.

PROBLEM STATEMENT

To explore how much information technology is deeply rooted in the organization and effect the efficiency of employees in ICI Paints.

OBJECTIVES OF THE STUDY

1. To find out the impacts of information technology on the ICI paints.
2. To see the impact of independent variables i.e., data processing, work burden, record keeping, on the dependent variable efficiency of employees in ICI Paints.

3. In this study researcher try to find out to what extent the work has become easy because of the use of computer based information technology in ICI Paints.

HYPOTHESIS

H1 Information Technology is designed to make people more effective and efficient when performing daily activities.

H2 Information Technology is not designed to make people more effective and efficient when performing daily activities.

SIGNIFICANCE OF THE STUDY

It has great advantage for H.R. It is useful for human resource department as well as executive level management. It has benefit of future and future decisions. It is useful for common people who are working in Human Resource Department and Accounts Department. It is helpful for maintaining records and retrieving records. It gives analysis reports of the employees. It helps for H.R managers for hiring the new employees in particular job.

PURPOSE OF THE STUDY

Purpose of this research is to understand and to analyze the process of development of I.T to enhance the efficiency of H.R, so as to have better understanding of the MIS and to make an informed judgment about the future decisions. The purpose of this evaluation is to identify strengths and weaknesses of the process of development of I.T in HRM. Main purpose is to achieve future objectives of the organization.