

Midocean University

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**The Role of Electronic Human Resource Management on
Workforce Efficiency in Banks in Riyadh City**

**دور إدارة الموارد البشرية الإلكترونية في كفاءة القوى العاملة في البنوك في مدينة
الرياض**

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1 Chapter 1: Introduction

1.1 Overview and Background

Electronic human resource management (e-HRM) refers to the use of technology to manage various aspects of human resources (HR) in an organization (Srivastava 2010). This includes recruitment, employee onboarding, performance management, training and development, payroll, and other HR-related processes. The use of e-HRM has become increasingly popular in recent years, as organizations seek to streamline their HR processes and improve workforce efficiency. According to various studies, Electronic Human Resource Management (e-HRM) refers to the use of technology in managing different aspects of HR in an organization, including recruitment, onboarding, performance management, training, payroll, and other HR-related processes (Kavanagh et al., 2012; Ruel et al., 2007; Tan et al., 2010). Over the years, e-HRM has become increasingly popular as organizations seek to streamline their HR processes and improve workforce efficiency.

One of the key benefits of e-HRM is that it enables HR professionals to automate many of the time-consuming administrative tasks associated with managing a workforce, freeing up HR staff to focus on more strategic tasks related to talent management and development (Ruel et al., 2007). Additionally, e-HRM can improve the accuracy and consistency of HR data, leading to more informed decisions about the workforce (Kavanagh et al., 2012).

Like in other countries, the bank is the key player in the economic growth in Saudi Arabia (ALZYADAT et al., 2021). In the banking sector, human resource management (HRM) practice is one of the most influential factors for profitable and proficient banking operations, creation of new banking products, and provision of better services to clients. Through strategic HRM practices, employees achieve a specific set of competencies that

differentiates banks, and leads to the achievement of competitive advantages in the banking industry. In Bangladesh, the banking services do not differ much from each other. Banks therefore need to create skilled and knowledgeable employees to satisfy their existing clients and to attract new clients, which results in profitable banking. The Impact of HRM practices on bank performance is too complex to be measured. To rationalize the necessary investments on human resource department, it is the contribution of HRM practice to the organizational performance of banks must be examined (Masum et al.,2016).

1.2 Research Problems

The integration of technology in various industries has spurred transformative changes in organizational processes, and the banking sector in Riyadh City is no exception. With an emphasis on optimizing efficiency and staying competitive in a rapidly evolving landscape, banks have increasingly turned to Electronic Human Resources Management (e-HRM) systems. These systems hold the promise of streamlining HR processes, from recruitment and training to performance evaluation and record management, thereby potentially revolutionizing work efficiency within these institutions. However, amid this pursuit of heightened efficiency through e-HRM adoption, a critical problem arises that necessitates thorough examination: the extent to which e-HRM systems genuinely deliver on their promise of elevating work efficiency within banks in Riyadh City. Despite growing enthusiasm and investment in these technologies, there exists a gap in understanding the precise impact of e-HRM implementation on the overall work efficiency of banks in the region. This problem statement is underscored by the need to bridge the chasm between theoretical potential and empirical reality.

1.2.1 Theoretical Gap

While the theoretical underpinnings and anticipated benefits of e-HRM systems are well-documented, particularly in general terms, there is a theoretical gap in applying these frameworks to the specific context of Riyadh's banking sector. The literature extensively discusses the positive outcomes of e-HRM systems, such as enhanced efficiency and improved organizational processes. However, these theories are not sufficiently tailored to address the unique characteristics and challenges of the banking sector in Riyadh City. Theoretical models often present an idealized view of e-HRM, but do not adequately account for the particular demands and constraints of local banking institutions, including regulatory requirements and customer service complexities. Therefore, there is a need to investigate whether these well-established theoretical benefits hold true in this specific context.

1.2.2 Empirical Gap

Further compounding the issue is the critical empirical gap that exists in understanding the actual outcomes of e-HRM adoption within the banking sector in Riyadh. Despite the growing enthusiasm surrounding the implementation of e-HRM systems, the empirical evidence on their effectiveness in improving work efficiency in this particular context remains sparse. The current body of literature lacks sufficient research that evaluates the real-world impact of e-HRM systems on operational efficiency within Riyadh's banking institutions. This empirical gap creates uncertainty regarding whether the adoption of e-HRM technologies truly leads to the expected improvements in work efficiency. The banking sector in Riyadh has distinct operational characteristics, regulatory demands, and customer service priorities, all of which may influence the effectiveness of e-HRM systems. Without empirical studies that specifically examine the outcomes

in this sector, it is difficult to determine whether the implementation of e-HRM systems aligns with the anticipated improvements in work efficiency.

Thus, addressing both the theoretical gap and the critical empirical gap is essential for understanding the true impact of e-HRM systems on work efficiency within banks in Riyadh City. These gaps must be bridged to provide clarity on whether e-HRM systems live up to their theoretical promise and, more importantly, whether they deliver measurable benefits in the specific context of Riyadh's banking industry.

According to Above, the main research question is:

" What is the role of electronic human resource management in workforce efficiency in banks?"

1.3 Research Significance

The study investigating the role of Electronic Human Resources Management (e-HRM) in enhancing work efficiency within banks in Riyadh City holds significant importance due to its potential to drive informed decision-making, optimize resource allocation, and contribute to the advancement of the banking sector. The following sections outline the key aspects that underscore the research's significance.

1.3.1 Theoretical Significance

This study contributes to the existing body of knowledge by addressing a critical gap in the theoretical understanding of e-HRM systems and their impact on work efficiency within the banking sector. While prior research has established the theoretical foundations of e-HRM in various organizational settings, there remains a need to contextualize these theories

within the specific operational and regulatory framework of banks in Riyadh City. By examining the link between e-HRM adoption and work efficiency, this research refines existing theoretical models and enhances their applicability to the banking industry.

Furthermore, the findings of this study may provide a platform for future academic discourse on the interplay between technology, human resources, and efficiency. The intricate relationship between digital transformation and organizational performance is a multifaceted area that extends beyond banking. Other industries facing similar challenges might find insights from this research applicable to their contexts, thereby contributing to broader theoretical advancements in HR technology implementation (Cherif, 2020).

1.3.2 Empirical Significance

Beyond theoretical contributions, this study holds empirical significance in assessing the real-world implications of e-HRM adoption in Riyadh City's banking sector. As banks increasingly integrate technology into their HR functions, understanding the tangible impact of e-HRM systems on work efficiency is crucial for informed decision-making. The study's findings can guide banks in strategically allocating resources, ensuring that their investments in e-HRM yield measurable efficiency gains.

Moreover, the research carries significant implications for the workforce. e-HRM adoption has the potential to reshape HR processes, directly influencing the daily experiences of employees. By identifying the benefits, challenges, and areas for improvement, this study can contribute to fostering a more productive and satisfying work environment. Reduced administrative burdens, enhanced access to HR services, and opportunities for skill development may lead to improved job satisfaction and higher retention rates among banking professionals.

Additionally, the efficiency of banks plays a crucial role in strengthening the broader financial sector in Riyadh City. Given the city's economic reliance on a robust banking industry, accurate knowledge regarding the effectiveness of e-HRM systems is essential for maintaining a competitive edge. Misalignment between technology adoption and operational efficiency could result in resource wastage and diminished productivity. By providing empirical evidence on the relationship between e-HRM and work efficiency, this study equips banks with the necessary insights to optimize their HR strategies and enhance their overall performance (Alrahahe et al., 2014).

In summary, the significance of this research extends across both theoretical and empirical dimensions. It contributes to the refinement of theoretical frameworks, offers practical insights for banking institutions and employees, and strengthens the banking sector's ability to leverage digital transformation effectively. Ultimately, the findings of this study have the potential to shape the trajectory of technological integration, work processes, and efficiency-enhancing practices within the evolving banking landscape of Riyadh City.

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