

## LEVERAGING INFORMATION TECHNOLOGY (IT) IN RECRUITMENT AND SELECTION PROCESSES- A COMPARATIVE STUDY

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**ABSTRACT:** *Information Technology (IT) has changed the business world many times over. In the Information Age, the advent of computers and the Internet has increased that impact significantly. Many businesses particularly banking industry cannot even function without the use of computer technology. This impact is seen in nearly all areas of business, including human resources, where technology continues to have a significant impact on Human Resource (HR) practices. The purpose of the study was to investigate the role of IT on HR functions in Fidelity Bank and National Investment Bank (NIB). The Survey approach was adopted for this study, with staff from the HR department as the subjects. The purposive sampling technique was adopted and the SPSS as an analytical tool was used to create tables and correlation of some variables. It was found out that Online Social Network (OSN) among other IT tools is mostly used for recruitment by private banks whereas daily newspapers are used by the public banks. Moreover, the study revealed that HR functions in scope and responsibilities have increased in the last three years in both private and public banks. Furthermore, it was revealed no relationship between the e-recruiting and employee performance. It is recommended that banks endeavour to heighten intensive application of existing HRIS and employee appraisal to help with the implementation of IT in HR functions.*

**KEYWORDS:** Information Technology (IT), Recruitment, Online Social Network (OSN), Human Resource, E-Recruitment

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### BACKGROUND OF THE STUDY

The ways in which human resources are managed has changed dramatically in recent years. Human resources are considered the most important asset of an organization, but very few organizations are able to fully harness its potential. Indeed, the HRM function in organizations has gained increasing strategic emphasis, and the importance of its alignment HRM and business strategies is well-acknowledged. In fact, Hustad and Munkvold (2005) stated that effective HRM is vital in order to be able to meet the market demands with well-qualified employees at all times.

Typical HR programs involve activities such as record keeping, recruiting, selection, training, employee relations, and compensation. However, all these programs involve multiple activities, and these HR activities can be classified into three broad categories: transactional, traditional, and transformational (Wright, McMahan, Snell & Gerhart, 1998).

Bernik, Florjancic, Crnigoj and Bernik (2007) contends that transactional activities involve day-to-day transactions that have to deal mostly with record keeping—for example, entering

payroll information, employee status changes, and the administration of employee benefits. Traditional activities involve HR programs such as planning, recruiting, selection, training, compensation, and performance management. These activities can have strategic value for the organization if their results or outcomes are consistent with the strategic goals of the organization. Transformational activities are those activities that add value to the organization for example, cultural or organizational change, structural realignment, strategic redirection, and increasing innovation.

The use of Information Technology (IT) has been advocated as an opportunity for human resource (HR) professionals to become strategic partners with top management. The idea has been that IT would allow for the HR function to become more efficient and to provide better information for decision-making.

HRM generally uses IT tools such as Human Resource Information System (HRIS). HRIS is said to be an integrated system of acquiring and storing data used to make analysis, make decisions in the field of HR (Hendrickson, 2003: 381-394; Luck, 2010). A contemporary HRIS is a dynamic database about employees' performance and demographic information. Lippert and Swiercz (2005) argued that HRIS provides information about employees' data, employment, application requirement, job characteristics, selection and staffing, procedures of employment, corporate structure, professional and individual improvement, education costs, performance appraisal, personnel planning, organizing etc. Besides this data are used for many purposes simple or complex.

According to Kavanagh (2008) one of the major advantages of the design, development, and implementation of an HRIS is to reduce the amount of time the HR staff have to spend on transactional activities, allowing the staff to spend more time on traditional and transformational activities. This notion of using technology to process transactional activities more efficiently is the central theme of this study and provides one of the primary justifications for a computer-based system.

It is clear that, technology and HRM have a broad range of influences upon each other, and HR professionals should be able to adopt technologies that allow the reengineering of the HR function, be prepared to support organizational and work-design changes caused by technology, and be able to support a proper managerial climate for innovative and knowledge-based organizations (Hempel, 2004). These technological advances are being driven primarily by strong demands from human resource professionals for enhancement in speed, effectiveness, and cost containment.

Parry (2011) argued that the development of technology has allowed firms to provide services directly to employees and managers through the use of self-service systems. Over recent years, Florowski and Olivas - Lujan (2006) underscored that there has been a shift in the delivery of transactional HRM from an approach which is "labour intensive" to one which is "technology-intensive" whereby a large proportion of transactional activities are now delivered using a wide variety of software rather than by HR administrators. This study will attempt to put forth the impact of IT on HR functions in the banking industry by comparing the public and private banks. The public and private banks are represented by National Investment Bank (NIB) and Fidelity Bank respectively.

## **Context of the Study**

### **Fidelity Bank**

Fidelity Bank is a commercial bank in Ghana which was issued with its Universal Banking License on June 28th 2006, making it the 22nd bank to be licensed by the Bank of Ghana. It is one of the twenty-seven (27) licensed commercial banks in the country.

The Bank is one of Ghana's premier banking and financial institutions serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services.

Fidelity Bank was incorporated on the 28th of June, 2006 following the acquisition of its universal banking license, making the Bank the 22nd to be licensed by the Bank of Ghana. The bank's vision is to become a world-class financial institution that provides superior returns for all stakeholders. Fidelity Bank is headquartered in Accra, at Ridge Towers. As of January 2013, the bank operates (43) networked branches and (65) VISA enabled ATMs at various locations (Annual Report, 2013).

Technology is an important driver of Fidelity Bank's business. Fidelity Bank successfully transformed its IT infrastructure in 2012, deploying cutting-edge IBM technology, as the Bank gears up for the next phase of growth. A new state-of-the-art data-centre was built and installed at the Bank, to significantly improve transaction processing and service delivery for customers (Fidelity Bank, Annual Report, 2012). Among the Bank's top priorities is leveraging technology to create channels to bring banking services to the doorsteps of everyone.

### **National Investment Bank**

Established in March 22, 1963, the National Investment Bank Ltd. was the first development bank in Ghana to promote and strengthen rapid industrialization in all sectors of the Ghanaian economy. NIB Ltd. now operates as a universal bank in focusing on development/commercial banking activities.

NIB Limited has undergone management, institutional and financial restructuring, which has strengthened the organization and now has 29 branches nationwide. NIB Ltd. has in the past participated in foreign lines of credit, which were administered by Bank of Ghana to meet term loan and working capital needs of the Bank's customers (Annual Report, 2013).

The Bank is also one of the designated financial institutions, which sources funds from Export Development and Investment Fund (EDIF) for on lending to exporters as Term and Working capital loans (Annual Report, 2013).

The Bank was awarded the prestigious Euro Market Award in 1994 and recently won the 2003 Best Bank of the Year for Long Term Loan Financing. NIB plays a leading role in developing a number of highly successful industrial projects in Ghana, through equity and debt financing. Some of these include Nestle Ghana Ltd, Nexans Kabelmetal (Ghana) Ltd., Merchant Bank (Ghana) Ltd. and Total Ghana Ltd.

It was therefore logical that events in the Fidelity Bank, to a greater extent, will influence HRM activities in the various private banking institutions nationwide. By focusing the survey on NIB

and Fidelity Bank, the findings could conveniently be projected unto the private and public banking institutions in Ghana.

### **Problem statement**

The HR department representing ‘recruiters’ or “gate-keepers” have to make important decisions, including whom to target, what message to convey and how to staff recruitment efforts. If not done correctly, an organization’s recruitment efforts can produce job applicants who are unqualified, who lack diversity or who may decline job offers. These same applicants may be prone to turnover if hired. A poorly designed recruitment process can miss attractive job candidates—including those who work for competitors—because they never find out that a position is open.

In this study, it appears that not all Ghanaian banks are leveraging IT introduction in HR functions. Specifically, cost seems to be a major bottleneck with spearheading IT innovation in Fidelity Bank and NIB. Cost relates to the availability of infrastructure (hardwares, softwares and databases), technical expertise, training and time. Furthermore, upon investigation in the study areas, it came to light that errors are sometimes prone to technologies deployed in recruitment function. For instance, incompetent training personnel in the HR department may feed the database with wrong information which consequently makes the results (output) to be flawed. If correctly implemented, the results remain key levers to enhance overall HR service levels and reduce costs of Fidelity Bank and NIB. This means can help redefining the HR role and assist HR in becoming a real strategic partner to top level management.

### **Research Objectives**

The main objectives of this study were:

- i. To find out the changes that e-recruitment tools are bringing about in recruiting strategies and practices.
- ii. To identify the opportunities for public and private banks and job seekers using e-recruitment tools.
- iii. To find out the risks for public and private banks and job seekers using e-recruitment in Fidelity Bank and NIB.
- iv. To suggest ways of improving on the current e-recruitment tools in public and private banks.

### **Research Questions**

- i. What are the changes that e-recruitment tools are bringing about in recruiting strategies and practices?
- ii. What are the opportunities for public and private banks using e-recruitment tools?
- iii. What are the risks for public and private banks using e-recruitment in Fidelity Bank and NIB?
- iv. What are the ways of improving the use in human resource management activities among these two banks?

### **Significance of the study**

This research unfolds the lapses in recruitment strategies in public and private banks, namely NIB and Fidelity Bank respectively. By identifying these lapses the management of Fidelity Bank and NIB is to consider the suggested recommendations to improve on their current recruitment practices. Despite the spheres competition in the banking industry in Ghana, Fidelity Bank and NIB will adopt the findings to have competitive advantage over other banking competitors. The HR of Fidelity Bank and NIB is key for the success in the coming years.

Moreover, the research is of significance to the human resource profession. To the profession, the findings and recommendations could be used as tool for enhancing other similar and future researches and also serves as a secondary source of information.

Finally, this research is justified by its ability to fill the existing gap in human resource literature in Ghana and the final analysis helping add to the existing literature in terms of evolving nature of technologies and helps broaden academic knowledge in efficient recruitment practices.

### **Scope of the study**

The study was limited to the HR department responsible for the recruitment functions of Fidelity Bank and NIB. These selected banks appear to have dissimilar recruitment strategies and practices in the banking industry, since they are public and privately owned.

## **LITERATURE REVIEW**

### **Concept of E-recruitment**

According to Jovanovic (2004) recruitment refers to the process of attracting, screening, selecting, and on-boarding a qualified person for a job. At the strategic level it may involve the development of an employer brand which includes an 'employee offering'. The stages of the recruitment process include: job analysis and developing a person specification; the sourcing of candidates by networking, advertising, or other search methods; matching candidates to job requirements and screening individuals using testing (skills or personality assessment); assessment of candidates' motivations and their fit with organisational requirements by interviewing and other assessment techniques. The recruitment process also includes the making and finalising of job offers and the induction and on-boarding of new employees.

Depending on the size and culture of the organisation recruitment may be undertaken in-house by managers, human resource generalists and / or recruitment specialists. Alternatively parts of all of the process might be undertaken by either public sector employment agencies, or commercial recruitment agencies, or specialist search consultancies. In order to define e-recruiting properly, Galanaki (2002) proposes an overview of the most common ways to use the Internet as a means to recruit and identify other online activities within the scope of e-Recruiting.

The most common means have been described as threefold: (1) adding recruiting pages to an existing organization site, (2) using websites specialized in recruiting, and (3) using electronic advertisements on media sites. Activities that fall within the scope of e-Recruiting are remote

interviews and assessments, smart agents to search the Internet and interactive tools (Galanaki, 2002). Surprisingly, within the sample of articles, no other authors gave a well-founded definition of e-Recruiting.

According Galanaki (2002) e-Recruiting is the online attraction and identification of potential employees using corporate or commercial recruiting websites, electronic advertisements on other websites, or an arbitrary combination of these channels including optional methods such as remote interviews and assessments, smart online search agents or interactive communication tools between recruiter and applicant.

Note that e-Recruiting research heretofore has focused not only on the attraction and identification of potential applicants, as this definition of e-Recruiting could suggest. Rather, as shown earlier, research covers the entire process of recruiting, although e-Recruiting is a narrower concept that can be influenced by those other steps in the recruiting process and vice versa (Parry & Tyson, 2008).

E-Recruitment or e-Recruitment is the process of personnel recruitment using electronic resources, in particular the internet. Companies and recruitment agents have moved much of their recruitment process online so as to improve the speed by which candidates can be matched with live vacancies (Tong & Sivanand, 2005). Using database technologies, and online job advertising boards and search engines, employers can now fill posts in a fraction of the time previously possible. An online e-Recruitment system may potentially save the employer time as usually they can rate the e-Candidate and several persons in HR independently review e-Candidates.

In terms of HRM, the internet has radically changed the recruitment function from the organisational and job seekers' perspective. Conventional methods of recruitment processes are readily acknowledged as being time-consuming with high costs and limited geographic reach. However, recruitment through World Wide Web (www) provides global coverage and ease. Likewise, the speedy integration of the internet into recruitment processes is primarily recognised due to the internet's unrivalled communications capabilities, which enable recruiters for written communications through e-mails, blogs and job portals (Hamilton & Bowers, 2006).

In recent years, recruiting using the Internet is growing and the banking industry has been quick to adapt. Advantages of the Internet recruitment include lower recruiting costs, faster recruiting cycle, higher calibre recruits and increased audience reach. IT as a structural factor and instrument transforms architect of organizations, business processes and communication, and is increasingly integrated into HRM. While IT has impacts on human resource (HR), at the same time managers, employees, customers and suppliers increase their expectancies for HR functions. The importance of knowledge and human capital make extra suppression on HR functions and new competencies for HR professionals are expected.

IT assists HR professionals in the delivery of services and affects all HR practices (Hendrickson, 2003). Each IT tool can be used by different HR functions. For example, web data bases are used for learning at work, decision making and completing works (Benson et al., 2002).

Ulrich (1997) argued that technology is seen by many to affect organizations (small and big) and work relations by enabling the accessibility to information and to join people electronically. As posited by Hendrickson (2003) with new processes in competitive

organisations in Europe and beyond, the use of IT provides some benefits by changing the traditional HR processes and it is expected that IT will provide the functionality for realization of organizational objectives and goals. Basically, IT affects the organization in several ways.

### **HR Functions**

The actual function of HRM within the value chain of an organisation is of significance. It has been postulated by some researchers that the role of HRM within a banking industry is a significant factor in the firm's ability to achieve its organisational objectives and develop a sustainable competitive advantage within the marketplace within which it operates. Accordingly, Holland, et al. (2007) state that this is achieved via the policies each firm enacts, and the methods it uses to attract and retain the right employees for its needs.

The HR function can be thought of as having six menus, from which companies can choose the most appropriate practices. De Cieri and Kramar (2008) state that each of these menus refers to a particular functional area of HRM: job analysis/ design, recruitment/ selection, training and development, performance management, pay structure/ incentive/benefits, and labour/ employee relations.

### **Job Analysis and Design**

This refers to the process of getting detailed information about a job (De Cieri & Kramar, 2008), which could provide information for a variety of purposes, including determining training needs, development criteria, and appropriate pay and productivity levels (Price, 2003). Job design deals with making decisions about tasks that will be required in a given job (Hacker, 2003).

There are two specific elements at play here. The first concerns the need to meet the organisation's needs in terms of productivity, achievement and quality, while the second relates to the needs of individual employees and the requirement to provide them with a work environment that is challenging and rewarding (Armstrong, 2009; Stewart, 2006). The effectiveness of HR practices requires that the job be clearly understood by both jobholders and the organisation. The ultimate purpose of job analysis is to improve organisational performance and productivity, helping the organisation create a proper infrastructure by defining the tasks to be performed as well as the timelines for performing them. Job analysis thus has the potential to make a contribution to organisational performance both directly and interactively with other key HR practices (Anthony, et al., 2002; Siddique, 2004). It has been argued that job analysis and design can enhance performance of the employees and job satisfaction (Moyes, Shao, & Newsome, 2008).

### **Employee Recruitment and Selection**

Any process for which an organisation seeks applicants and attracts potential employees is called recruitment; selection refers to the process by which an organisation identifies those applicants with the knowledge, skills, abilities, and other characteristics that will help it achieve its goals (De Cieri & Kramar, 2008). The overall aim of the recruitment and selection process is to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the organisation (Armstrong, 2003, p. 395).

Hiring capable people is an attractive point of departure in the process; but building and sustaining a committed workforce is more likely to be facilitated by the employment of a range

of sophisticated human resource management infrastructures (Chew, 2005). Employers try to select and recruit the right candidates. At the same time, job seekers gather information about organisations and current jobs offers; because they cannot gain complete knowledge of all alternatives and their potential characteristics, they rely on imperfect signals (Chan & Kuok, 2011).

It has been noticed that organisations that want to fill their vacancy very quickly or who are unwilling to have recruitment processes such as job analysis, are possibly less discriminating in the quality and quantity of the candidates (Carless, 2007) while organisations who put effort into the process of recruitment turn on more search channels than organisations who do not (Russo, Rietveld, Nijkamp, & Gorte, 2000).

### **Employee Training and Development**

Training is not simply a means of arming employees with the skills they need to perform their jobs: it is also often deemed to be representative of an employer's commitment to their workforce (Storey & Sisson, 1993). It may also be perceived to reflect an overall organisational strategy that involves adding increased value, as opposed to reducing costs.

Many of the world's most successful companies are aware that the provisions they make for training and development activities lie at the heart of their ability to attract and retain the best employees for their organisation (Bernsen, Segers, & Tillema, 2009). It is therefore imperative that employers provide an opportunity for their workforce to learn (Arlond, 2005;), as proactive development schemes will not only improve the capabilities of their team but will also motivate staff and subsequently engender a more loyal employee set (Kyndt, Dochy, Michielsens, & Moeyaert, 2009).

In summary, appropriate training contributes positively to employee retention because it makes employees feel recognised for their strengths, and it creates possibilities to develop their qualities (Kyndt, et al., 2009; Visser, 2001).

### **Emergence of IT in HRM**

According to Becker, Huselid and Ulrich (2001) the economic landscape underwent radical changes throughout the 1990s with increasing globalization, technological breakthroughs (particularly Internet-enabled Web services), and hypercompetition. Huselid, Becker and Beatty (2005) argued that the Business process reengineering exercises became more common and frequent, with several initiatives, such as right sizing of employee numbers, reducing the layers of management, reducing the bureaucracy of organizational structures, autonomous work teams, and outsourcing.

Firms today realize that innovative and creative employees who hold the key to organizational knowledge provide a sustainable competitive advantage because unlike other resources, intellectual capital is difficult to imitate by competitors. Accordingly, the people management function has become strategic in its importance and outlook and is geared to attract, retain, and engage talent. These developments have led to the creation of the HR or workforce scorecard (Cascio, 2000) as well as added emphasis on the return on investment (ROI) of the HR function and its programs (Fitz-Enz, 2000, 2002).

The increased use of technology and the changed focus of the HRM function as adding value to the organization's product or service led to the emergence of the HR department as a strategic



partner. With the growing importance and recognition of people and people management in contemporary organizations, strategic HRM (SHRM) has become critically important in management thinking and practice. SHRM derives its theoretical significance from the resource-based view of the firm that treats human capital as a strategic asset and a competitive advantage in improving organizational performance (Becker & Huselid, 2006).

### **New Processes supported by IT**

Adaptation of IT in HR functions has created new HR processes. These applications are e-learning, virtual recruitment, self-service HR and portal technologies and new types of working (Strohmeier, 2007).

- i. E-learning: e-training, e-learning or web based training is a growing HR application (Hendrickson, 2003). IT tools can be used for formal and informal education activities. E-mail, mail lists, dash boards, message systems, web pages, online courses, and media applications are some of BT tools which support learning in workplace (Benson et al., 2002).
- ii. Virtual recruitment: Web based recruitment; virtual interview, CV searching, online psychological test and online job announcements have changed and fastened the recruitment process. These applications also removed the potential obstacles to reach larger candidate pool (Gardner et al., 2003).
- iii. Self Service HR and portal applications: Employees can perform some of their own HR activities by means of accessing HRIS. This is called self-service HR. Self-service applications can include 60 percent of all HR activities (Ulrich *et al.*, 2008).

Employees who use self-services can easily update and verify personal information, have information about internal job vacancies, access corporate handbooks, and receive notices about training programs. Managers can analyze candidate profiles; construct salary models, view benefits programs and monitor absentee trends. Moreover, performance appraisal and career development can be managed (Lippert and Swiercz, 2005). This also increases perceived quality of supplied HR services (Ulrich *et al.*, 2008). HR portals are complex information technology tools (Ruta, 2005). HR portals give the chance for each individual user to arrange or customize his or her own portal according to his or her own job responsibility or preferences (Hendrickson, 2003).

Lepak and Snell (1998) underscored that the HR Function must challenge four apparently contradictory pressures. Accordingly, Lengnick-Hall et al. (2003) identified that HR departments in almost all organizations are required to be simultaneously strategic, flexible, efficient, and customer-oriented. Certain authors have suggested that the use of technology may enable them to achieve these goals.

Parbudyal and Dale (2003) advocated that recruitment plays a critical role in enhancing organizational survival and success. The recruitment process has been profoundly affected by major changes (Martin *et al.*, 2008): the retirement of the "baby boomers", an increasing need for flexibility and responsiveness, and complex modes of communication. The development of new "social and sociable" media technology called "Web 2.0" offers companies and their recruiters' new perspectives. Despite the growing importance of e-recruitment, research in this area remains very limited.

## Resource-Based View and e-recruitment

The recruitment process is in harmony with a comprehensive approach to competence management (Tong, 2009): acquire, promote and regulate individual and collective skills. Today, competence management is considered to be strategic and a source of competitive advantage. Thus, according to the Resource-Based View (Wright et al., 1995), companies should not be seen only in terms of their business portfolio, but should be defined as a unique set of tangible and intangible resources, a portfolio of core competencies and distinct resources. Employees also play a real role in the success of organizations.

The nature of work in the 21st century presents many challenges for recruitment: knowledge-based work places greater demands on employee competencies; demographic, societal, and cultural changes are widespread and are creating an increasing global shortfall in the number of qualified applicants; the workforce is also increasingly diverse. Chambers *et al.* (1998) use the term "the war for talents".

Recruitment is thus the first stage in a comprehensive approach to competence and talent management. Peretti (2004) divides the recruitment activity into four stages: *preparation, research, selection and integration*. With the Internet, recruitment methods are evolving and diversifying. According to a recent survey conducted by APEC (2008), the French association for executive employment, the job market is becoming more and more transparent: 63% of recruitment operations result in job advertisements. E-recruitment can be defined as "the use of any technology to attract, select or manage the recruitment process" (Peretti, 2004).

Among them include:

*Cost decrease:* Effects of IT on HR costs appear in several ways. First, IT reduces costs of processes and works. For example, transforming from traditional HR to eHR reduces costs of some HR applications, such as, postal cost, announcement cost and data processing cost (Lin, 2011). Using self-service technology reduces the processing costs of HR up to 75%. E-selections and e-recruiting decrease costs of staffing and selections due to reduced employee turnover, reduced staffing costs, and increased hiring efficiency (Strohmeier, 2007). Second, using self-service HR allows employees to perform their own work themselves directly. Thus, HR professionals spend less time on routine tasks (Baloh and Trkman, 2003).

*Saving Time:* IT allows HR professionals to spent less time on routine tasks (Gardner *et al.*, 2003) and make easier to acquire and analyze information (Bell et al., 2003). For example, researches show that recruiting process shortens twelve days (Baloh & Trkman, 2003).

*Increase in Efficiency:* Intense use of IT aromatizes and standardizes routines. HR professionals may focus less on administrative activities and more on interpreting information. HR professionals may spend more time on other aspects of their jobs. Thus, HR professional can access more information, respond the problems in a timely major from managers and employees and evaluate the complex information more effectively (Gardner *et al.*, 2003). Comparing with manual processes, reducing data errors, simplifying and fastening processes of HR practices make HRIS more advantageous (Ulrich et al., 2008).

*Enabling communication and collaboration:* IT is a tool for effective communication and collaboration. E-mail, messaging, discussion lists, videoconferencing, virtual teams, electronic workgroups, and teleworking have changed the nature of workplace communication and

collaboration. These make workplace interactions possible for employees even they are not physically present in the workplace (Benson *et al.*, 2002).

IT improves the skills of workers for collaborating, accessing information and decision making (Tafti, 2009). Participative decision making becomes an organization-wide activity. Internet and web based technologies facilitate sharing of decision making responsibility through the organization hierarchy and structure (Benson *et al.*, 2002). HRIS as an integrated system also increases the capacity of reporting in the organization (Dessler, 2008).

*Competency Management:* IT tools enable HR professionals both to reach larger candidate pool and make decision making more objective and effective to employ more relevant and competent candidates by means of decision making techniques in the selection and recruiting process. Improving and shortening the recruiting process increases competencies of incumbents and as a result quality of works. At the same time, because of distance access eHR can be used to develop human capital of the organization effectively (Lin, 2011).

*Knowledge Management:* Knowledge management is a systematic process of acquiring, creating, capturing, synthesizing, learning, and using information, insights, and experiences to enhance decision making (Ardichvili, 2002). Knowledge management system is a natural extension of HRIS and HR development activities (Hendrickson, 2003). HR professionals should integrate traditional HR functions into knowledge management (Hendrickson, 2003). Because organizations should acquire and manage organizational knowledge to prevent knowledge loses when employees leave the job.

On-line recruiting also provides access to *passive* job seekers, that is, individuals who already have a job but would apply for what appears a better one that is advertised on the Internet. These job seekers may be of a better quality since they are not desperate for a job change as are the active job seekers who may be frustrated, disgruntled workers looking for a new position (Wallace, *et al.*, 2000).

### **Interface between HR and Technology**

According to Gachunga (2010) the technological revolution presupposes global computerized networks and the free movement of goods, information and people across national boundaries. Hence the internet and global computer networks make globalization possible, by producing a technological infrastructure for the global economy. Globalization has an effect on employment patterns worldwide. It has contributed to a great deal of outsourcing which is one of the greatest organizational and industry structure shifts those changes the way business operates (Drucker, 1998).

The IT-driven automation and redesign of work processes certainly help reduce costs and cycle times as well as improve quality. Management information systems (MIS) can further help decision makers to make and implement strategic decisions. However, IT is only a tool and can only complement, not substitute, the people who drive it. Often, organizations mistake IT as a message and not the messenger and divert time, effort, and money away from long-term investment in people to developing and deploying information technologies (Thite, 2004).

In fact, the critical success factors in information systems project implementation are nontechnical and are due more to social and managerial issues (Martinsons & Chong, 1999). With the increasing use of information technologies in HR planning and delivery, the way people in organizations look at the nature and role of HR itself may change (Roehling *et al.*,

2005). With HR data and reports now being readily available on their desktop, would managers interact less with the HR department and see it as being less important? If that is so, how would it affect the attitude of HR professionals toward their jobs and profession? Would they resist adoption of technology if they perceive that technology lessens their status?

Using IT tools such as intranet, virtual collaborations, data storage and data mining can improve skills for knowledge acquisition and distributions (Ardichvili, 2002). Knowledge Management tools also facilitate knowledge participation and empower the specific task areas (Tafti, 2009). IT assists HR professionals to access and disseminate information more efficiently (Gardner et al., 2003).

IT is accepted as an important impetus for strategic HR since it builds stronger HR units and allows HR to engage in more significant strategic roles. More importantly, IT solutions free HR from the burden of routine administrative tasks (Haines and Lafleur, 2008). If HR professionals rely on IT, they hold a more strategic role. Because they will have time to interpret information, develop strategies and think about corporal transformation (Gardner et al. 2003).

### **E-recruitment tools**

In the recruitment framework, the most representative IT tools are blogs, Online Social Networks, Virtual Worlds, Co-optation websites, Identity Management Websites, RSS feeds, Video Platforms:

#### **Blogs**

Blogs are personal editorial spaces that allow individuals to publish and distribute content easily. A great number of the blogs that can be seen are created by applicants and recruiters. They use these spaces to broadcast their job offers and create their own “job blog”. For instance, Microsoft has developed blogs, such as *Microsoftjobsblog.com*, for recruiting purpose. Other forms of blogs are evolving, called « micro-blogs ». Micro-blog differs from a traditional blog because posts (*tweets*) are limited to 140 characters. The most famous example of a micro-blogging tool is *Twitter*. Tweets are displayed on the user's profile page and delivered to subscribers who are known as *followers*. Recruiters can use it to display job offers and source applicants. Job search engines for Twitter have even been created

#### **Online Social Networks**

These relationship platforms can be generalist such as *Facebook and Myspace* or specialized like *LinkedIn* or *Viadeo* (the two main professional platforms). Such sites make it possible to stay in touch with former friends and colleagues but also to find customers, suppliers, partners and future employees. Recruiters can do head hunting and contact “passive applicants” (Dekay, 2009). A recommendation system makes it possible to put one's profile to advantage with the comments of former employers.

#### **Virtual Worlds**

These are 3-D platforms, like *SecondLife*, where user create a character (“avatar”) and evolve in a world of virtual reality. It is a real place of expression that encourages the creation of communities. Virtual worlds offer a broad range of research opportunity (Mennecke et al., 2008). There are many issues: marketing, IT, legal, psychological, social and of course HR

issues. In June 2007, the first French recruitment forum on *Second Life*, called “Neo-JobMeeting”, was organized.

### **Co-optation Websites**

These websites, which are based on a network of people who are motivated (financially speaking) to find potential applicants within their entourage, are also a way of attracting new talents (the two French leaders are *Jobmeeters* and *Cooptin*). These platforms are showing greater confidence.

### **Identity Management Websites**

These websites, such as *Ziki*, make it possible to improve your visibility on the internet by, for example, centralizing and synchronizing on one page: your blog, your social profiles... and by promoting your page through a Google commercial link.

### **RSS feeds (Real Simple Syndication)**

This is a web feed format used to publish content. It makes it possible to follow in real-time different kinds of information contained on several web sites, for instance blogs. Updated information is automatically posted to your navigator, on a search engine of job offers (*Moovement.fr* for example), or on other Internet sites such as aggregators (like *Netvibes* and *iGoogle*). Applicants can select several RSS feeds and be informed about new job opportunities as they become available.

### **Video Platforms**

These platforms, such as *Youtube* or *Youjob*, give companies the opportunity to present their work and job offers, and applicants the possibility of introducing their CV. Another use of video is to allow interviews by means of web cams during a meeting or an online specialized event.

In summary, these recruitment tools can be used simultaneously. For instance, Sun Microsystems uses blogs, Facebook fan pages, several islands on *SecondLife* and broadcasts videos on *YouTube*. Barker (2008) identified that Employees learn to use these tools to “boost innovation, connect with executives and each other - and spread the good word about Sun”. However, many job applicants can place themselves in defenceless positions by posting unattractive, inappropriate, unprofessional materials on publicly accessible social networks sites (Finder, 2006). Indeed, the line between social and business networking is becoming increasingly blurred (Dutta and Fraser, 2009). Job seekers should to be careful of the information they display online, and companies too.

### **HRM Practices on Organizational Performance**

Çalışkan (2010) argued that the people who make up an organization -human resources- are considered to be one of the most important resources of today’s firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management and strategy.

Indeed, HRM practices enhance organizational performance. Rondeau & Wager (2001) examined the relationship between HRM practices, workplace climate and perceptions of organizational performance, in a large sample of Canadian nursing homes and found that nursing homes, which had implemented more 'progressive' HRM practices and which reported a workplace climate that strongly valued employee participation, empowerment and accountability tended to be perceived to generally perform better on a number of valued organizational outcomes. Also, Chand & Katou (2007) conducted a study to investigate whether some HRM systems affect organizational performance.

They found that hotel performance is positively related to the HRM systems of recruitment and selection, manpower planning, job design, training and development, quality circle, and pay system. Joseph & Dai (2009) found that there are significant connections between HRM systems and firm performance; that the strategic alignment of HRM is also a driver for firm performance.

In the study conducted by Nayaab et al. (2011), it has been found that HRM practices, specifically systems contribute to the enhanced banks performance. Further, the result indicated that HRM practices like training, employee participation in decision making was found significantly related with banks performance. Further, Osman et al. (2011) found that the effectiveness of implementing HR practices in a company does indeed have a major impact towards a firm's performance. The findings also show that HR practices have an impact of nearly 50 percent on firm performance.

### **Potential Barriers to E-Recruitment**

Regardless of the widespread growth of the IT (Internet) and the inherent advantages of this new technology, Brake and Lawrence (2000) advocated that there exist significant shortcomings from both a demographic and technological perspective. The Digital Divide affects many demographic groups in Africa and even Ghana and technology barriers including limited access, usage problems, and flawed infrastructure affect all.

### **Digital Divide**

The Digital Divide is a term used to describe the disparities in access to ICT facilities such as telephones, personal computers (PCs), and the Internet across certain demographic groups. For this thesis effort, the Digital Divide will refer to disparity between the rich and the poor or the have and have not and perhaps Internet access, only. As suggested by Carl et al. (2001) Community access centers (CACs)-such as schools, libraries, and other public access points-play an important role. The Dessler (2000) demonstrated that community access centers are particularly well used by those groups who lack access at home or work. These same groups (such as those with lower incomes and education levels, certain minorities, and the unemployed) are also using the IT (Internet) at higher rates to search for jobs or take courses. Providing public access to Internet will help these groups advance economically, as well as provide them the technical skills to compete professionally in today's digital economy.

For instance, studies have revealed that significant disparities existed between the Urban and rural households and one party (urban) are more likely to have access to the Internet than rural households. Regardless of income level, Ghanaians living in rural areas are lagging behind in Internet access. At the lowest income levels, those in urban areas are more than twice more likely to have Internet access than those earning the same income in rural areas. Providing

public and private access to Internet will help these groups advance economically, as well as provide them the technical skills to compete professionally in today's digital economy.

### **Limited Access**

In addition to the demographic challenges of the Digital Divide, technological challenges of the Internet impact all users. The principal access device continues to be the PC, which can be tricky to use, unstable, inconvenient to transport and expensive (Brake and Lawrence, 2000). Companies such as telecommunications; are addressing this problem through new potential sources including wireless, PDA and cell phones. Consumers are responding accordingly. Based on a market study by NDP Intellect, 48% of cell phones purchased at retail during the second quarter of 2000 were Internet-ready cell phones (NDP, 2000).

*E-commerce, location based applications, and pipeline improvements promise to keep this trend going. The big challenge will be finding user-friendly ways to enter and access information on an increasing miniaturized device. Whether that means improved displays, full keyboard, or voice-activated technology remains to be seen.*

*Consumers have already shown an appetite for Internet applications on PCs. The big winners will be companies that figure out a way to ease access to similar applications on cellular devices' (NPD, 2000).*

Internet Economy companies are also addressing this challenge with free Internet access deals across major e-merchant segments: brokers, banks, retailers, travel companies, etc. In some cases, free Internet appliances (e.g. Web phones, PDAs and PCs) will also be offered. In addition, Walmart and American Online (AOL) have announced a joint effort as well but have not yet revealed Internet pricing.

### **Usage Problems**

A second technological challenge with the Internet includes finding specific information reliably and efficiently. Many Internet users know the difficulty, frustration and inefficiencies of sorting through information to find applicable and useful material. Also, many companies find it difficult to integrate the Internet with their existing systems (Brake & Lawrence, 2000). The main problem in using the Internet, searching the web and integrating it with existing systems is due to ability for the Internet to read and understand the originally created protocols.

A new protocol, Extensible Mark-up Language or XML, describes content in terms that machines can understand. With XML, searching for information and integrating existing (data-driven) systems will become much more straightforward and streamlined than it is today. At the same time, developments in language-translation technology and speech recognition and synthesis will mean that content can be created and expressed as electronic text or spoken word in any language. Windows in the world of the Internet will look less like the windows on a computer screen and more like windows on a storefront (Brake & Lawrence, 2000).

### **Flawed Infrastructure**

The third technological challenge with the Internet includes problems in the infrastructure on which the network runs including insufficient bandwidth or under-capacity and lack of security (Brake & Lawrence, 2000). It is anticipated that infrastructure problems will be eliminated with implementation of new broadband telecommunication technologies including Digital

Subscriber Link (DSL) and new mobile technologies by solving capacity problems on the network. DSL allows copper wires of old-fashioned fixed telecom networks to carry more than 10 times as much traffic. New mobile telecom technologies like Universal Mobile Telecommunication System will do the same for mobile networks, while high-capacity cable networks will offer yet another channel (Brake & Lawrence, 2000).

However, IT investments seldom seem to deliver the expected benefits organizations anticipate. IT, itself, cannot fix processes or solve procedural problems.

Davidson (2007) identified that problems associated with IT investments range from poor implementation to over-customization of applications to investing in systems or solutions that do not fit an organization's needs. "Unfortunately, many organizations fail to understand fully their requirements prior to making such investments".

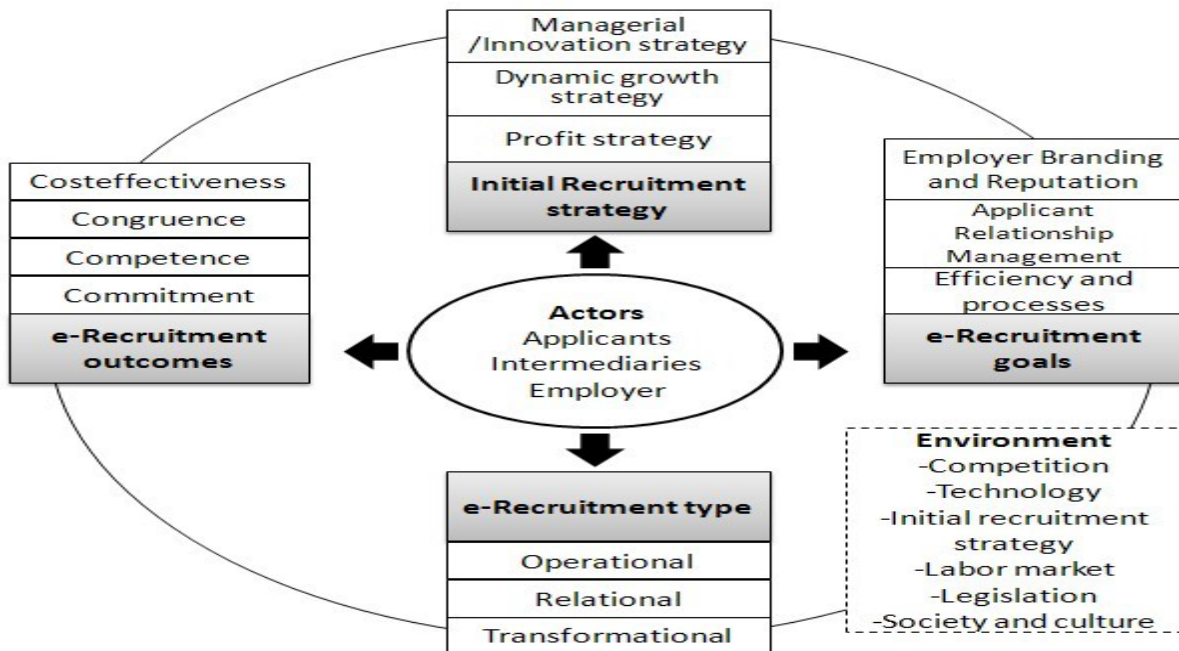
"They may also fail to make the necessary improvements or changes to their HR processes prior to selecting a specific IT solution or system. With the investment made, processes are then adapted to fit the IT system even if the results are less effective. Finally, if the information entered into a system is inaccurate and unreliable, the output of the system will not prove useful; that is, 'garbage in, garbage out' (Davidson, 2007). Despite these challenges, many banks find value from incorporating IT applications and systems into their recruiting and staffing efforts, especially in operations with high volumes of applicants and information.

### **Theoretical framework**

Arising from the motivation of HR functions in organizations, models were developed and tested to help in predicting and using HR acceptance. In most HR studies, theories such as Building Theory, Personality-Job Fit Theory, People theory, Technology Acceptance Model (Davis,1989) among others have been used. However, for the purpose of this study, the E-Recruitment model was used. The E-Recruitment model was adopted Ruël *et al.* (2004) to consolidate previous e-recruitment related studies.

Firm's internal factors, such as the IT implementation capability and the strategic contribution of IT, determine whether that activity is undertaken internally or outsourced, whereas the technical skill set and the firm size do not affect that decision (Figure 1).



**Fig. 1: E-Recruitment model**

Source: Adapted from Ruël et al. (2004)

E-Recruitment type: Based on Lepak and Snell's (1998) HRM type, Operational e-Recruitment concerns basic e-Recruitment transactions characterized by short term applicant relationships, global messages and automation. On the other hand, Relational e-Recruitment characterized by the development of "real" applicant relationships through better feed-back, and the use of Web 2.0 tools. Lastly, Transformational type of e-Recruitment concerns strategic e-Recruitment, anchored in a talent management strategy. Employer branding and reputation could be a solid support.

E-Recruitment outcomes were adapted from Beer et al. (1984) outcomes. High commitment: such outcomes can be characterized in terms of job satisfaction, psychological contract, motivation, integration. High competence: These points towards the ability employees have to learn new tasks and roles. It requires careful selection of employees from the beginning. Cost effectiveness can be attained by means of recruitment activities by accurately setting pay levels, rigorous selection that improves job satisfaction and performance. Higher congruence concerns the internal organization, the 'input, throughput, and output' of personnel structured in the interests of all stakeholders.

Recruitment represents an 'input' of personnel, which is the basis for developing a coherent and satisfying workforce organization. As a conclusion, new practices and issues are emerging. Nowadays, Internet seems essential for recruitment activity. Web 1.0 brought tools giving access to important data bases of competencies. Web 2.0 reveals the shift from exchange-based recruitment practices to relationship-based approaches. The model makes it possible to obtain a global view of e-recruitment issues. It must now be validated by means of empirical research. Other sectors and other type of recruiters (for example head hunters) are worth considering in order to see the possible differences in e-recruitment practices.

## **RESEARCH METHODOLOGY**

### **Research Design**

This study adopted the cross-sectional survey approach to study the role of IT on HR function in Fidelity bank and NIB. Easterby-Smith *et al.* (2002) opine that cross-sectional studies typically involve conducting a survey of a sample of population elements at one point in time. The cross-sectional approach is useful because it provides a quick snapshot of the Human Resource recruitment element in Fidelity bank and NIB.

### **Population and sample size**

The total HR staff or employees of Fidelity bank and NIB as the population for the study were approximately 60. Therefore, the population for this study was 60. To ensure the representativeness of the population, thirty-eight (38) staffs were sampled for the study.

### **Sampling Technique**

The Stratified sampling technique was used for the study. In Stratified sampling, the number of elements allocated to the various strata (NIB and Fidelity Bank) was proportional to the representation in the target population. That was, the size of the sample drawn from each stratum is proportional to the relative size of that stratum in the target population. In this study, the same sampling fraction was applied to each stratum, giving every element in the population an equal chance of selection. The subjects of the study were divided into the following strata, namely NIB and Fidelity Bank. That is, each stratum had a sample size as follows; NIB - (18) and Fidelity Bank - (20) making a total of thirty-eight staff. The questionnaire was administered to HR staffs that were available to participate in the study until the 38 questionnaires were reached.

### **Instrumentation**

Self-administered type of questionnaire was chosen over mailed, group and digital approaches due to the following reasons: They were economical, in the sense that they supply a considerable amount of research data for a relatively low cost in terms of materials, money and time. The questionnaire included both open-ended questions and close-ended questions.

### **Data analysis and presentation of results**

The data collected from the questionnaire was analyzed using Statistical Package for Social Science (SPSS). However, questionnaires collected from the field were analysed using statistical tools such as t-test and means.

## **DATA ANALYSIS AND DISCUSSION OF FINDINGS**

### **Introduction**

Therefore using the comparative procedure between Fidelity Bank and National Investment Bank (NIB), this section looks at the analysis of data and the presentation of the results of the study. Fidelity Bank represented the private banks whilst NIB represented the public banks in

Ghana. The results were presented in tables showing the frequencies, percentages and responses provided by the subjects of this study.

### Recruitment and Selection

Results from the study indicated that all the respondents from both Fidelity and the NIB agreed to the existence of structured recruitment and selection for new employees in the banking industry. It was a clear indication that both private and public banks represented by Fidelity and the NIB respectively in this study, have structured processes for the recruitment of new employees.

**Table 1: Recruitment and selection process**

Responses	Fidelity Bank	NIB
By interview	13 (65.0%)	13 (72.2%)
Electronic adverts	5 (25.0%)	3 (16.7%)
Total	18 (100.0%)	16 (100.0%)

*Source: Field data, April, 2014.*

It could be observed (Table 1) that, most of the respondents 13 (65.0%), 13 (72.2%) from both the private and public banks which are Fidelity and NIB respectively. In this study, the recruitment and selection process mostly used for recruiting new employees is by interview while a few of them indicated 'electronic adverts'.

**Table 2: Effectiveness of recruitment and selection**

Responses	Fidelity Bank	NIB
Very effective	10 (50.0%)	12 (66.7%)
Good	10 (50.0%)	6 (33.3%)
Total	20 (100.0%)	18 (100.0%)

*Source: Field data, April, 2014.*

The results from the study reveals that the interview process was very effective as most of respondents 12 (66.7%) from NIB stated so. This is a clear indication that the interview process was very effective in the recruitment and selection process even if other means were employed.

Furthermore, respondents from both banks identified the applicable methods of bank recruitment and their responses were shown in Table 3.

**Table 3: Medium of recruitment and selection**

<b>Responses</b>	<b>Fidelity Bank</b>	<b>NIB</b>
By responding to an internet ad	4 (20.0%)	2 (11.1%)
Through NSS	6 (30.0%)	4 (22.2%)
By interview	4 (20.0%)	5 (27.8%)
School career fair	6 (30.0%)	7 (38.9%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

According to the results, quite a number of staff 6 (30.0%) and 7 (38.9%) representing both Fidelity and the NIBs indicated school career fair as the medium of recruitment and selection other than by responding to an internet ad, NSS or by interview. It can therefore be concluded that school career fair is the most used medium of recruitment and selection.

The respondents commented on the IT tools used for recruitment in both banks (Table 4).

**Table 4: IT tools used for recruitment**

<b>Responses</b>	<b>Fidelity Bank</b>	<b>NIB</b>
Online Social Network	14 (70.0%)	7 (38.9%)
Co-operation website	6 (30.0%)	11 (61.1%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

A higher proportion of staff 14 (70.0%) from Fidelity bank representing the private banks indicated Online Social Network as the IT tool used for recruitment among others while 11 (61.1%) from the NIB representing public banks indicated Co-operation website. The conclusion drawn here is that Online Social Network among other IT tools are mostly used for recruitment by Fidelity whereas Co-operation website is to NIB.

Also, data was gathered regarding the increase in scope and responsibilities of HR functions in the last three years was sought for. Table 5 displays the results. It was revealed that all respondents from both banks indicated that HR functions in scope and responsibilities have increased significantly in the last three years.

**Table 5: Specific HR functions with increase in scope and responsibilities**

Specific HR functions	Fidelity Bank	NIB
Recruitment	10 (50.0%)	10 (55.6%)
Due to department expansion	6 (30.0%)	4 (22.2%)
Total	16 (80.0%)	14 (77.8%)

Source: Field data, April, 2014.

It was obvious in the table that most subjects 10 (50.0%) and 10 (55.6%) from both private and public banks respectively indicated recruitment as the specific HR function with an increase in scope and responsibilities while the rest (scope and responsibilities) 6 (30.0%) and 4 (22.2%) indicated department expansion. In view of this, it can be concluded that the recruitment and selection of new employees have caused HR functions to increase in scope and responsibilities.

Having done that, the researchers sought to identify the stage at which the HR is involved in business strategy development. Their responses have been shown below.

**Table 6: Stage of HR involvement in business strategy development**

Involvement of HR	Fidelity Bank	NIB
Through subsequent consultation	16 (80.0%)	16 (88.9%)
On implementation, as key leaders	4 (20.0%)	2 (11.1%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

Results shown in the above indicates that majority of the subjects 16 (80.0%) and 16 (88.9%) from both private and public banks respectively indicated that HR is involved in business strategy development through subsequent consultation other than as implementers or key leaders. This shows that in the business strategy development, HR is involved through subsequent consultation.

### Role of IT in Recruitment and Selection

The respondents were required to use a 5-point Likert scale anchored on *Strongly Disagree (1)*, *Disagree (2)*, *Not sure (3)*, *Agree (4)* and *Strongly Agree (5)* to measure the construct of brand awareness and association. The minimum, maximum, means and standard Deviations are presented in Table 7 below:

**Table 7: Role of IT in Recruitment and selection**

Questionnaire Items	Fidelity			NIB		
	Mean	St dev.	Rank	Mean	St. dev.	Rank
Bank using HRIS recruitment subsystem	2.30	0.801	6	2.39	0.697	8
Time spent decreased on recruitment due to HRIS	2.70	0.801	5	2.61	0.697	7
Time spent on training decreased due to HRIS	3.70	0.471	1	2.78	0.502	6
HRIS decrease the time spent on inputting recruitment and selection	3.60	0.821	2	3.50	0.707	3
Time spent on communication decrease due to HRIS	3.10	0.719	3	3.11	0.834	4
HRIS Maintains skills inventory of the bank	2.70	0.803	5	3.61	0.878	1
Efficient reporting and comprehensive performance by HRIS	2.80	1.01	4	3.56	0.873	2
HRIS maintains relationships with individuals	3.70	0.48	1	3.01	0.502	5

*Note.* 1 = Strongly disagree, 2 = Disagree, 3 = Not sure, 4 = Agree, 5 = Strongly agree

The results in Table 7, shows that amidst the factors of role of IT in Recruitment and Selection, the constructs which respondents believe will help understand the recruitment and selection practices at Banks were ‘Time spent on training decreased due to HRIS and HRIS maintaining relationships with individuals’.

From the value of means generated, it can be concluded that on the one hand, ‘Time spent on training decreased due to HRIS and HRIS maintaining relationships with individuals’ scored the highest mean of (3.70) per respondent from both the private, contrary to private banks, HRIS Maintains skills inventory of the bank scored the highest (m=3.6111) for the public banks. On the other hand, the statement ‘Bank using HRIS recruitment subsystem’ was rated the lowest with a mean score of 2.30 and 2.39 representing Fidelity and NIBs respectively. Thus, the respondents from both banks did not agree to the fact that Banks use HRIS recruitment subsystem.

As efficient reporting and comprehensive performance by HRIS’ scored lower, it appears to be a challenge with the introduction of IT in HR functions in the banking industry. Hagood and Friedman (2002) were of the opinion that one of the most significant challenges faced by personnel executives today is measuring the performance of their human resource information system (HRIS) in order to justify the value-added contribution of HRIS towards accomplishing the organisation’s mission (Hagood and Friedman, 2002). In large organisations like the banking industry that has more than one hundred employees it is difficult to ensure that various HR decisions complement each other.

In such a case, the role of HRIS is very vital. Hayleys stands out as a successful HRIS user thanks to its good IT governance policy. The company says in its 2009 annual report (Hayleys, 2009: 98) that the company continues —to give attention to shaping the Group’s IT systems in line with its strategies and objectives and that —dedicated staff is deployed Group-wide to support this need. With good IT governance, IT investments can be well planned and take place when the organisation needs it. Hayleys (2009: 98) mentions: —investments in IT projects and systems are made after consideration is given to their suitability for the related projects.

### Hypothesis One

*Ho: There is no relationship between Time spent on training due to HRIS and Effective recruitment process.*

*H1: There is no relationship between Time spent on training due to HRIS and Effective recruitment process*

The t-test tool was used to assess the significant difference between Time spent on training due to HRIS and Effective recruitment process.

**Table 8: Time spent on training and Effectiveness of recruitment process**

Statement	Faculty	N	Mean	t	Sig.
Training and Effectiveness of recruitment process	NIB	20	3.1078		
	Fidelity	18	3.9878	0.087	0.037

The Levene's Test ( $t=0.787$ , Sig. = 0.437) reveals that there was a relationship between the opinion of NIB and Fidelity Bank toward the time spent for training and effectiveness of recruiting process due to introduction HRIS. Thus, in this study, the null hypothesis is rejected whilst the alternative hypothesis is accepted. The results mean that effectiveness of the recruiting process in both private and public banks will affect time spent on staff training. However, it was seen that staff from NIB did not perceive strong frequency for the recruitment process than counterparts in Fidelity bank.

### Time and Cost Savings

Nonetheless, the respondents were required to use a 5-point Likert scale anchored on *Strongly Disagree (1)*, *Disagree (2)*, *Not sure (3)*, *Agree (4)* and *Strongly Agree (5)* to measure the time and cost savings of both private and public banks. The minimum, maximum, means and standard Deviations are presented in Table 9 below.

From the value of means generated, ‘HRIS decreasing recruiting expenses’ scored the highest mean of (3.83) per respondent of Fidelity bank which represents the private banks while ‘HRIS has decreased training expenses’ scored the highest mean of (2.87) per respondent of the National Investment Bank among other factors. However, the statement ‘HRIS has decreased cost per hire’ was rated the lowest with a mean score of 2.80 and 1.52 per respondent of Fidelity

and NIBs respectively. Thus, the respondents of both private and public banks strongly disagreed that HRIS has decreased cost per hire.

**Table 9: Time and Cost Savings**

Questionnaire Items	Fidelity		NIB	
	Mean	St. dev.	Mean	St. dev.
HRIS has decreased cost per hire	2.80	0.410	1.52	0.261
Elimination of unsuitable applicants through HRIS	3.20	0.410	2.08	0.261
HRIS has decrease training expenses	3.60	1.142	2.87	0.77
HRIS decrease recruiting expenses	3.83	1.34	2.63	0.89
HRIS decrease data input expenses	3.60	0.820	2.30	0.507
Evaluation of the recruiting process effectively by HRIS	3.00	0.000	1.80	0.00

*Note.* 1 = Strongly disagree, 2 = Disagree, 3 = Not sure, 4 = Agree, 5 = Strongly agree

Previous findings have corroborated with the present study. Many studies cited benefits using HR technology, such as the improvement in accuracy, the cost saving and the timely and quick access to information through HR reports (Ngai and Wat, 2006). In HR, reports can be generated from data input into a HRIS database via previously programmed report generators, thereby making transparent" HR collective data from the aggregation of the personal data actually inputted (Tansley *et al.*, 2001). Ngai and Wat (2006) studied how HRIS reduced the cost of an organisation. How it maintained customer satisfaction, improved quality, and innovations. Almost all the HR applications involve the automating of HRM activities (Ngai *et al.*, 2006). Furthermore Ngai and Wat (2006) showed how the accuracy and timeliness of HRIS varied according to operating, controlling, and planning HR activities. Due to technological evolution in mid 1990s, HRIS has shaped the need for and the nature of human resource planning within organisations.

Recruitment and selection play a pivotally important role in shaping an organization's effectiveness and performance, if work organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities, recruiting and selecting staff in an effective manner can both avoid undesirable costs for example those associated with high staff turnover, poor performance and dissatisfied customers and engender a mutually beneficial employment relationship characterized, wherever possible, by high commitment on both sides.

It was by the above premise that Pilbeam and Corbridge (2006) provide a useful overview of potential positive and negative aspects noting that: *'the recruitment and selection of employees is fundamental to the functioning of an organization, and there are compelling reasons for getting it right. Inappropriate selection decisions reduce organizational effectiveness, invalidate reward and development strategies, are frequently unfair on the individual recruit and can be distressing for managers who have to deal with unsuitable employees.'*



In their view, recruiting and selection is very important for the survival of every organization but that does not end there, new recruits need to be developed and appraised from time to time in order for them to be abreast with new trends and challenges. When employees are developed it help increase their performance and help sustain the growth of organizations.

### Satisfaction with the HRIS

**Table 10: Outsource HR functions**

Responses	Fidelity Bank	NIB
All functions	6 (30.0%)	7 (38.9%)
Selected functions	8 (40.0%)	7 (38.9%)
Not at all	6 (30.0%)	4 (22.2%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

It has been clearly shown in the table above that quite a number of the respondents from Fidelity bank 8 (40.0%) stated that it outsourced selected functions while 7(38.9%) from NIB indicated both “all and selected functions” of HR outsourced. Therefore, it can be concluded that selected functions of HR are mostly outsourced.

The subjects gave reasons for the banks outsourcing HR functions (Table 11).

**Table 11: Outsourcing recruitment function**

Responses	Fidelity Bank	NIB
Lack of sufficient capital	6 (30.0%)	4 (22.2%)
Problems with time management	14 (70.0%)	14 (77.8%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

According to the results in Table 11, majority of the subjects 14 (70.0%) and 14 (77.8%) from Fidelity bank and NIB respectively indicated that the banks outsourced HR functions due to problems with time management other than lack of sufficient capital among other factors. In view of this, it can be concluded that both private and public banks outsource HR functions due to problems with time management.

The study required from the respondents if these recruitment and selection practices were able to give the needed and qualified candidates to fill the vacancies. All (100%) of the respondents from both private and public banks indicated in the affirmative that these recruitment and selection practices gave the needed and qualified candidates to fill the vacancies. This makes the recruitment and selection process very important and necessary in an organisation such as banks.

Nevertheless, all the respondents from both private and public banks indicated that these recruitment and selection practices led to the employment of competent staff. This implies that these recruitment and selection practices do not only give the needed and qualified candidates to fill the vacancies but also helps employ competent staff.

The researcher asked the respondents from both banks to indicate some challenges facing the banking sector and their responses have been shown in the table below.

**Table 12: Challenges facing the banking sector**

Responses	Fidelity Bank	NIB
The managerial skills in competitive environment	6 (30.0%)	7 (38.9%)
ICT skills gap	4 (20.0%)	2 (11.1%)
Marketing and customer orientation	6 (30.0%)	4 (22.2%)
Technology trends	4 (20.0%)	5 (27.8%)
Total	20 (100.0%)	18 (100.0%)

*Source: Field data, April, 2014.*

From Table 12, a greater proportion of the respondents from NIB 7 (38.9%) indicated ‘The managerial skills in competitive environment’ as the challenge facing the banking sector among others like ICT skills gap, Marketing and customer orientation and Technology trends. However, quite a number of respondents from Fidelity bank 6 (30.0%) indicated ‘The managerial skills in competitive environment’ and ‘Marketing and customer orientation’ as the challenges facing the banking sector. It can be concluded from the results that most of the respondents chose ‘The managerial skills in competitive environment’ as the key challenge of the banking sector, both private and public.

It was found out that the finding in the study was similarly identified by other previous studies. Kovach and Cathcart (1999) mentioned that lack of top management support, funds, HR knowledge of system designers and HR solutions are the main factors that keep organisations away from HRIS. Teo *et al.* (2007) also came up with similar findings: departmental relative advantage, compatibility, top management support, size of the organization and HRIS expertise emerged as important variables discriminating between adopters and non-adopters of HRIS. A research conducted by the Institute of Management and Administration (2002) indicated the issues in managing a HRIS to include: lack of staff; lack of budget; problems with time management; need to work with other departments; and lack of information technology (IT) support. Ngai and Wat (2006) found costs to be the main barrier to the implementation of HRIS facing the banking sector.

## **Hypothesis Two**

*Ho: There is no relationship between e-recruitment function and employee performance in the banking industry.*

*H1: There is a relationship between e-recruitment function and employee performance in the banking industry.*

The t-test tool was used to assess the significant difference between e-recruiting and employee performance.

**Table 13: E-recruiting and employee performance**

Statement	Faculty	N	Mean	t	Sig.
E-recruiting and employee performance	NIB	20	3.2778	0.787	0.437
	Fidelity	18	3.7778		

The Levene's Test ( $t=0.787$ , Sig. = 0.437) reveals that there was no relationship between the opinion of NIB and Fidelity Bank toward Candidates are recruiting through HRIS e-recruiting for their performance. Thus, in this study, the null hypothesis is upheld whilst the alternative hypothesis is rejected. The results mean that e-recruitment activities do not necessarily affect the performance of staff in both private and public banks. However, it was seen that staff from Fidelity perceived significantly stronger frequency of employee performance than counterparts in NIB.

#### Personal data of Respondents

The results in Table 14 shows that out of a total of 38 respondents, 20 of them were from Fidelity bank while 18 were from the NIB which represented both private and public banks respectively.

**Table 14: Banking institution**

Responses	Frequency	Percentage
Fidelity Bank	20	52.63
NIB	18	47.37
Total	38	100.0

Source: Field data, April, 2014.

Table 15 shows the results obtained for gender differences.

**Table 15: Gender of HR staff**

Responses	Fidelity Bank	NIB
Male	14 (70.0%)	14 (77.8%)
Female	6 (30.0%)	4 (22.2%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

A total of 14 males from both Fidelity and the NIBs representing (70.0%) and (77.8%) respectively participated in the study. The result implies that, there were more males HR employees than female HR employees.

**Table 5: Length of working with respective bank**

Responses	Fidelity Bank	NIB
7 – 12 years	-	8 (40.4%)
13 – 18 years	-	4 (19.2%)
1-6 years	20 (100.0%)	8(40.4%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

The results showed that all respondents from Fidelity bank have been working with them for 1-6 years while 8 (40.4%) respondents had been with NIBs for 7 – 12 and 1-6 years. This shows that majority of the respondents have been with these banks for 1-6 years (Table 15).

It was observed that, for educational status, 10 (50.0%) and 9 (50.0%) were the majority represented for both banks having 1<sup>st</sup> Degree holders as against 2<sup>nd</sup> Degree and other qualifications. In conclusion, the results shows that, a higher proportion of the respondents as related to their educational qualification were 1<sup>st</sup> Degree holders (Table 17).

**Table 17: Qualifications possessed**

Responses	Fidelity Bank	NIB
1st Degree	10 (50.0%)	9 (50.0%)
2nd Degree	4 (20.0%)	2 (11.1%)
Others (HND, Professional Certificate)	6 (30.0%)	7 (38.9%)
Total	20 (100.0%)	18 (100.0%)

Source: Field data, April, 2014.

## CONCLUSION

The focus of recruitment and selection is to match the capabilities of prospective candidates against the demands and rewards inherent in a given job. For this reason, banks devote considerable resources and energy to creating high quality selection systems. Recruitment and selection process are important practices for human resource management, and are crucial in affecting organizational success or performance. The quality of new recruits depends upon an organization's recruitment practices, and that the relative effectiveness of the selection phase is inherently dependent upon the calibre of candidates attracted.

It was found out from the present study that decreased costs, improved communication, and decreases in time spent on mundane activities should create an environment wherein the HR department would play a more strategic role in the organization. This study is an initial attempt to determine the role of IT in executing HR functions in the banking industry. To a large extent, the study reveals that IT has reached these potential benefits. Based on responses from a sample of HR staffs from NIB and Fidelity could do more in the modern information or technological age.

In conclusion, traditional methods should not be replaced by the e-recruitment, it should rather supplement. The loopholes of e-recruitment can be covered by the traditional methods and recruitment process will be faster, global due to e-recruitment. One method should not replace the other. When two vacancies are there and two candidates are available the companies do not have much choice, thus they prefer to widen their search and attracts numerous applications.

### **Recommendations**

The recommendations were made to assist the recruitment and selection practices at banks.

### **Application of HRIS**

The research findings clearly show that senior HR executives are aware that they can increase the efficiency of HR planning through HRIS, saving time and cost. However, findings do not support the premise that HRIS increases the efficiency of HR planning other than in functional work such as job analysis. Therefore, banks should identify the strategic value and competitive advantage that they can gain through HRIS in HR planning. HRIS outcomes can be applied wherever possible as deemed fit by the HR professionals, going by their experiences. Contradicting situations need to be documented and discussed with the vendors.

### **Employee appraisal**

The human resource department should appraise employees to help them give off their best and help improve performance of employees; this will always keep employees on their toes to give off their best. Refresher courses must be organized for employees for them to be abreast with trends in the ever growing market. It was revealed in the analysis that key talents are difficult to come by, the bank can help upgrade the skills of some of its staff in areas they find difficult to recruit in the market. This will also go a long way to help staff contribute to the success of the bank.

### **Right use of Information technologies**

The purpose of these IT systems is to allow the corporation to collect and disseminate consistent internal data and these sophisticated internal information systems deliver vast quantities of data to managers. Therefore, the fundamental principles of good IT management are also applicable in many industries such as banks. However, the danger of investing in the wrong technology is that it can have a disastrous long-term effect on strategic planning and therefore it is essential that the proposed key technology identifies both the current value of support and the future potential or limitations that may result when changing business situations are considered.

## Strengthening Human Resource Information Systems

Strengthening HRIS helped improve HRM Service Delivery, therefore the Banks should draw much emphasis on strengthening the system implementation and use that as a means of achieving efficiency and effectiveness in the in service delivery. It is therefore imperative that Managerial staff in private and public banks give the much needed training in competence skills for staff in areas of customer care and service, change management, decision making, diversity management and leadership and teamwork.

## Adequate Funds

From the findings, it was revealed that inadequate funds/insufficient financial support undermined the adoption to full implementation of IT by NIB especially. Therefore, the management of banks especially NIB should ensure proper IT implementation and achieving the benefits of HRIS, should carry out a lot of benchmarking from organizations that are already operating the HRIS and seek advice on how to effectively carry cost effective HRIS implementation.

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