أثر الإدارة الإلكترونية ودور تطوير الموارد البشرية في تحسين أداء المنظمة

# The Impact of E-Management and the Role of Human Resource Development in Improving the Performance of the Organization

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# Abstract

This study aimed to identify the effect of contents of electronic management on the performance of commercial banks, to Understand the implications of the impact of electronic management on the development of human resources, to Understand the role of the administration in the development of electronic decision-making processes by the human resources and its impact on performance, to achieve these aims researcher developed tool (Questionnaire) for examine study hypothesis, the population of this study is composed of all officials in IT Department of commercial banks in capital of Jordan (Amman) district that equal 13 banks distributed in different areas of Amman. researcher distribute 110 item, 90 item returned for analysis, depends on statistical analysis " simple regression test, correlation test" by using statistical package SPSS20 results show that there is a significant relation for the electronic management of human resources on banking sector, growth, significant relation for the electronic management of human resources on competition of banking sector, significant relation for the human resources development on profits of banking sector, significant relation for the human resources development on profits of banking sector, significant relation for the human resources development on profits of banking sector, significant relation for the human resources development on profits of banking sector, significant relation for the human resources development on profits of banking sector, significant relation for the human resources development on profits of banking sector competition. Depending on above results researcher recommended that it is necessary to encourage using modern electronic management in banks operations in future.

# Introduction

In light of the growing e-business in various sectors it is necessary to find an electronic infrastructure in institutions, where developed an integrated electronic management as a way to automate the administrative work flow for the purposes of administrative processes electronically and documented in accordance with the systematic electronic applications.

Arab countries making large initiatives in the development of e-business, including the United Arab Emirates, Egypt, Jordan, Lebanon (need to be documented), but that these initiatives need to deepen and follow-up, speed and greater funding than is dedicated to her now if they are to keep up with what is happening globally, especially in terms of R & D support, without which it cannot accommodate the right of endemic or absorption (absorbed and applied) in this new economy.

Considerable indecisiveness remains, however, as what is the level of connection between E-HRM methods and company's performance, either some methods have beneficial connection or not and either complementarities among HR methods can increase business results or not(Delaney, J.T. and M.A. Huselid, 1996).

Institution's Electronic Human Resource Management practices must develop employee's knowledge, skills, and motivation to behave in ways that should be implemented (Dessler, 2013).

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 (HafizaHafsa 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) explained 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.

Human resource management (HRM) is the best strategy and coherent approach to the maintain management of an organizations to maximize performance.

Human resource management (HRM) is responsible for how people are treated in organizations. It is responsible for bringing people into the organization, helping them to perform their work, compensating them for their labors, and solving problems (Ellinger, A. E. (2002).

### **Problem Statement**

There are a lot of studies have dealt with not contributing to electronic management in the development of human resources in many organizations in developing countries and that a return to a lot of reasons, including that the technological infrastructure of these countries has not been completed in such a way contribute to the administration of electronic in the process of administrative development where they can address this problem in the following Questions:

What is the effect of the contents of electronic management of human resources and development of human resources in the Jordanian commercial banks performance.

To what extent contributes to the development of human resources in enhancing the impact of the contents of electronic management of technological and financial performance of commercial banks in terms of profitability and market share.

### Importance of the Study

The present study derives its importance from the following points:

1-The importance of electronic management in commercial banks duties, and the integration between the electronic management and human resources role in improving the performance of the bank.

The role of electronic management in human resources that help in adapting right decisions for competitiveness of commercial banks.

### **Objectives of the Study**

This study aims to:

1-To identify the effect of contents of electronic management on the performance of commercial banks

2-Understand the implications of the impact of electronic management on the development of human resources

3-Understand the role of the administration in the development of electronic decision-making processes by the human resources and its impact on performance.

# Literature Review

Electronic Human resources (EHR) play an important role in achievements in big companies which focus on strategic partnership (Bell et al. 2003).

Some HR professionals can be unsuccessful to adopt technology in business although they know HR technology. (Ulrich et al. 1995: 473-495). So in order to be an important player in organizations and add value for organizations HR professionals must understand the business, industry and business strategies.

They need to know about finance, marketing, supply chain management, manufacturing, logistic, customers, competitors, financial markets and globalization (Quinn and Brock bank, 2006: 477-494).

The competencies of HR professionals in business do not necessitate the ability to do all the business functions, but the ability of understanding businesses (Ulrich at al., 1995: 473-495).

The impact of HRM practices on organizational performance has been the subject of much attention over the years. However, empirical validation of findings in operations across countries and/or industries are nearly non-existent and very limited at best.

Recent trends toward globalization and mergers and business world make the study of HRM practices in the context of country and industry is necessary (Legare, 1998). The literature has emphasized the need for generalize ability of the relationship between HRM practices and organizational performance. For example, Delery and Doty (1996, p. 829) raise concern that the results of their study of HRM practices on organizational performance in the banking industry may not be valid in other industries.

These authors urge that ".the current findings need to be validated in other industries to rule out industry as an important contingency factor." Similar cautions can be made for country effects. The impact of HRM practices on organizational performance as proposed by Pfeffer (1998) and others can be generalized across manufacturing plants operating in different industries and countries if we find support for the set of hypotheses below.

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.

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 these 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.

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.

Rasheeds study (2007), which dealt with the development of human resources and its role in activating the electronic management: An Empirical Study on workers in the public security in Riyadh " to the following:

- Budget allocation is sufficient to activate the application and e-governance.
- Tools provide specialized training in the use of computers and the Internet for employees.
- New curricula adapted to scientific progress and technological development.
- Spreading the culture of the Internet and computers among employees.
- Raise awareness of the importance of e-governance through media campaigns.

The study found a number of recommendations including:

- Remove obstacles that limit the activation of the application of e-governance.
- Attract qualified personnel and specialized in the field of e-governance.
- Work environment valid enactment of regulations and systems that support the application of e-governance
- To provide training opportunities for employees, and follow the motivational and incentive policies for the application of e-governance.
- Allocation of adequate budget for the implementation of e-governance, and to provide communication service via the Internet.

Human resource management faced many challenge of bringing in the trained employees in the organization that fulfill their expectations and requirements regarding work, as long as to fulfill the requirements of organizational performance (Vigoda, E. and A. Cohen, 2003).

Also, based on Cranet Network questionnaire responses by highest-ranking officer from corporate HR team, Eleni T.et al(2007) utilizes an innovative research methodology (Kohonen's self- organizing maps) to examine the relationship between human resource management and organization performance among organizations in the private and wider public sector of EU.

The samples in each country have been selected from lists provided by national federations. The 1546 respondents were members of corporate HR teams. the study indicated that training& development practices strongly related to performance.

According to Abo-Shaikha (2006) trying to analyze the relationship between the perception of functions and goals of human resource management and functional and personal characteristics in Jordanian commercial banks. Data have been collected and analyzed through the use of "SPSS" program in order to obtain means, standard deviations, percentages for the demographic characteristics of the sample.

Moreover analysis of variance (ANOVA) was obtained to see if there was any effect of significance of independent variables (position, gender, level of education, work experience, and number of training courses).

The study revealed a positive correlation between the perception of functions and goals of human resource management and functional and personal Characteristics of employees. The study provides a number of recommendations to help managers deal with the functions and goals of human resource management so as to achieve the common goal of the organization.

According to Seyed Mehdi Mousavi Davoudi; Kiarash Fartash(2012) Electronic Human Resource Management: New Avenues Which Leads To Organizational Success, this study attempts to clarify the important role of electronic human resource management (EHRM) in organizations. As a result, first of all, the present paper reviews the relevant literature about E-HRM. In the next step, the objectives of E-HRM in organizations are described. Then, three types of E-HRM are clarified. Thereafter, the applications and benefits of E-HRM are described. Moreover, this paper identified some factors which contribute to successful implementation of E-HRM in organizations. Then, by proposing a model, this paper illustrates the important role of information technology in supporting HR practices. Finally, the current paper develops theoretical proposition that provide further insight, for managers of organizations and business owners, on integrating HR practices with information technology which contributes to organizational superior outcomes.

Using questionnaire for collecting data Ya-Fen et al(2009).Investigated and explored human resource practices and their influence on organization performance,129 companies in Taiwanese electronic industry and 112 branches in China are used to demonstrate compare the impact of HRM practices on organization performance comparing with difference of appropriate decision support in each culture for Taiwanese electronic industry and the subsidiary company in China using Analytical Hierarchical process/Data Envelopment Analysis (AHP/DEA) model. The study found that different cultures have different relationship with organization performance. The main finding suggest: asking the employee to participate company activities.

Based on a questionnaire Seonghee et al(2006) investigated the relationship between the use of 12 human resource management (HRM) practices and organizational performance, the population of the study was lodging and restaurant companies in the USA. the sample was drawn from compact Disclosure database consist of 219 hotel and restaurant .The result of regression analyses indicated that companies implementing HRM practices are more likely to experience lower turnover rates for non-managerial employee .

Gaafar Mohamed Abdalkrim (2012) This study is examines the impact of human resource practices on organizational performance in banking sector in Saudi Arabia, and how different variables help an organization to achieve its objectives in efficient and effective way. The study focuses on seven variables of human resource management practices which: are training &development, performance appraisal, empowerment, compensation, job rotation, participation in decision making, and selecting system. The main object of this research is to evaluate the impact of human resource management practices on organizational performance. More precisely, on banking sector in Saudi Arabia. The data instrument used for data collection was questionnaire, to analyze the effect of these seven variables, using descriptive statistics and correlation analyze in order to analysis the data. The result confirm that all. seven variables of human resource management practices are positively correlate with organizational performance in banking sector in Saudi Arabia.

which indicate that the enhancement in those human recourse practices can lead to improvement of performance in banking sector in Saudi Arabia.

# Study Hypothesis

There is no significant relation between the electronic management, human resources development and banking sector performance (Profits, Growth, competition).

- 1- There is no significant relation between the electronic management of human resources and banking sector profits
- 2- There is no significant relation between the electronic management of human resources and banking sector growth in Jordan
- 3- There is no significant relation between the electronic management of human resources and banking sector competition in Jordan.
- 4- There is no significant relation between of human resources development and banking sector profits
- 5- There is no significant relation between human resources development and banking sector growth in Jordan
- 6- There is no significant relation between human resources development and banking sector competition in Jordan.

# **Study Limitations**

Limitation of place: this study covered the commercial banks in Amman capital of Jordan. Limitation of time: this study examined through 1/9- to 1/12 /2013

# **Study Definitions**

**Electronic Human Resource Management (eHRM):** is an IT application for supporting or connecting at least two people or collective actors in participating HR activities (Strohmeier, 2007, 19–37).

Human resources development: Human development is a process of enlarging people's choices.

**Organization Performance**: performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization.(Hofer, 1983).

# Data and Methodology

### Data

The data used for this study was related to Jordanian banking sector during the period 9/10-1/12/2013, this methodology is supported by many researcher on this field. the objective is to investigate whether e-management and the role of human resource development have direct impact on improving the performance of Jordanian banking sector. The population of this study is composed of all officials in IT Department of commercial banks in capital of Jordan (Amman) district that equal 13 banks distributed in different areas of Amman.

# **Data Collection**

Data included in the study were obtained from commercial banks by questionnaire designed for examine the hypothesis of study.

### Methodology

The type of the study: this study has been conducted according to the quantitative, data was collected through , questionnaire, and subjected to statistical analysis by spss.20.

Measure		Frequency	Percent
Gender	Male	60	67%
	Female	30	33%
qualifications	Diploma	20	22%
	Bachelor	45	50%
	Master and a above	25	28%
experience	1-5 years	30	33%
	6-10 years	25	28%
	11 years and more	35	39%
job:	Employee	60	67%
	Department manager	20	22%
	Branch manager	10	11%

### **Sample Characteristics**

The largest number of respondents comes from male and employee (67%), about 33% of respondents are female, where 22% of respondents are diploma, about 50% of respondent are bachelor, about 28% of respondents are master and above.

Where 22% of respondent are department manager, about 11% of respondents are branch manager.

Due to investigate these hypotheses, Simple linear Regression between the electronic management and human resources development and banking sector performance.

#### **Hypothesis Testing**

There is no significant relation between the electronic management and human resources development and banking sector performance.

1- There is no significant relation between the electronic management of human resources and banking sector profits

В	Т	sig	R	R-square	F	sig
0.70	9.23	0.00	0.70	0.49	85.2	0.00

the above table shows that correlation coefficient ( R) reached ( 0.70) the electronic management of human resources as a predictor explained a significant amount of profits, R- square reached ( 0.49), f value reached ( 85.2 P < 0.05) its reach ( 0.00) this indicate to there is significant relation for the electronic management of human resources on profits of banking sector, whenever positive B value reached ( 0.70) which indicate to percent of change in competition if change the electronic management one unite.

Therefore reject hypothesis one and accept alternative hypothesis to be .

2- There is no significant relation between the electronic management of human resources and banking sector growth in Jordan

В	Т	sig	R	R-square	F	sig
0.94	26.4	0.00	0.94	0.88	697	0.00

The above table shows that correlation coefficient (R) reached (0.94) the electronic management of human resources as a predictor explained a significant amount of c banking sector growth, R- square reached (0.88), f value reached (697 P < 0.05) its reach (0.00) this indicate to there is significant relation for the electronic management of human resources on banking sector growth, whenever positive B. value reached (0.94) which indicate to percent of change in competition if change the electronic management one unite.

Therefore reject hypothesis one and accept alternative hypothesis to be .

3- There is no significant relation between the electronic management of human resources and banking sector competition in Jordan.

В	Т	sig	R	R-square	F	sig
0.91	21.8	0.00	0.91	0.84	475	0.00

The above table shows that correlation coefficient ( R) reached ( 0.91) the electronic management of human resources as a predictor explained a significant amount of competition, R- square reached ( 0.84), f value reached ( 475 P < 0.05 ) its reach ( 0.00 ) this indicate to there is significant relation for the electronic management of human resources on competition of banking sector, whenever positive B value reached ( 0.91) which indicate to percent of change in competition if change the electronic management one unite.

therefore reject hypothesis one and accept alternative hypothesis to be .

4- There is no significant relation between of human resources development and banking sector profits

В	Т	sig	R	R-square	F	sig
0.63	7.7	0.00	0.63	0.40	60.35	0.00

The above table shows that correlation coefficient (R) reached (0.93) the human resources development as a predictor explained a significant amount of profits, R- square reached (0.40), f value reached (60.35 P < 0.05) its reach (0.00) this indicate to there is significant relation for the human resources development on profits of banking sector, whenever positive B . value reached (0.63) which indicate to percent of change in profits if change the human resources development one unite.

Therefore reject hypothesis one and accept alternative hypothesis to be .

5- There is no significant relation between human resources development and banking sector growth in Jordan

В	Т	sig	R	R-square	F	sig
0.76	11.2	0.00	0.76	0.58	125.8	0.00

The above table shows that correlation coefficient (R) reached (0.76) the human resources development as a predictor explained a significant amount of banking sector growth, R- square reached (0.58), f value reached (125.8 P < 0.05) its reach (0.00) this indicate to there is significant relation for the human resources development on banking sector growth, whenever positive B value reached (0.76) which indicate to percent of change in banking sector growth if change the human resources development one unite.

Therefore reject hypothesis one and accept alternative hypothesis to be .

6- There is no significant relation between human resources development and banking sector competition in Jordan.

В	Т	sig	R	R-square	F	sig
0.68	8.7	0.00	0.68	0.46	76.0	0.00

The above table shows that correlation coefficient (R) reached (0.68) the human resources development as a predictor explained a significant amount banking sector competition, R- square reached (0.46), f value reached (76.0 P < 0.05) its reach (0.00) this indicate to there is significant relation for the human resources development on banking sector competition, whenever positive B. value reached (0.68) which indicate to percent of change in banking sector competition if change the human resources development one unite.

Therefore reject hypothesis one and accept alternative hypothesis to be .

# **Results and Recommendations**

The study results showed that the electronic management of human resources and the development of human resources has a positive impact on the completion of the commercial banks of Jordan where it was found that the strength of the link high and positive between each of the electronic management of human resources and to achieve earnings growth and competition for these banks as well as the results indicate that there is a force correlation is positive between development human resources and to achieve outstanding performance in the banks represented in the profit and growth and competitiveness the study recommended the need to practice in the electronic management of all private banking operations in the banking sector as this has a great importance in the growth of these banks.

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