

## **The Impact of Electronic Human Resource Management on Organization's Market Share: An Empirical Study on the Housing Bank for Trade and Finance in Jordan**

**Hassan. N. Rawash**

MIS Department, Girne American University  
PhD Candidate, Girne, TRNC via Mersin 10 Turkey

**Assoc. Prof. Dr. Serdar Saydam**

Girne American University  
TRNC via Mersin 10 Turkey

### **Abstract**

*This study aimed to investigate the impact of Electronic Human Resource Management (E-HRM) on organization's market share: An empirical study on the Housing Bank for Trade and Finance in Jordan. A review of literature shows that there is an absence of a theoretical model that describes the Electronic management (EM) in details. A review of normative literature states that there is an absence of theoretical model that describe the Human Resource Management (HRM) in detail. The study was found that there is a lack of empirical research regarding the integrating between EM and HRM to improve organization performance. Therefore, the researcher attempts to address these voids in literature by proposing integration between electronic management and human resource management. The research has confirmed the entire hypothesis which satisfies the research aim and objectives.*

**Keywords:** EM, HRM, E-HRM, Market Share

### **1. Introduction**

Due to the rapid growth of the electronic management revolution, electronic management has become very necessary for building an efficient and effective relationship with human resource. The role of electronic management in human resource is important for enhancing organizational performance. The act of integration of EM and HRM is a new research area and, therefore; scientific research and literature around it remain limited.

In light of the tremendous development in modern technology, the information revolution and the availability of the Internet and other networks, it became necessary for all organizations to take advantage of that technology; to ensure quality performance and production, development of working methods, and to achieve the desired goals efficiently, as the driving force of economic and social transformations and policy at the global level.

Recently, E-HRM has been studied increasingly by many scientists. Most of the studies have been conducted in the United States and Europe. There are a few studies fewer than other developed countries which are different in economic environment and technology. Because of the great difference in the market and mechanism of management of the countries in the Third World Countries, several of previous studies have conducted on the E-HRM by researchers in various developed countries.

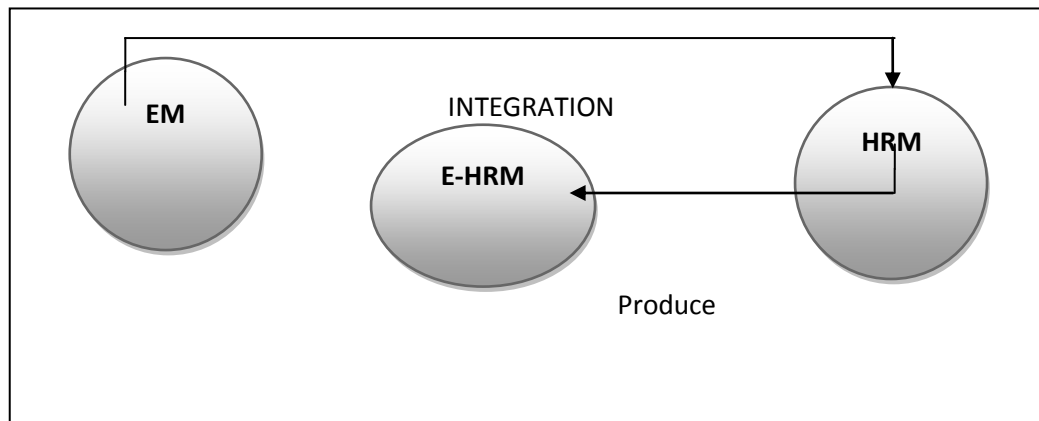
Electronic management it is a result of technical and technological development in the field of activities and business organizations. The availability of development of human resources by decision-makers in any system management became a necessity for the success of the administrative process traditionally and electronically, so keeps these organizations resilient to currents of change in a scientific manner and sound technical for practice staff in organizations. Because banking sector including the Housing Bank for Trade and Finance- operated in a complex characterized by the need to use the electronic management input effective in achieving the goals of the organization, and require the entrance of the great effort and potential complex, including human resources.

So development of human resources became the most important element facing the banking sector. Thus contribution to the development of human resources greatly improved the management systems in general.

This is exacerbated when the administrative problems faced by organizations, as the development process, which takes an important dimension in the monitoring of the future of organizations, and to predict the challenges can be faced, and which adversely affect the productivity and efficiency according to the type of service.

In addressing this issue, this study investigates the relationship between EM and HRM. The purpose is to study the impact of electronic human resource management (E-HRM) on organizations market share.

This study investigates the integration between EM and HRM to study the impact of E-HRM on organizations market share. This integration can be illustrated in the next Figure 1.1, which includes three main areas: EM, HRM, and the relationship between these two aspects.



**Figure 1.1: study Areas**

On the basis of constant change with the response to changes in customer needs and desires, and the nature of the important role of human resources in the light of the electronic management, will have an impact on achieving high market share of the organization. It requires study of the role of electronic management and human resource development in achieving high market share for the organization due to their link achieves run success of the organization. Based on the foregoing, the study can show the problem more clearly by asking the following question.

What is the model for describing an integration of electronic management and human resource management to propose electronic human resource management E-HRM in order to achieve high market share for the organization?

The main goal of this study is to attempt to understand the role of electronic management and the role of human resources in achieve high market share for the organization.

To achieve this goal a new model is proposed to describe the relationship between electronic management and human resource management. Because there is a limited number of studies described, proposed a model reflects the relation between the electronic management and human resource management. Thus, the study seeks to identify the relationships between electronic management and human resource management and how it achieve high market share for the organization from the perspective of workers at the Housing Bank for Trade and Finance.

## **2. Previous Research**

This study context includes four areas that are related to the research problem and research question. In other words, this section assumes that there are four main areas to be discussed. Firstly, there will be an overview of EM. Secondly, this section will provide an overview of the HRM. In the third area, particularly this section moves into the E-HRM concept in details. After that the section will provide information about the market share of organizations.

The term e-management is a term of modern management, which emerged as a result of the tremendous revolution in information and communication networks. It has caused a significant shift in the performance of organizations to improve productivity, speed of performance, and quality services.

There are a lot of researchers who have defined the concept of e-management. For example, it has been defined by (Nawafleh, Obiedat, & Harfoushi, 2012) as a set of processes between government and citizens, government and business, government and staff, providing services directly via the Internet in order to develop services and increase the efficiency and effectiveness. Moreover (Djurickovic & Kovacevic, 2011) see the E-management as the way that the most innovative information is used by the government and as a way of using information technology and Internet applications in order to comfort and security access to the information provided by the company, and provide participation in the processes of the institution as well. Another definition (Vrhovšek & Spalević, 2011) says that it was easy to conclude that the e-management is the use of information technology and communications to improve governance and management processes. (Salmi, 2008), adds the objectives of e-management such as managing files instead of saving them and reviewing the content instead of reading. He also talks about other objectives such as E-mail instead of incoming and outgoing, Operational procedures instead of the minutes of the meetings, Achievements instead of follow-up, discovery of problems instead of follow-up, and the successful processing of the meetings.

Furthermore (Santosh Ranganath, Kama raju, & Trinadha Rao, 2011) emphasized the developments in e-government is to facilitate the task of information technology to make all the business inexpensive and comprehensive as well. Furthermore, he said that the concept of e-government means supporting good governance and thus the objectives of the electronic management are similar to a very large extent with the objectives of good governance.

According to (Mahapatro, 2010), the term human resource management was used 10 -15 years ago; it was known before as "Personnel Management", which emerged as a field defined before the year 1920 in the United States.

It interested largely in the technical aspects of the recruiting, evaluating, and training. This was a field which does not usually focus on the relationship between the different employments practices in all over the organization. Furthermore, this field lacks a unified model. (Mahapatro, 2010) also added that the Human Resource Management has evolved in response to the significant increase in competitive pressures that have started in business organizations in the U.S. in late 1970s as a result of factors such as globalization and technological change. These pressures have given more attention to improve strategic planning in organizations through expected future changes under different environmental conditions (such as nature, in addition to the level of the market). In spite of the technical aspects of personnel management, it is still an integral part of human resource management.

Human resources management in any organization has a great importance because it manages the most important and most expensive assets of the organization. The human resource management as explained is by (Hafiza Hafsa Nayyab, 2011) is linked with all the managerial functions involved in planning for recruiting, selecting, developing, utilizing, rewarding, and maximizing the Potential of the human resources in an organization. In addition, (Ho, Wilson, & Chen, 2010) see that the unique human resource management systems and strategies focus on the interaction between cognition and administrative organization. Furthermore, (Günsel, 2006) divided human resources practices that affect on the performance of the company into five groups. These groups are Selective Recruitment, Use of Teams and Decentralization, Training, Performance, and Information Exchange.

Furthermore, (Ismail, Omar, & Bidmeshgipour, 2010) divided human resource management practices into two sections. These sections are administrative and instrumental sections. The instrumental practices can lead the organization to achieve the vision and mission which includes knowledge management and leadership while administrative tools are used to achieve implementation and include recruitment, selection, training and performance.

Recently, E-HRM has been studied increasingly by many scientists. Most of the studies conducted in the United States and Europe. There are a few studies less than other developed countries which are different in environment economic and technology.

Because of the great difference in the market and mechanism of management of the countries in the developing countries, several of previous studies have conducted on the E-HRM by researchers in various developed countries.

To add confusion to the debate, academics and professionals in human resources literature use a wide range of terms to describe the use of technology in the management of human resources. For instance, the terms E-HR, E-HRM, HR intranet, HR portals and self-service are in common usage.

E-HRM is a way to implement human resources strategies, policies and practices in organizations through the use of Internet channels and take full advantages of them as (Sanayei & Mirzaei, 2008) said. According to (Strohmeier, 2007), E-HRM is the planning, implementation and application of information technology for each of the networks and the support of at least two actors, individual or collective to perform their joint duties for activities of human resources. Moreover, (Ruel, 2009) defined E-HRM as an inclusive term contains all the mechanisms of integration and its contents between the human resources management, information technology, which aims to create value within organizations. (Ramayah, 2011) Said, that the E-HRM it is a technology that provides the human resources functions with opportunities to create new areas to contribute to organizational success. Furthermore, (Strohmeier, 2007) concluded the definition of E-HRM as the process of innovation and continuous improvement in the management of human resources caused by all this new phenomena and major changes. Moreover, it was defined by (Oiry, 2009) as the use of Web technology in the practice of human resources and administrative policies.

Dependence only on financial ratios in assessing the performance gives nonintegrated dimensional vision about the organization, so we should promote this approach in measuring by operating performance metrics to build a measurement system to perform effectively in the organization. These measurements as market share, and retain customers and introduce new products, product quality and service provided, the effectiveness of the marketing process, productivity, and other measurements that are linked to performance of the organization.

In the current study will be rely on the report by (Anderw & O'sullivan, 2007) included the market share.

The index of the market share refers to the private part of the organization of the total sales in that market, and market share can be measured in the framework of the number of clients or the cash value realized from the sales organization for each product or service compared to the Cash Value accruing to the total sales in the market (Kaplan & Norton, 1996). Market share indicator is measured when the companies determine market share which should be covered and serviced compared with competitors in the same sector, both compared with the market share of the company which has the largest market share in the same sector, or with the market share of the three largest companies in the market. So that they can reach this market share during a specific time period, and can be achieved in proportion to the environmental conditions of external and internal to the company, and shows the role of the marketing function is evident in this index through service new market segments, which increase in market share on the back competitors.

### **3. Hypotheses**

For studying the integration of electronic management and human resource management to propose electronic human resource management E-HRM in order to achieve high market share for the organization I test the following hypotheses:

- H01:** There is no significant relation between the electronic management and the market share of the Housing Bank for Trade and Finance.
- H02:** There is no significant relation between the electronic management and the development of human resource.
- H03:** There is no significant relation between the human resource management and the market share of the Housing Bank for Trade and Finance.

### **4. Research Method**

In this study, researcher took into account the philosophy and techniques of different research and to verify the objective of this research and to meet the goals of the research.

This study shows the research methodology used in this research to investigate the role of electronic management and human resources management to high market share for organizations.

#### 4.1. Hypotheses Testing

##### 4.1.1. There is no significant relation between the electronic management and the market share of the Housing Bank for Trade and Finance.

Due to investigate this hypotheses, Simple linear Regression between the electronic management and the market share of the Housing Bank for Trade and Finance was applied, next table shows that:

Table: 4.1: Result of Simple linear Regression between the electronic management and the market share of the Housing Bank

Variable	$\beta$ .	T	Sig.	R	R- Square	F	Sig.
The electronic management and the market share	0,65	10,36	0,00	0,648	0,420	107,38	0,00

the above Table shows that correlation coefficient (R) reached (0.648), The electronic management as a predictor, explained a significant amount of the market share, R- Square value reached (0.42), F value reached (107,38  $p < .05$ ) it's reach (0.00), this indicate to there is significant relation for the electronic management on the market share of the Housing Bank for Trade and Finance, whenever positive  $\beta$ . value reached (0.65) which indicate to percent of change in the market share if change The electronic management one unite.

Therefore reject hypotheses one and accept alternative hypotheses to be:

- There is significant relation between the electronic management and the market share of the Housing Bank for Trade and Finance.

##### 4.1.2. There is no significant relation between the electronic management and the development of human resource.

Due to investigate this hypotheses, Simple linear Regression between the electronic management and the development of human resource of the Housing Bank for Trade and Finance was applied, table (4.2) shows that:

Table: 4.2 Result of Simple linear Regression between the electronic management and the development of human resource of the Housing Bank

Variable	$\beta$ .	T	Sig.	R	R- Square	F	Sig.
The electronic management and the development of human resource	0,37	6,72	0,00	0,484	0,23	45,18	0,00

the above Table shows that correlation coefficient (R) reached (0.484), The electronic management as a predictor, explained a significant amount of the development of human resource, R- Square value reached (0.23), F value reached (45.18  $p < .05$ ) it's reach (0.00), this indicate to there is significant relation for the electronic management on the development of human resource of the Housing Bank for Trade and Finance, whenever positive  $\beta$ . value reached (0.37) which indicate to percent of change in the development of human resource if change The electronic management one unite.

Therefore reject hypotheses two and accept alternative hypotheses to be:

- There is significant relation between the electronic management and the development of human resource of the Housing Bank for Trade and Finance.

##### 4.1.3. There is no significant relation between the human resource management and the market share of the Housing Bank for Trade and Finance.

Due to investigate this hypotheses, Simple linear Regression between the human resource management and the market share of the Housing Bank for Trade and Finance was applied, table (4.3) shows that:

Table: 4.3: Result of Simple linear Regression the human resource development and the market share of the Housing Bank for Trade and Finance.

Variable	$\beta$ .	T	Sig.	R	R- Square	F	Sig.
The human resource development and the market share	0,642	6,917	0,00	0,494	0,244	47,84	0,00

The above Table shows that correlation coefficient (R) reached (0.494), the human resource management as a predictor, explained a significant amount of the profitability, R- Square value reached (0.244), F value reached (47.84  $p < .05$ ) it's reach (0.00), this indicate to there is significant effect for the human resource management on the market share of the Housing Bank for Trade and Finance, whenever positive  $\beta$ . value reached (0.642) which indicate to percent of change in the market share if change the human resource management one unite. Therefore reject this hypothesis and accept alternative hypotheses to be:

- **There is significant relation between the human resource development and the market share of the Housing Bank for Trade and Finance.**

### 5.3. Scope of the research

In this study, I investigate the market share of the Housing Bank for Trade and Finance in Jordan from the perspective of employees.

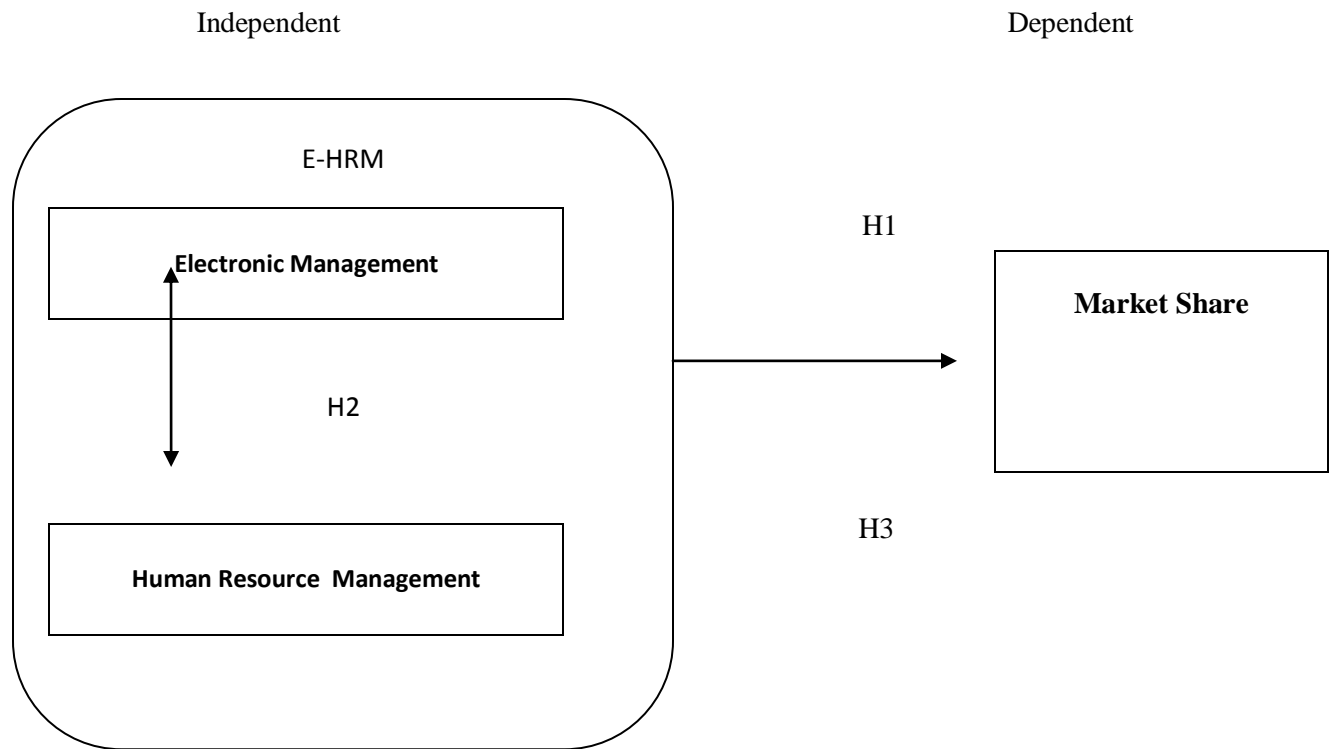
### 4.2. Sample

In this study, the sample contains the employees in the Housing Bank for Trade and Finance in Jordan. Then the sample was selected randomly to ensure a fair representation of the user. The Housing Bank for Trade and Finance (HBTF) was established in 1973 as a public shareholding limited company with a capital amounting to half a million JD. The primary focus of the Bank was to provide housing finance, and hence the name.

### 4.3. Source of Data

This study based on two sources of data and information collection: Firstly: the primary source that provides high quality of the results. The most common method of data collection is the survey method. The researcher designed a questionnaire in order to meet the objectives of this research. Secondly: secondary source: other relevant data and information collected from the literature, and previous studies conducted on this topic.

## 5. Research Model



**Figure: 5.1: study Model**

## 6. Summary and Concluding Remarks

This research contributes to the understanding of EM and HRM. The research has succeeded in proposing a model that enriches current research by offering specification, justification, and empirical validation of a set of interrelationships between important factors. Most importantly, this research describes an integration of EM and HRM to propose E-HRM to improve organization performance.

The main findings derived from the work presented in this study are mentioned below.

A review of literature states that there is an absence of theoretical model that describes the EM in details. Therefore EM model would give the broadest analysis the electronic management process. A review of normative literature states that there is an absence of theoretical model that describe the HRM in details. Therefore EM model would give the broadest analysis the human resource management process.

It was found that there is a lack of empirical research regarding the integrating between EM and HRM to improve organization performance. Therefore, the author attempts to address these voids in literature by proposing an empirical integration. There is clarity among a sample of the study about the importance of electronic human resources management.

Having obtained a view of the contributions as noted above, this research will now explain the limitations of this research. One limitation is that the size of the sample is not very large because the branches of the Housing Bank for Trade and Finance in Jordan are very few.

Another limitation is that the option of methodology is limited to one method of data collection which is the questionnaire. It is acknowledged that because of using the survey method, the researcher is unable to get the responder to clarify their response.

The last limitation of this research is that this research has been undertaken in the Housing Bank for trade and finance in Jordan which is a medium size country. In order for the benefits to be more, this research should be conducted in a different country with larger banks.

The investigation into how E-HRM characteristics could be translated into E-Business interface. Moreover, designing more elaborate guidelines would be beneficial to future developers of E-business. By doing so, this research will derive future trends for EM and HRM; an integrated model to improve organization performance.

## **References**

- Anderw, A. V., & O'sullivan, D. (2007). marketing performance measurement ability and firm performance. *journal of marketing* , 79-93.
- Djurickovic, T., & Kovacevic, D. (2011). ENHANCING EGOVERNMENT IN MONTENEGRO -- USING KNOWLEDGE MANAGEMENT FOR CREATING KNOWLEDGE SOCIETY. *International Journal of Management Cases* , 320-330.
- Günsel, O. E. (2006). RELATIONSHIPS BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES, BUSINESS STRATEGY FIT AND FIRM PERFORMANCE. *Gebze Institute of Technology, Turkey* , 97-107.
- Hafiza Hafsa Nayyab, M. H. (2011). The impact of HRM practices on the Organizational performance The study of banking sector in Okara, Punjab (Pakistan). *INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS* , 3.
- Ho, M., Wilson, M., & Chen, S. (2010). HRM in New Zealand biotechnology SMEs: emergence of employment systems through entrepreneurship. *nternational Journal of Human Resource Management* , 313-336.
- Ismail, W. K., Omar, R., & Bidmeshgipour, M. (2010). The Relation of Strategic Human Resource Practices with Firm Performance: Considering the Mediating Role of Resource Based View. *Journal of Asia Pacific Studies* , 395-420.
- Kaplan, R. S., & Norton, D. P. (1996). *Balanced Scorecard: Translating Strategy into Action*. Boston, Massachusetts: Harvard Business School Press.
- Mahapatro, B. B. (2010). *new age human resource management*. e-book. New Delhi: New Age International (P) Ltd.
- Nawafleh, S. A., Obiedat, R. F., & Harfoushi, O. K. (2012). E-GOVERNMENT BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. *International Journal of Advanced Corporate Learning* , 8-13.
- Oiry, E. (2009). Electronic human resource management: organizational responses to role conflicts created by e-learning. *International Journal of Training & Development* , 111-123.
- Ramayah, M. Y. (2011). Explaining the Intention to Use Electronic HRM among HR Professionals: Results from a Pilot Study. *Australian Journal of Basic and Applied Sciences* , 489-497.
- Ruel, T. B. (2009). Electronic Human Resource Management: challenges in the digital era. *The International Journal of Human Resource Management* , 505-514.
- Salmi, A. A. (2008). *electronic management*. jordan: Amman: Dar.
- Sanayei, A., & Mirzaei, A. (2008). DESIGNING A MODEL FOR EVALUATING THE EFFECTIVENESS OF E-HRM (CASE STUDY: IRANIAN ORGANIZATIONS). *International Journal of Information Science and Technology* , 79-98.
- Santosh Ranganath, N., Kama raju, T., & Trinadha Rao, P. (2011). E-GOVERNANCE AND ICTS: CHALLENGING INITIATIVES IN INDIA. *Asia Pacific Journal of Research in Business Management* , 231-239.
- Strohmeier, S. (2007). Research in e-HRM: Review and implications. *Human Resource Management Review* , 19-37.
- Vrhovšek, E. M., & Spalević, Ž. (2011). THE PERSPECTIVES OF DEVELOPMENT OF ELECTRONIC GOVERNMENT IN SERBIA AND EU EXPERIENCE. *Megatrend Review* , 115-140.