E-Way or The Highway!

An effective e-HRM will not only help in managing your expanding business needs, but contributes directly to the growth of an entity by de-risking an organization from the negative impact arising due to the exit of key employees, high employee turnover and the impact of regulatory non compliances.

- BY **GAURAV JAIN**

Human Resource Management is an integral part of every corporate entity; irrespective of their size, and, is also dependant on the type of business activity, location etc. It is gaining prominence owing to globalization and the rise of new and innovative business enterprises, dynamic social, business and regulatory environment, increased competition, high retention rate, innovation in HR practices and a lot more. Today, India is ranked third globally when it comes to the number of start-up enterprises. The start-up enterprises focus on scaling up the operations within a few months, and the businesses are valued at millions of dollars based on few months/days of operations. Therefore, start-up enterprises are under tremendous pressure from their investors to perform and deliver the desired results. They are therefore embroiled in a constant hunt for talent, and, somehow want to grab the best of talent. Though these companies offer highly competitive packages, the employee performance is below expectations. This is the reason for a high retention rate and a low employee satisfaction rate.

High Attrition Rate

Some of the leading e-commerce businesses in India have witnessed the exit of CEOs, CXO's in less than a year, in spite of great packages and stock options in place. While e-commerce firms were in news owing to their growth in the past, they are in the news today since the top executives are exiting them viz. Flipkart, Snap deal, Ola. Some very common reasons for such an attrition are long working hours, high levels of stress, inter-departmental conflicts, complex compensation structures, no proper training or information about the job, KMPs' appointed by founder based on personal reference, centralized decision making, absence of an employee road map, and most importantly, an insecure future.

Such high levels of employee attritions result in a delay in the implementation of growth plans, breakdowns in the routine operations, low employee productivity, reduced investor confidence, difficulty in attracting the right talent, and

should actually be well versed in creating, reviewing and modifying the entity structure, perpetually analyzing the organizational need, articulating job description, attracting talent, talent acquisition as per the need of the organization, skill augmentation planning, initial and performance review, career mapping, compliances, counselling, improve the talent retention and confidentiality, and data security.

e-HRM Solutions

As a process, the HR team needs to acquire, collate, and review a lot of employee data. Some of these data are measurable, but some critical functionalities are dependent on the behavioural aspects. For a HRM function to be effective, it must be able to have a holistic view of both the qualitative and the qualitative aspects. Therefore, technology being an inherent part of our daily lives, adoption becomes imperative as well. Nowadays, people have been simplifying some routine tasks and problems with the use of computers

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increased cost of acquisition and retention.

Lack of Fundamental HRM Practices

Tech start-ups are no strangers to such issues since in spite of their rapid growth they fail to build strong fundamental Human Resource Management practices. That HRM is involved only in acquiring talent, issuing appointment letters, filing few statutory returns and mundane interactions is a mere myth, and, is in fact, a function of fundamental importance. In my opinion, HR

and the Internet. It has sped up some processes and increased the efficiency of performed assignments. In contemporary business, information technology (IT) tools are fundamental to realize processes in faster and more efficient ways. Larger human resource departments must be able to use detailed, advanced data gathering and statistical analysis techniques to gauge the success of their initiatives. These results can then be used to adjust HRM programmes or even make organizational changes.

e-HRM solutions not only help in

enabling the HR department to perform their tasks more efficiently and effectively, but also add value in the following manner:

- They help in forecasting the need of Human Capital using predictive analytics, improve accuracy and transparency in the decisions, and standardization of processes.
- They keep them updated with innovative HR practices and functions, dynamic reports, enable web-based tests and interviews.
- They enable faster response to HR related queries and decisions, security of data and privacy.
- They render the HR function to be more strategic and business focused.
- They provide support to future planning and for policy formulations.
- They create the ability to produce comprehensive and consistent management information, significant reduction of administrative burden and facilitate e-learning thus breaking barriers of time and location.

e-HRM enables HRM to perform with the growth

e-HRM enables HRM to perform alongside the growth of the entity. It is a mechanism to bring various stakeholders i.e. management, employees and the HR division on a common platform. This is a manner of linking, managing and monitoring HRM for the employees across all the verticals and sites from a central location. Employees can also retrieve information relating to the terms of employment, various certificates, salary slips, ESOP status etc. at any instant.

Further, there are e-HR Compliance tools like Lexcomply, which enable HR departments to identify, allocate, manage and report statutory compliances. In HR functions, statutory compliances are of immense importance. In India, it is not only the Central Government, but also the state governments that have enacted various Acts/Laws towards the welfare of workmen and governing their terms of employment.
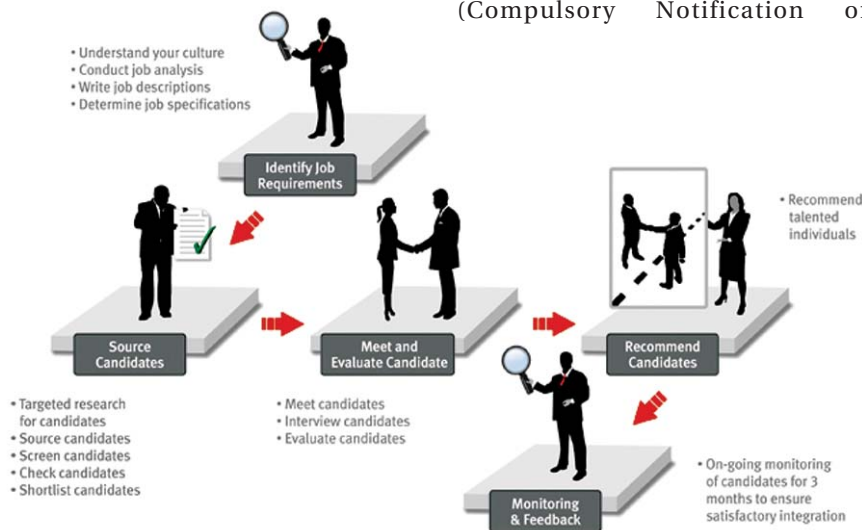
Some of these labour laws are:

1. The Child Labour (Prohibition and Regulation) Act, 1986 and the Child Labour (Prohibition and Regulation) Rules, 1988.
2. The Employees Provident Fund & Miscellaneous Provisions Act, 1952 and Employees' Provident Funds Scheme, 1952
3. The Employee's Provident Funds and Miscellaneous Provisions Act, 1952 and The Employee's Deposit Linked Insurance Scheme, 1976
4. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Pension Scheme, 1995.
5. The Employees' State Insurance Act, 1948 And The Employees' State Insurance (Central) Rules, 1950 And The Employees' State Insurance (General) Regulations, 1950
6. The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
7. The Apprentices Act, 1961 & Apprenticeship Rules, 1992
8. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
9. The Punjab Labour Welfare Fund Act, 1965 and The Punjab Labour Welfare Fund Rules, 1966
10. The Punjab Shops and Commercial Establishments Act, 1958 and The Punjab Shops and Commercial Establishments Rules, 1958
11. Payment of Gratuity Act, 1972 and Haryana Payment of Gratuity Rules,1972
12. Payment of Wages Act, 1936, Payment of wages (Haryana Amendment) Act, 1985 and The Punjab Payment of Wages) Rules, 1937
13. The Minimum Wages Act 1948 and & The Punjab Minimum Wages Rules 1950
14. Contract Labour (Regulation and Abolition) Act, 1970 and Haryana Contract Labour (Regulation and Abolition) Rules, 1975
15. The Factories Act & Haryana Factory Rules

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These laws are dynamic and are subject to constant change. Non-compliance may result in monetary penalty; closure of business operations or even imprisonment. So compliance tools like LexComply generate the due date, event based and ongoing compliances by themselves, and, thus reduce the chances of non-compliance.

Bring technology to the fore

Since most of the start-up products and services are technology driven, it should be natural for them to bring in the technology in HR function also. e-HRM is an advance business solution, which provides a complete on-line support in the management of all processes, activities, data and information required to manage human resources in a modern entity. An effective e-HRM will not only help in managing your expanding business needs but contributes directly to the growth of an entity by de-risking an organization from negative impact arising out of exit of key employees, high employee turnover and impact of regulatory non compliances. **HC**