The Impact of HRM Digitalization on Employee Performance in the RMG Industry of Bangladesh

Md. Anamul Haque and Sabrina Sharmin Nishat

ABSTRACT

Human resource management (HRM) practices can have a big impact on how well employees perform in the aspects of both in-role and extra-role performance. The impact of various HRM methods, notably the digitization of HRM practices, on the in-role and extra-role performance of employees working in the ready-made garment business has not yet been examined in the context of Bangladesh. Therefore, this study’s main objective was to investigate the impact of human resource management digitalization on employees’ in-role and extra-role performance in the context of Bangladeshi ready-made garment (RMG) enterprises. Using the 25th version of the Statistical Package for The Social Sciences (SPSS), the study investigated the opinions of the employees working in various departments of RMG companies in Bangladesh. It sought to determine how certain digitalized HRM practices, particularly e-recruitment and selection, e-training and development, e-performance appraisal and management, e-compensation management, e-complaints management, e-communication management, e-career management, etc., have an impact on both in-role and extra-role employee performances. Findings of this study indicated that, though certain digitalized HRM practices like e-compensation management and e-career impact significantly on employee extra-role performance they contribute insignificantly on employee in-role performance. Additionally, it has been found that e-performance appraisal management has a significant positive impact on the in-role performance of the employees. The study also made an effort to advise management body of the RMG firms to digitize some HRM procedures that can improve employee and organizational performance.

Keywords: E-career Management, E-performance Appraisal, E-compensation Management, HRM Digitalization, In-role and Extra-role Performance.

I. INTRODUCTION

Recently, information technology has played a major role in both the workplace and our daily lives (Iqbal, Ahmad, & Allen, 2019). It is also essential for fostering organizational development and success (Alibekova et al., 2019). Due to globalization and technology, the national economy is become increasingly sophisticated and unpredictable (Iqbal et al., 2019). To gain a competitive advantage, businesses in this position need to be more innovative than their competitors (Njoku et al., 2020). The greatest strategy to maintain the market in the face of the rapid changes in global competition may be to properly integrate HRM practices with information technology (IT) (Haerani et al., 2020). IT has helped HR workers deliver better services while also lightening administrative burdens (Paschen et al., 2019). The employment of technology in HRM aspects is referred to as "electronic human resource management (E-HRM). Information technology is now essential for carrying out HRM duties, which boosts worker productivity (Razmi-Farooji et al., 2019). Digital HRM methods assist HR professionals in gauging employee and company performance, as well as assisting managers in making strategic decisions (Bondarouk, 2011). This study aims to improve the processes of HRM digitalization by evaluating the direct impact of digitalized HRM practices on employee performance in Bangladesh’s ready-made garment (RMG) business. The overall goal of this study is to identify the impact of HRM digitalization on employee performance in the RMG industry of Bangladesh.

In Bangladesh, the COVID-19 pandemic crisis has led to both economic and humanitarian concerns. The government has been implementing a variety of measures to address the concerns posed by the pandemic. The RMG business in Bangladesh is a remarkably thriving and resilient one. This industry makes a significant contribution to economic growth in terms of tax receipts and the generation of numerous job opportunities. Sales and performance for the RMG companies fell precipitously during the pandemic. Assuring unparalleled synergy between information technology and human resource management is now necessary. To support continued economic growth in the nation, HR experts must step up and successfully cooperate. Regarding the study's practical consequences, the HR specialists in this field will be able to apply its findings to raise employee productivity inside their companies, enabling them to withstand any crises and steer their firms in the right direction for growth and success. As a result, with the help of the RMG industry, the national economy will once more be propelled toward prosperity and development. With the integration of information technology, this study aims to help with the managerial implications of HRM practices. It is an
organizational strategy that could enhance employees' performance in and outside of their roles in Bangladesh’s ready-to-wear sector. On the other side, digital HRM may also have an impact on improving business performance.

E-HRM is now often employed in sizable enterprises that are impacted by information technologies. E-HRM is becoming more and more popular among writers and human resource professionals. In the various situations of HRM digitization, there are several experimental investigations. However, there is no empirical research on the impact of digital HRM on employee performance in Bangladesh’s RMG sector. An extensive analysis has been done as a part of this study to determine the effects of HRM digitalization on employee performance by treating it as a research gap.

II. LITERATURE REVIEW OF THE STUDY
A. HRM

"Recruitment and selection, training and development, participation, socialization, job design, career development, performance appraisal, employee incentive, and job security" are among the most well-known HRM activities, according to (Huselid, 1995). Practices in human resource management are those that include interactions between employees and the business where they work (Bredin & Söderlund, 2011). In addition, HRM can be treated as the management of HR to prepare the company for growth (Leopold & Harris, 2009).

B. HRM Digitalization

The evolution of HRM operations has been significantly aided by the development of information technology (Kavanagh et al., 2012). From the organizational perspective, recruiting and hiring new personnel, training and development, career development, socializing, performance evaluation, compensation, and reward are all being impacted by information technologies (Maditheti, 2017). According to Saini, digital HRM is the management of all HRM activities through the help of information technologies, applications, and the internet. Innovations are also the key to bringing HRM practices into digitalization.

C. Types of E-HRM

E-HRM is mainly grouped into operational, relational, and transformational categories (Lepak & Snell, 1998). The focal purpose of operational E-HRM is to improve the efficacy of HRM by automation. Relational E-HRM tends to improve the stakeholders’ connections and service delivery of electronic HRM. These are also concerned with supporting the business activities like recruitment, training, and performance management. Finally, the transformational E-HRM is concerned with strategic re-orientation and knowledge management (Strohmeier & Kabst, 2014).

D. Digital HRM Functions

Today, HRM practices are molded and combined with information technology within corporate companies, which is what is denoted as "digital HRM." The most popular digital HRM practices today include electronic HR Planning, digitalized recruitment and selection, e-training and development facilities, career management assistance, employee promotion through e-performance evaluation, e-compensation, and e-benefits, and employee protection through e-health and safety, e-legal issue facilities, among others. The goal of HRM digitization is to make it easier to collect, restore, and update the most recent information about the knowledge, skills, and abilities (KSA) of the company's employees and to access that information when it is required (Hopkins & Markham, 2017).

By streamlining the process and reducing the amount of time and resources required, digitalized HRM aids in the development of a wider pool of candidates and in the recruiting and selection activities (Marchington & Wilkinson, 2005).

The potential of training and development activities is greatly increased by e-learning and e-training activities in particular (Marchington & Wilkinson, 2005).

By equipping the employees with the required strategies, methods, information, and assistance systems, information technology is primarily used in performance appraisal and management systems to analyze individuals’ actions and organizational activities (Benso et al., 2022).

Technology-focused career counseling programs are organized tools that identify the goals required for employees' improvement. Additionally, these arrangements assist the staff in comparing the information and skills they possess with those needed today and in the future (Rothwell et al., 2015).

The provision of real-time information and knowledge through electronic compensation techniques makes it easier to complete administrative chores and operations. This could help the workers by assuring pay and salary equality (Gueutal et al., 2005).

When an E-occupational health and safety system is put in place, HR professionals are kept updated about the success of activities to lower accident risks and are encouraged to re-plan the tasks and systems while taking accident risk into account (Andersen, & Fagerhaug, 2002).

Any form of computer-mediated communication made possible by communication technologies that expedite organizational tasks is referred to as electronic communication (Rorrisa, 1996). E-communication is advantageous for all types of businesses, and it undoubtedly makes interaction easier while also combining different media (Yazici, 2002).

A continual process of monitoring, planning, and carrying out career-related strategies adopted by organizations for their employees is known as a career development and management system (Rothwell et al., 2015). E-career management is a dynamic process that focuses on recognizing employee career goals and coordinating them with organizational ones in the new era (Inkson, 2007).

E. Digital HRM Practices in the RMG Industry of Bangladesh

Bangladesh is a developing nation where 80% of the population resides in villages and 59% of the population is directly related to the cultivation of land (GOB, Ministry of Finance, 2017). Bangladesh's RMG industry has undergone a tremendous transition during the past 20 years. It is currently the second-largest exporter of RMGs worldwide. Industrialization has paved the way for the economy to become more technologically advanced by encouraging the use of digital practices in organizational governance and
emerging manufacturing sectors, such as the ready-to-wear sector (Bell & Sutton, 1998). Many other sectors are currently beginning to understand the advantages of implementing HRM digital practices at various levels of the businesses (Aowrangzab, 2015). The majority of customers in the RMG sector of Bangladesh are from other nations, and they favor businesses that can fulfill orders, use digital information technology, and ensure the workers' absolute safety (BBS, 2018).

The development of the RMG business in Bangladesh will be aided by digitalized HRM practices, which may be considered as a tool for going beyond HR practices' limitations in terms of acquiring competitive advantages with the fewest resources. It could aid the company in developing strategic alliances between employers and workers and enhance business success.

Reputed conglomerates in Bangladesh's textile and apparel industries include Ha-Meem Group, Fakir Apparel Limited, Epyllion Group, DBL Group, and Beximco Fashion Limited. These companies excel at carrying out HRM duties using digitalized HRM techniques. To ensure a workplace that is friendly to employees, the majority of businesses have implemented online database management systems, CC camera inspection and tracking, digital ID cards for attendance, online schedules of work, web-based payroll management, and compensation through the use of mobile banking and online technologies (Mia & Faisal, 2020).

F. Employee Performance

Employee performance or employee service behavior is spelled as organizational reciprocity between the customer and a service provide (Law et al., 2010). Employee behavior is measured by how staff treat clients in terms of their gestures, voices, and attitudes (Tsaur et al., 2004). Employee performance is classified into two categories: in-role performance and extra-role performance (Tsaur & Lin, 2004).

The structuring of the stated commitments as outlined in organizational documents like job descriptions and performance assessment forms results in implicit norms that influence in-role performance (Tsaur & Lin, 2004). According to Raub and Liao (2012), in-role performance or general service behavior is "service etiquette that obeys job descriptions and service scripts and composed of completing core service tasks using standard service procedures".

Extra-role performance denotes independent actions taken outside the scope of a role's official responsibilities (Tsaur et al., 2004). It is highlighted by "a self-starting, forward-thinking strategy, long-term oriented to service delivery" that the proactive performance or extra-role activity (Raub & Liao, 2012). A more comprehensive and beneficial contribution of employee performance to the organization is actually in-role and extra-role performance (Rubel et al., 2018).

The main objective of this study is to ascertain the degree to which employee performance in Bangladesh's RMG industry is impacted by the digitization of HRM.

III. METHODOLOGY OF THE STUDY

This study sought to assess how employee performance in Bangladesh's RMG business was affected by HRM digitization. The impact of digitalization HRM on employees' in-role and extra-role performance has been examined in this study using SPSS version 25 (Statistical Package for The Social Sciences). Finally, 93 Bangladeshi workers from various ready-to-wear companies were polled using a structured questionnaire. Surveys, both online and offline, were used to obtain the data for this study. This study employed a five-point Likert scale methodology. This study focuses on a number of digitalized HRM techniques to produce employee in-role and extra-role performance. These procedures include electronic recruiting and selection, electronic training and development, electronic performance appraisal and management, electronic remuneration and complaint handling, electronic communications, electronic career management, etc. and the in-role behaviors like lowering absenteeism, increasing the quality and quantity of the work, innovation in productivity, etc. as well as the expected extra-role behaviors like taking part in decision-making, intrinsic job motivation, sharing knowledge, etc. To create definitive conclusions about the impact of various digitalized HRM methods on employee performance, all the survey data was evaluated and interpreted for the qualitative study. In order to present the analyses, graphs, charts, tables, etc. have been used. Apart from this, in-depth interviews were conducted to collect more information related to their in-role and extra-role performance which has been interpreted in the later part of the analysis and as well in the recommendation section of this study.

The RMG sector of Bangladesh was picked for this investigation. 93 current RMG industry employees from various companies were chosen as samples for the data collection.

A. Research Hypotheses

The research hypotheses are as follows:

**H1:** Employee in-role performance and HRM digitalization are significantly correlated.

**H2:** HRM digitization and employee extra-role performance are significantly correlated.

Employee in-role performance and extra-role performance variables are E-recruitment and selection, E-training and development, E-performance appraisal and management, E-compensation management, E-complaints management, E-communication management, and E-career management.

B. Theoretical Framework of the Study

![Fig. 1. Theoretical Framework of the Study. Source: Author.](http://dx.doi.org/10.24018/ejbr.2022.7.7.1540)
IV. ANALYSES AND FINDINGS OF THE STUDY
A. Discussions Regarding H1: HRM Digitalization and Employee In-role Performance

The link between the dependent and independent variables is specifically determined by the coefficient. Three components in the coefficients tables of a regression analysis have “P” values that are less than the alpha value of 0.05. These numbers show a strong relationship between those parameters and the research topic (Table I–III).

B. Interpretations of all the Variables related to HRM Digitalization and Employee In-role Performance

The coefficient in Table IV shows that there are no significant relationships among E-recruitment and selection, E-compensation management, E-complaints management, E-career management, and employee in-role performance because the P-value for each of these variables is greater than 0.05. So, for these variables, null hypotheses are failed to be rejected. On the other hand, the P-value of E-training and development, E-performance appraisal and management, and E-communication management are less than 0.05 and show that there are significant correlations between these factors and employee in-role performance. In that case, for these variables, alternative hypotheses are accepted.
The coefficient table shows that there is no significant relationships between E-recruitment and selection, E-training and development, E-communication management and employee extra-role performance because the P-value for each of these variables is greater than 0.05. So, for these variables, null hypotheses is failed to be rejected. On the other hand, the P-value of E-performance appraisal and management, E-compensation management, E-complaints management and E-career management are less than 0.05 and it means that there are significant correlations between these factors and employee extra-role performance. In that case, for these variables, alternative hypotheses are accepted.

V. OVERALL FINDINGS OF THE STUDY

The study's findings in the area of Bangladesh's RMG business have been divided into two major groups. Both HRM digitization and employee extra-role performance and HRM digitalization and employee in-role performance are examples of this.

A. HRM Digitalization and Employee In-role Performance

When asked about E-recruitment and selection during a poll of employees from multiple RMG firms, the majority of the respondents said that it is a common duty. Whether it is digitalized or not had little bearing on how well they performed while in character.

The majority of employees expressed that their in-role performances are improved by digitalized training and development activities. They noticed an improvement in their productivity. They were able to overcome obstacles in providing training to remote workers thanks to newly developed technologies. They also mentioned how the coronavirus infection had taught them how to best use digital technology to enhance organizational performance.

Employees were impacted by digitalized performance appraisal and management software to view their performances continuously, which increased their performance in their roles.

The pay management system, whether it was digitalized or not, had no effect on how well employees performed while in their roles in the RMG sector. The effects on their performances were negligible.

The majority of the workers agreed that the RMG industry handled the majority of complaints in a conventional manner. In exchange, it was discovered that it had no effect on how well they performed in terms of in-role behavior.

The majority of employees reported that using electronic communication technology and best practices accelerated organizational performance and enhanced job performance.

There is some minor correlation between employee in-role performance and E-career management in the RMG sector. This is why it had no effect on how they performed when in character.

B. HRM Digitalization and Employee Extra-role Performance

Executives shared throughout the conversation that extra-role performance was dependent on the individual and that there was only a tenuous link between employee extra-role performance and electronic recruitment and selection.

Most often, extra-role performance shows a person's commitment to their career. E-training and growth activities are crucial for organizational performance in the RMG sector. Its importance in this study was reduced since other factors took precedence over it.

Proper evaluation and regular digital updates encouraged staff to better their work, which in turn enhanced their performance outside of their assigned roles.

The RMG sector's extra-role performance was enhanced by adequate compensation management and periodic implementation. Digitalized pay management systems significantly altered employees' perspectives and removed obstacles to taking use of benefits and compensation packages.

The majority of employees acknowledged that most complaint management procedures in the RMG sector followed long-standing conventions. It showed that employees would perform better outside of their assigned roles if their employers encouraged and supported them in keeping concerns digitally in any form of communication.

The majority of workers agreed that it is the responsibility of all types of firms to ensure proper and digital communication networks. Additionally, it had no impact on

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<th>TABLE VI: COEFFICIENTS*</th>
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<td>E_Recruitment_and_Selection</td>
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D. Interpretations of all the Variables related to HRM Digitalization and Employee Extra-role Performance

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<th>TABLE VII: SIGNIFICANCE LEVEL OF EXTRA-ROLE PERFORMANCE VARIABLES</th>
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<td>Variables of Employee Extra-role Performance</td>
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The coefficient table shows that there is no significant relationships between E-recruitment and selection, E-training and development, E-communication management and employee extra-role performance because the P-value for each of these variables is greater than 0.05. So, for these variables, null hypotheses is failed to be rejected. On the other hand, the P-value of E-performance appraisal and management, E-compensation management, E-complaints management and E-career management are less than 0.05 and it means that there are significant correlations between these factors and employee extra-role performance. In that case, for these variables, alternative hypotheses are accepted.
how well employees performed in extracurricular activities within the company. Employees in the RMG sector reported that Bangladesh offers tremendous job opportunities. Employees' extra-role performance in the company would be significantly improved if they could access the right support and resources for managing their own careers.

VI. CONCLUSION

Since the company's administration system is being improved with the integration of human resource management, a transfer from manual to computerized HR operations is required. The RMG industry is significantly impacted by the incorporation of IT systems in HRM. The main objective of this study was to demonstrate how digital HRM has affected employee performance in the RMG sector. In the context of local RMG enterprises in Bangladesh, this study has successfully illuminated how employee performance, in particular, would be impacted by HRM digitalization. In order to adopt successful digitalized HRM practices in managing organizational employees and their performances, the managers of local organizations may find the study's recommendations useful.

VII. RECOMMENDATIONS

Both the way that people live their lives and how they operate in an organization have changed as a result of COVID-19. As a result, numerous adjustments were made to the way that human resources were managed in Bangladesh's RMG sector. In relation to HRM digitization and its effects on employee in-role and extra-role performance, significant information from Bangladesh's RMG sector was found through this investigation.

Despite having many years of professional expertise in their industry, the respondents asserted that HR professionals still need to learn more about digitalized HRM techniques. The majority of respondents said that employees' in-role and extra-role performance is influenced by their mentalities and level of emotion for their work as well as the organizational environment. Employees would perform much better in their roles if they had access to appropriate e-training, developmental opportunities, timely performance reviews, and up-to-date communication technologies.

HR professionals in the field learned that providing training, meetings, recruiting, and hiring was indeed feasible during the pandemic. Therefore, careful control is not always required. In such kind of situation, the organization might be adaptable. Additionally, if employees could participate in decision-making physically or virtually, and receive compliant support from any source, be paid based on their performance, and if human resource functions could help them with their career advancements, these activities would improve their performance outside of their assigned roles and they would be even more motivated than before. Digitalized HRM is actually necessary in the present era to improve employees' in-role and extra-role performance, not just in the RMG sector but preferably in the other industries as well.

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