

DIGITAL HRM'S INFLUENCE ON IMPERSONAL TRUST WITHIN ORGANIZATIONS (WITH SPECIAL REFERENCE TO THE MANAGERIAL LEVEL EMPLOYEES IN SELECTED APPAREL COMPANIES IN THE WESTERN PROVINCE OF SRI LANKA)

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Abstract

This study discusses the impact of E-HRM practices on the Impersonal Organizational Trust of managerial-level employees in the apparel industry in the Western Province. This research covers the independent variable as Electronic Human Resource Management(E-HRM) Practices and the dependent variable as Impersonal Organizational Trust. The study's targeted population was all the managerial level employees working in the apparel industry, in Sri Lanka. The sample consisted of 125 apparel sector managerial-level employees in the Western Province and primary data was gathered through a structured Likert-scale questionnaire among the respondents. Data analysis was carried out through the IBM SPSS software package. Direct and indirect impacts between E-HRM practices on Impersonal Organizational Trust were significant and positive. The study explored that E-HRM practices significantly impact Impersonal Organizational Trust. Descriptive statistics, correlation analysis, and regression analysis were employed in the data analysis. This study found that the Impersonal Organizational Trust of employees is driven by E-Compensation & benefits, E-virtual training, and E-communication. This research contributes to the growing literature on E-HRM practices and Impersonal Organizational Trust.

Keyword: E-HRM practices, E-Compensation & Benefits, E-Virtual Training & Development, E-Communication, Impersonal Organizational Trust

1. INTRODUCTION & RESEARCH PROBLEM

1.1. Background of the Study

Humans have always been the most crucial resource of every expanding firm. In such a case, Electronic Human Resource Management (E-HRM) may be a key to a new horizon, simplifying employee welfare and assisting firms in controlling these resources more efficiently. Organizations use E-HRM in all elements of employee management, including recruiting, selection, training, development, transfer, employee performance assessment, employee control, and staff planning. In recent years, Electronic Human Resource Management (E-HRM) has improved to the point that it can encompass all of an organization's HRM policies (Juana, 2012)

A wide range of concepts now include disruptive technologies. Disruptive technologies are those that are already a part of human resources management (HRM). The terms "smart human resources 4.0" (SHR 4.0), "digital HRM," and "electronic HRM" are also used to describe it. Social media, cloud computing, big data/data analytics, mobile technology, and the Internet of Things are major disruptive HRM technologies. (K.G. Priyashantha, 21 June 2022). Line managers perform and organize assessment and development activities such as

utilizing desktop computers in the Electronic Human Resource Management (E-HRM) system, training and planning, assessing labour costs, and examining indications for absenteeism and turnover among employees. As a result, Electronic Human Resource Management (E-HRM) may be described as the design, use, and implementation of information technology critical for networking and enabling collective actors who must be more than two persons to undertake shared human resource operations (Hussien Al-Hmouze and Salameh 2016).

However, there is a distinction between E-HRM systems and Human Resource Information Systems (HRIS). HRIS refers to using information and communication technology (ICT) systems in the human resource department. In contrast, E-HRM refers to using internet-based Human resource management systems (Bissola and Imperatori 2013). In general, impersonal trust has been seen as the evaluation of an organization's trustworthiness, perceived by the employee. It includes the worker's trust that the employer will act in a way that benefits them or, at the very least, won't hurt them. It is also confidence in the enduring reliability of the systems, role allocations, and the organization's reputation. In this study, we adopt the definition of Vanhala and Ahteela (2011), / which defines impersonal trust as "the individual employee's expectations about the employer organization's capability and fairness." According to the cited reference, the capability dimension consists of six and the fairness dimension consists of five components. Capability refers to the employee's perception of the organization's effectiveness in terms of top management, work organizing, sustainability and competitiveness, and technological reliability. Further, fairness refers to the employee's perception of fairness concerning HRM practices, communication, and fair play in organizational principles.

1.2. Research Problem

New trends in the worldwide garment industry to execute outstanding productivity concepts and cost minimizations have become another problematic aspect in Sri Lankan Apparel (Welmilla 2020). According to Fisher et al. n.d. , HRM investments reduce costs by reorganizing HRM operations, increasing efficiency by enhancing the quality of HRM services and transforming

the HRM function into a strategic business partner. Kaur, (2013), captures HRM's influence on the efficiency and efficacy of HRM operations well by minimizing paper labour by enhancing data precision and eliminating superfluous HRM while keeping the quality of HRM's data. Furthermore, because e-HRM allows quick access to HR data and simplifies data classification and reclassification, it results in a more transparent system. Similarly, research on the impact of E-HRM practices on managerial-level employees' impersonal organizational trust has not been conducted in Sri Lanka despite being conducted in other nations. Similarly to that, Sri Lanka's apparel industry has not previously been used for this kind of activity. To close the empirical gap, the current study was created. The ultimate goal of this study is to investigate the impact of E-HRM practices on impersonal organizational trust among employees in the apparel industry

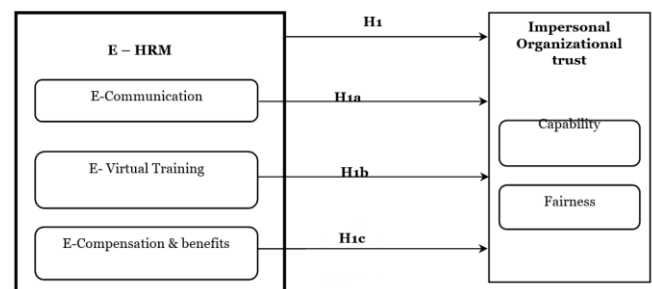
So the problem statement will be as follows;

What is the impact of E-HRM practices on impersonal organizational trust among employees in the apparel industry?

2. RESEARCH METHODOLOGY

2.1. Conceptual framework

The arguments conceptualized by the researcher are graphically represented in Figure 2.1.



*figure 1: Conceptual Framework
 (Source: Developed by Researcher)*

H1: There is a significant impact of Electronic Human Resource Practices (E-HRM) on impersonal organizational trust.

EHRM practices

The term "e-HRM" refers to the efficient use of HR functions through the network or internet mediums that align with the organization's overall goals and objectives (Strohmeier 2007).

Impersonal org trust

Impersonal trust is "an employee's expectations concerning the employer organization's capability and fairness."(Vanhala and Ahteela 2011)

2.2. Data Collection

The researcher collected primary data related to the research through a questionnaire designed for E-HRM practices and impersonal organizational trust. The questionnaire consisted of two sections. Section one is the personal profile. Accordingly, section one of the questionnaire contains four questions about gender, age, company name, and length of service of the respondent. Section two of the questionnaire consists of

questions that measured the impact of E-HRM practices on impersonal organizational trust. The questionnaire for measuring E-HRM, E-communication, E-virtual training and development, E-compensation and benefits, and the effect was a standard questionnaire initially developed by Amara & Atia, (2016), Karunarathna & Nanayakkara, (2021), and that included 16 questions. The reason for using only these three dimension to measure Electronic Human Resources (E-HRM) practices is because most of the literature review was about these dimensions in the studies the researcher studied. The questionnaire for measuring impersonal organizational trust was developed initially by Vanhala & Ahteela, (2011) Vanhala & Ritala, (2016) and included 17 questions.

Section two of the questionnaire asks respondents to mark their agreement on each item according to their opinion using the 5-point Likert scale rating. Such as, 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

E-HRM	1	2	3	4	5
E-HRM system usage					
1. I use E-HRM technology for performing HR self service I have					
2. Use E-HRM for several year					
3. I use the E-HRM system for salary, leave approval, promotion, training, communication and applications I appreciate that following HR activities					

The study's targeted population was all the managerial level employees working in the apparel industry, in Sri Lanka. And sampling method is cluster sampling. The reason for choosing managerial level employees is E-HRM practices are used more among managerial level employees and not much use among operational level employees. And the reason for choosing five companies in selected sample is that five companies with the highest profitability in the Katunayake trade zone been considered.

3. RESULTS AND FINDINGS

3.1 Normality

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
IOT	125	-.121	.217	.364	.430

(Source: Survey Data, 2023)

3.2. Reliability

As shown in the table 3.1, the value of skewness is -.121. It is approximately close to zero, which means that it is also normally distributed. Similarly, the Kurtosis value here is .364, that value is close to zero. It also means that the data is normally distributed.

In order to analyze the reliability of the survey questionnaire, the Cronbach's Alpha test was adopted by the researcher. According to the reliability test of the questionnaire, Cronbach's alpha value was higher than 0.7. Therefore the entire questionnaire was correct and reliable.

Table 2: Reliability Table

Variable	Dimensions	Cronbach's Alpha	No. of Items
Independent Variable E-HRM	EHRM U	.786	6
	ECB	.733	4
	EC	.653	4
	EVT	.727	4
Dependent Variable	IOT	.817	9

(Source: Survey Data, 2023)

3.3. Validity

According to the above information, the KMO value of this research is .821, and .715 respectively. That is, it is higher than 0.5. The Significant value of Bartlett's Test of Sphericity in all the variables is less than 0.05. That is, it is clear from the above information that there is no problem regarding the validity of this.

Table 3: Validity Table

Impersonal Organizational Trust		
Kaiser-Meyer-Olkin Measure (KMO) of Sampling Adequacy.		.821
Bartlett's Test of Sphericity	Approx. Chi-Square	303.558
	Df	36
	Sig.	.000
E-HRM		
Kaiser-Meyer-Olkin Measure (KMO) of Sampling Adequacy.		.715
Bartlett's Test of Sphericity	Approx. Chi-Square	138.201
	Df	3
	Sig	.000

Table 4: Model Summary- Multiple Regression Model Summary

3.4. Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.940 ^a	.884	.880	.161
a. Predictors: (Constant), EVT, ECB, EC				

(Source: Survey data, 2023)

As per the table, R square value was 0.884 which depicted 88% of the dependent variable: impersonal organizational trust was explained by independent variables: E- compensation & benefits, E-

communication, E- virtual training and Development. In contrast, 12% of dependent variable: impersonal organizational trust was not explained by independent variables: E- compensation & benefits, E- communication, E- virtual training and development.

Table 5: Coefficients Table- Multiple Regression

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	.169	.118		1.431	.155
	ECB	.074	.034	.089	2.162	.033
	EC	.177	.042	.192	4.237	.000

EVT	.334	.044	.387	7.634	.000
a. Dependent Variable: IOT					

a. Dependent Variable: IOT
(Source: Survey Data, 2023)

Thus, the overall regression model for these three predictors has significantly explained the variation in

impersonal organizational trust. The regression coefficient of ECB, EC, and EVT indicates that it has a significant positive impact on IOT.

3.5 Hypothesis Testing

Table 6:Hypothesis Testing

Research Objective	H	Variable	Data Type	Test	Results	Interpretation
Relationship	H1	DV- Impersonal Organizational Trust	Scale	Correlation	PC=0.921 P=0.000	A significant perfect relationship between E-HRM practices and Impersonal Organizational Trust
		IV- E-HRM Practices				
Impact	H1	DV- Impersonal Organizational Trust	Scale	Regression	B=0.951 P=0.000	The significant high impact between E-HRM practices and Impersonal Organizational Trust
		IV- E-HRM Practices				

3.6 Frequency of personal profile

Statistics

	Gender	company	age	Edication	Knowledge	length
N	Valid	125	125	125	125	125
	Missing	0	0	0	0	0
Mean	1.53	2.66	2.30	2.45	3.62	2.25
Std. Deviation	.501	1.459	.935	.828	.703	.956
Variance	.251	2.128	.875	.685	.495	.914

4. CONCLUSION

This study mainly focused on the impact of E- HRM practices on impersonal organizational trust with special reference to managerial level employees in apparel industry, Western Province. When it comes to the data collection process, researcher have distributed 125 online survey questionnaires using cluster and simple random sample techniques among managerial-level employees in the apparel industry. The researcher has been received 125 of filled survey questionnaire from the respondents. Therefore, the respond rate was 100%.

The questionnaire, consisted of two parts including 28 structural questions. When it comes to the research questions, those have been developed based on the previous literature findings. Based on the research questions, the researcher has established one main research objective. According to the findings, all the established hypotheses were accepted. Based on the discussion, simply illustrated that both direct and indirect impacts between Electronic Human Resource Practices (E- HRM) on impersonal organizational trust were significant and positive. In addition to that, among those dimensions, E-compensation and benefits, E-virtual training and development and E-communication have a higher positive impact on E-HRM practices. Finally, the researcher could conclude that there is a significant impact of E-HRM on the Impersonal Organizational Trust of managerial-level employees in the apparel industry in the Western Province.

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