e-ISSN: 2582-5208
International Research Journal of Modernization in Engineering Technology and Science
(Peer-Reviewed, Open Access, Fully Refereed International Journal)
Volume:07/Issue:07/July-2025 Impact Factor- 8.187 www.irjmets.com

A STUDY ON CLOUD-BASED HRM SYSTEMS: ENHANCING OPERATIONAL EFFICIENCY AND STRATEGIC DECISION-MAKING ACROSS ENTERPRISE SCALES IN BENGALURU SOUTH

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DOI: https://www.doi.org/10.56726/IRJMETS81379

ABSTRACT

This study investigates the adoption and impact of cloud-based Human Resource Management (HRM) systems on operational efficiency and strategic decision-making across enterprises in Bengaluru South. Drawing from both primary survey responses and secondary literature, the research highlights that cloud HRM systems significantly improve routine HR functions such as payroll, attendance, and recruitment. However, the use of advanced features like analytics, workforce planning, and compliance tracking remains limited, particularly in small and medium-sized enterprises (SMEs), due to challenges like limited training, data security concerns, and awareness gaps. The study reveals that while operational benefits are clear, there is strong untapped potential in leveraging these systems for strategic HR management. The findings underscore the importance of training, change management, and tailored cloud solutions to enable wider and deeper adoption across organizational scales.

Keywords: Strategic Decision-Making, Small And Medium Enterprises (Smes), Operational Efficiency, HR Technology Adoption, Cloud-Based HRM.

I. INTRODUCTION

The human resource management field experiences a transformative shift through cloud-based HRM systems which deliver enhanced accessibility together with scalability and real-time decision capabilities. These platforms eliminate older systems by delivering adaptable affordable cloud solutions that streamline fundamental HR processes including recruitment and payroll and performance management. Traditional HRM systems which depend mainly on administrative tasks fail to deliver the necessary scalability and flexibility and customization that SMEs require. The implementation of cloud computing in HRM for SMEs faces several obstacles because business owners remain unaware of its benefits and they worry about data security and compliance with regulations. The absence of an established standard framework for cloud-based HRM systems designed specifically for SMEs creates additional challenges for their adoption.

RESEARCH OBJECTIVES

- To examine the impact of cloud-based HRM systems on operational efficiency in HR functions.
- To assess the role of cloud HRM in enabling strategic HR decision-making.
- To analyse the differences in cloud HRM adoption and outcomes across enterprise scales (SMEs vs. large enterprises).
- To identify the challenges and enablers of successful cloud HRM implementation.

II. REVIEW OF LITERATURE

Milan Stamatovic (June 2025) The role of hrm in organizations implementing agile methodologies. HRM plays a crucial role in organizations adopting agile methodologies, enhancing team dynamics, collaboration, and innovation. HRM must also leverage digital tools and AI to analyze employee data, predict future skill requirements, and accelerate recruitment and selection processes.

Philip Batsa Adotey (June 2025) Mapping a decade of digital transformation in HRM: trends, implications, and future research directions. This study analyzes 2,743 peer-reviewed publications from 2014 to 2024 to understand the digital transformation of HRM 4.0, focusing on AI, big data, automation, and cloud computing. It reveals a rapid increase in research post-2020, with AI-driven HRM, digital talent management, and automation emerging as dominant themes.

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Mohamed Buheji (June 2025) Managing Academic Faculty During Wars Case of e-HRM During the Devastating War on Gaza 2023-2025. The study examines the role of Electronic Human Resource Management (e-HRM) in sustaining higher education operations during wartime, focusing on the Islamic University of Gaza (IUG). The research highlights the need for international support and scalable technological solutions in conflict-affected regions.

S B Sawant (April 2025) Technology Integration in Cloud based HRM. Cloud-edge technology offers benefits like resource management, effectiveness, and financial savings in IoT. However, HRM is a major challenge in IoT settingsoutperforming other meta-heuristic techniques in shortest response duration, allocation expenses, and increasing proportion of HRs allotted. This work highlights the importance of HRM in IoT settings.

Mingwan Jian (March 2025) Cloud Computing for SME HR Management: Enhancing Efficiency and Scalability. This paper explores the integration of cloud computing technology into small and medium-sized businesses' HRM systems, highlighting its potential to enhance talent acquisition, performance management, and payroll processes. It proposes a conceptual framework for a cloud-based HRM platform, highlighting its architecture, components, and implementation flow.

Marwan Milhem (February 2025) An integrated adoption model of cloud computing-based human resource management by SMEs in developing countries: evidence from Bahrain. Results show that technological, organizational, and environmental contexts significantly impact the adoption of cloud computing, while individual managerial innovativeness does not.

Md Ashrafuzzaman (October 2024) The Impact Of Cloud-Based Management Information Systems On HRM Efficiency: An Analysis Of Small And Medium-Sized Enterprises (SMEs). Cloud-based management information systems (MIS) are transforming. They also provide advanced tools for workforce analytics, employee engagement, and performance tracking, previously only accessible to larger corporations.

Sarika Yadav (June 2024) Conceptualizing a Research Model for Analysing the Factors that Influence the Implementation of Cloud Computing-Based Human Resource Management System (CC-HRMS). Using an integrated theoretical framework, data was collected from 30 managers and operational personnel. Cronbach's alpha was used to assess reliability and relevance.

Yohan Perera (February 2024) Asian journal of management studies Low-tendency of Adoption of the Cloud-based HRM Solutions by the Micro, Small, and Medium-sized Enterprises in Sri Lanka 2024A qualitative exploratory study in Sri Lanka found that many Micro, Small, and Medium-sized enterprises (MSMs). The study highlights the need for more effective cloud services for MSMs.

Jacob Manahan (October 2022) Implementation of PRIME-HRM Program Using Cloud-Based Technology. This paper explores the use of cloud-based technology, specifically Human Resource Information Systems (HRIS), The study uses an agile methodology to analyze requirements, design the system, select a vendor, and release it. Testing results show the system operates as planned and the algorithms produce expected results, indicating its feasibility.

Sarika Yadav (June 2022) Systematic Literature Review and future prospective of cloud based human resource management system. This article reviews the research and development state of cloud computing in human resource management (HRM). The findings provide theoretical knowledge about cloud-based HRMs, aiding academic debates and offering valuable direction for HRM professionals in integrating cloud computing environments.

Rong Liu (April 2021) Optimization Technology of Human Resources Management (HRM) Education Resources Based on Hadoop Cloud Storage Architecture. The paper proposes a Hadoop cloud storage architecture to optimize HRM education resource management technology. It constructs a cloud structure for HRM education resources, uploads and downloads them, and manages them.

Pavel Abdullah (August 2020) An HRM system for small and medium enterprises (sme)s based on cloud computing technology. Technology has significantly impacted Small and Medium Enterprises (SMEs), particularly in the Kurdistan Region-Iraq (KRI). The system consists of sixteen standard modules, developed using technologies like CodeIgniter, and deployed on Amazon Web Service Elastic Compute Cloud (EC2).

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Rinku Sanjeev (May 2020) An Empirical Research on the Role of Cloud-Based HRIS & HRM Functions in Organizational Performance. Digitization has significantly impacted organizations' data management, necessitating the adoption of Management Information Systems (MIS) to gain a competitive edge. The increasing volume of data necessitates significant IT infrastructure investments. The US public cloud market is predicted to reach over 130 billion USD by 2020.

Nidhi Natrajan (December 2018) A Research on the Role of Cloud Based HRIS & HRM Functions in Organizational Performance. Digitization has significantly impacted organizations' data management, necessitating the adoption of Management Information Systems (MIS) to gain a competitive edge. Cloud-based models, offering low-cost resource sharing, are increasingly popular, with the US public cloud market predicted to reach over 130 billion USD by 2020.

RESEARCH GAP

Despite the growing adoption of cloud-based Human Resource Management (HRM) systems, the academic and professional literature reveals several significant gaps

SL.No	Citation	Research Design	Objective	Key Findings
1	Milan Stamatovic (June 2025)	Theoretical Conceptual Paper	Examine HRM's evolving role in agile organizations	HRM must adapt using digital tools and AI for future skill analyse.
2	Philip Batsa Adotey (June 2025)	Bibliometric Analysis of 2,743 papers	Analyze digital HRM transformation trends (2014–2024)	AI, automation, and cloud computing are key themes; post-2020 saw a rise in HR 4.0 research.
3	Mohamed Buheji (June 2025)	Case Study (Gaza – Conflict Context)	Evaluate e-HRM in managing academic HR during war	e-HRM ensured education continuity; called for scalable digital and trauma-informed HR models in conflict zones.
4	S B Sawant (Apr 2025)	Technical Optimization Model (IoT setting)	Optimize cloud HRM in IoT via Whale Optimization Algorithm	Improved response time, HR allocation efficiency, and cost savings in cloud-IoT HR systems.
5	Mingwan Jian (Mar 2025)	Conceptual Framework	Explore cloud HRM for SMEs: architecture and implementation	Performance management, payroll, and scalability in SME HR systems.
6	Marwan Milhem (Feb 2025)	Cross-sectional Survey (280 SMEs)	Study cloud HRM adoption in developing countries (Bahrain)	TOE factors influence adoption; managerial innovativeness has limited impact.
7	Md Ashrafuzzaman (Oct 2024)	Quantitative; SME case analysis	Analyze impact of cloud MIS on HRM in SMEs	Improved efficiency, reduced cost, and enhanced real-time decision-making
8	Sarika Yadav (June 2024)	Conceptual + Survey-Based Reliability Analysis	Develop model for CC-HRMS implementation factors	Integrated framework validated using Cronbach's Alpha; tailored for Indian food industry.
9	JacobManahan (Oct 2022)	Agile Methodology Case Study	Implement cloud-based HRIS for government HR excellence program (PRIME-HRM)	Cloud HRIS system worked as planned; efficient in functionality and algorithm accuracy.

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SL.No	Citation	Research Design	Objective	Key Findings
10	SarikaYadav (June 2022)	Systematic Literature Review	Review state of research on cloud-based HRM	Categorized literature, identified gaps, and provided direction for future research in cloud HRM.
11	Rong Liu (Apr 2021)	Experimental Simulation Design	Propose a cloud-based architecture for HRM education resource management	Hadoop-based system improved data throughput and storage efficiency.
12	Pavel Abdullah (Aug 2020)	System Design and Implementation	Develop EHRMS model using cloud for SMEs in Iraq	Proposed 16-module HRM system on AWS EC2; improved HR operations in local SMEs.
13	Rinku Sanjeev (May 2020)	Empirical Quantitative Study	Examine cloud HRIS role in organizational performance	Cloud HRIS improves performance and reduces IT infrastructure cost.
14	Nidhi Natrajan (Dec 2018)	Empirical Review	Role of cloud HRIS in improving performance	Cloud HRIS is increasingly adopted due to digitization and lower costs.
15	Yohan Perera (Feb 2018)	Qualitative Exploratory Study	Explore low adoption of cloud HRM in Sri Lankan MSMEs	MSMEs face issues like reliability, cost, and lack of tailored apps, deterring adoption.

CONCEPTUAL MODEL

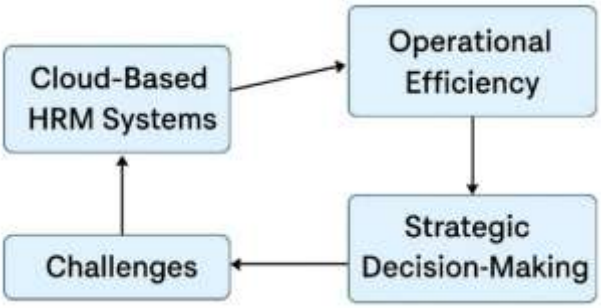

Fig 1: Conceptual Model

PROBLEM STATEMENT

One of the main challenges in this study was finding reliable information on cloud-based HR systems and understanding how they affect different industries. Creating a clear and relevant questionnaire was also difficult, especially when dealing with sensitive topics like data security and usability. Balancing technical aspects with everyday HR practices took time, and the survey had to be revised several times to get meaningful responses.

III. RESEARCH METHODOLOGY

Using both primary and secondary data, this study employs a qualitative-quantitative hybrid approach to investigate how cloud-based HRM systems affect strategic decision-making and operational effectiveness in businesses of various sizes. Combining the two forms of data offers a more comprehensive viewpoint, which improvidence over the reliability and comprehensiveness of the study results.

- **Primary Data**

This data was collected through a structured online survey questionnaire distributed to employees working in different companies located in Bengaluru South. The survey was designed using Google Form to ensure access

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and response**,** 50 response were received from the working professionals, employees in SMEs in the mentioned region only for the 20 questionnaires.

- **Secondary Data**
- Secondary data was collected from peer-reviewed academic journals and published research articles that focused on cloud-based HRM systems.
- Relevant postgraduate theses and dissertations were examined to understand current research methods, results, and gaps in the field.
- Literature and industry reports were reviewed to provide context, identify trends, and confirm findings from the primary data.

SAMPLING TECHNIQUE

The study employed a **convenience sampling technique**, a form of non-probability sampling, to select participants based on their availability and willingness to respond. This method was chosen due to time constraints and the ease of accessing professionals working in organizations that have implemented cloud-based HRM systems within the target area.

- **Sample size:**

The sample size for this study was limited to **50 respondents**, which included HR professionals, IT personnel, and administrative staff. This size was considered sufficient to gather initial insights and identify patterns related to the use and impact of cloud-based HRM systems in the selected area.

- **Sampling Location:**

The sampling location for this study was **Bangalore South**, a region known for its concentration of SMEs companies, startups, and corporate offices.

IV. ANALYSIS AND DISCUSSION

Demographics and Organizational Profile

A structured online survey was conducted among 50 professionals in Bengaluru South's SMEs and large enterprises, including HR professionals, IT support staff, and general administrative personnel. The participants were diverse in age, with 22% aged 21-25, 38% aged 26-30, 26% aged 31-40, and 14% above 40.

Adoption of Cloud-Based HRM Systems

A majority of respondents have adopted cloud-based HRM systems, with 84% fully or partially implemented. This trend reflects the growing digital transformation of HR processes, driven by cost-effective, scalable, and remotely accessible solutions. The high adoption rate, even among SMEs, suggests increased awareness and acceptance of cloud technologies.

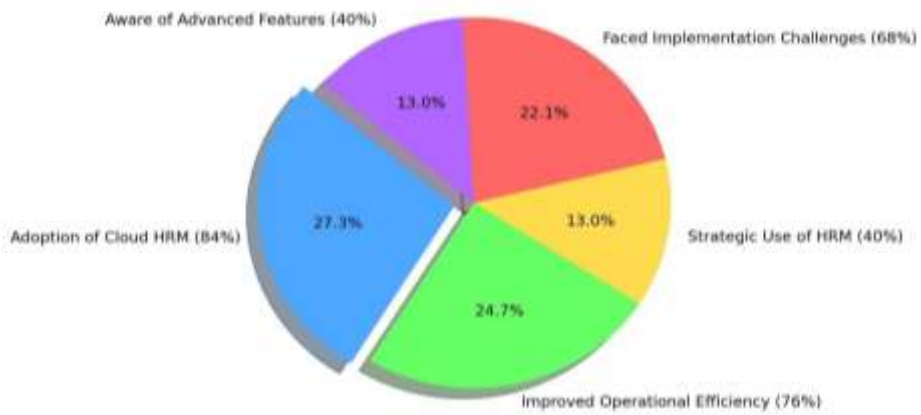

Fig 2: Comprehensive Pie Chart

Operational Efficiency Post-Implementation

Cloud HRM system usage significantly improved operational efficiency, with 76% of respondents stating it saved time and reduced manual work. Key improvements included faster payroll processing, automated leave tracking, simplified recruitment procedures, and reduced paperwork, aligning with the core promise of cloud HRM platforms.

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Strategic Use and Decision-Making Capabilities

Only 40% of respondents use cloud HRM systems for strategic HR decision-making, despite operational gains. This underutilization of advanced features, particularly in workforce analytics and skills gap identification, suggests a need for targeted training, leadership alignment, and a cultural shift in HR department views.

Implementation Challenges

During the implementation phase, respondents faced challenges such as data security, employee resistance to change, and lack of proper onboarding, especially in SMEs and departments with limited digital exposure. These issues suggest that technical infrastructure alone isn't enough; successful deployment requires change management, communication, and employee education.

Awareness and Usage of Advanced Features

Around 60% of respondents were unaware or partially aware of advanced features in their cloud HRM systems, such as predictive analytics, automated compliance alerts, skill gap mapping, and workforce planning dashboards. Awareness was higher among younger employees and IT or HR analytics roles. Regular training sessions and a user-friendly interface can unlock the full potential of cloud HRM systems.

V. CONCLUSION

This study explored how cloud-based HRM systems are improving HR processes in organizations across Bengaluru South, especially in SMEs. Most companies reported better speed, accuracy, and cost savings in daily tasks like payroll and attendance. However, many aren't fully using advanced features like analytics and workforce planning—mainly due to limited training and awareness. While some challenges remain, overall feedback toward cloud HRM systems is positive.

In short, these systems offer clear operational benefits and strong potential for strategic use. With the right training and support, businesses can make even better use of them.

Limitations

- The study was conducted with a small sample of only 50 respondents, which may limit its ability to accurately represent the broader population.
- Focused only on Bengaluru South, so results may not apply to other regions.
- The study used convenience sampling, where participants were chosen based on their availability, potentially introducing bias into the results.
- Responses are based on personal opinions and may not reflect actual system performance.

Implications

- Organizations should train HR staff to use cloud systems for both routine tasks and strategic planning.
- There is a growing need for HR professionals skilled in technology and data analytics in today's market trends.
- Software providers must create user-friendly platforms with tailored and offer customized support for SMEs.
- Policymakers can promote digital HR adoption through subsidies, awareness, and training programs.

Future recommendations

- Study more regions and sectors for broader insights.
- Track results over time to see long-term benefits.
- Explore how AI tools are changing cloud-based HRM.

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