

## **The role of Information Technology in the Personal Department:**

**HRM in the Knowledge economy**

### **ANALYSE DES PRATIQUES DE GESTION DES RESSOURCES HUMAINES ÉLECTRONIQUE:**

**LE RÔLE DES TECHNOLOGIES INFORMATIQUES DANS LE DÉPARTEMENT DE PERSONNEL**

**Junaid Zafar<sup>1</sup>**

**Abstract:** With the increasing possibilities of providing services to employees through Internet and Intranet applications, Human Resource professionals just need to click once or twice and a specially designed HR website leads to the required information. Employees would no longer be held responsible for the operational and administrative HR activities. Electronic-Human Resource Management (e-HRM) is the engine for pushing down the costs of any company and making it profitable. Information technology has been identified as an impetus of HR's transition to becoming a strategic business partner. In this study, we extend this work one step further and explore the role of information technology in shaping the competency requirements of HR professionals.

**Key words:** e-HRM; Human Resource Information Systems

**Résumé:** Avec une possibilité croissante de fournir des services aux employés via les applications d'Internet et d'Intranet, les professionnels des ressources humaines suffisent de cliquer une ou deux fois et un site web spécialement conçu pour les RH peut les conduire à l'information requise. Les employés ne seront plus tenus responsables pour les activités opérationnelles et administratives des RH. La gestion des ressources humaines électronique (GRH électronique) est le moteur pour réduire les coûts de la compagnie et la rendre rentable. Les technologies de l'information ont été identifiées comme un nouvel élan de la transition des ressources humaines à devenir un partenaire d'affaires stratégique.

Dans cette étude, nous étendons ce travail un peu plus loin et explorons le rôle des technologies informatiques dans l'élaboration des exigences relatives aux compétences des professionnels des RH.

**Mots-clés:** GRH électronique; systèmes informatique des ressources humaines

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<sup>1</sup>Assistant Professor, Department of Business Administration, University of Sargodha, Pakistan.

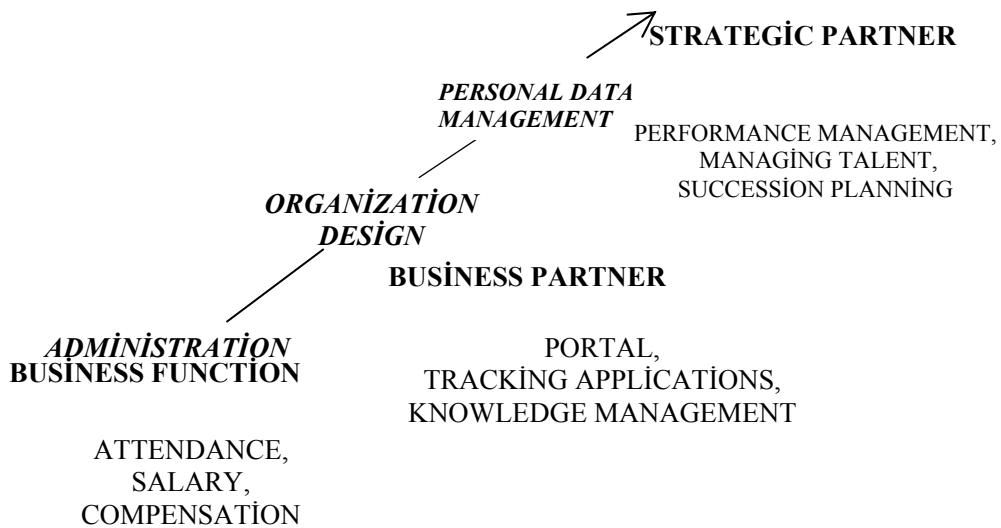
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## **1. INTRODUCTION**

There is a fundamental difference between Human Resource Information Systems (HRIS) and e-Human Resource Management (e-HRM). HRIS are directed towards the HR department itself. Users of these systems are mainly HR staff. HRIS aims to improve the processes within the HR department, albeit in order to improve the services towards the business.

With e-HR, the target group is not the HR staff but people outside this department: the employees and management. HRM services are being offered through the intranet for use by employees. Those entrepreneurs who are in favor of adopting IT in their offices are saying, from a technical perspective, that the possibilities for HR when it comes to e-commerce are endless: in principle all HR processes can be supported by IT.

Organizations have become increasingly dependent upon the quality and the commitment of their co-workers. The rise of the flexible and innovation-driven type of organization explains the greatly increased attention paid to matters such as strategic HRM. The diagram below shows precisely what Huiskamp and Schalk (2002) have been trying to say. It shows the evolution of HR from mere business function to that of a strategic partner.



**Figure 1: HR-Tree. Reprinted from “Evolution of the HR function” by Bhatia, 2008, *HR Practices*, 9, 1-10**

In the past, HRM focused mainly on control, registration, and administration: in the knowledge economy where knowledge workers are capital of the organization, HRM should focus on improving service, change management, and facilitating organizational flexibility.

It is these conditions that require a step in the direction of e-HRM. Therefore, the rise of e-HRM can be best understood as an outcome of transition of Western economies from industry-orientated (tangible products) towards knowledge-orientated. E-HRM is the relatively new term for this IT supported HRM, especially through the use of web technology.

## **2. STRATEGIC ROLE AND FUNCTIONS OF E-HRM**

Scientific research regarding e-HRM has been scarce so far, but there are signs that it is receiving increasing attention. Overall, the studies show that e-HRM is an increasing phenomenon. Back then in 2002 according to Ruel, more than one-fifth of large companies made considerable steps to support HR practices and policies through web technology.

## **2.1 Types of e-HRM**

Lepak and Snell (1998) make a distinction, namely:

### **2.1.1 Operational e-HRM**

The first area, operational e-HRM, concerns the basic HR activities in the administrative area. One could think of salary administration (payroll) and personnel data administration.

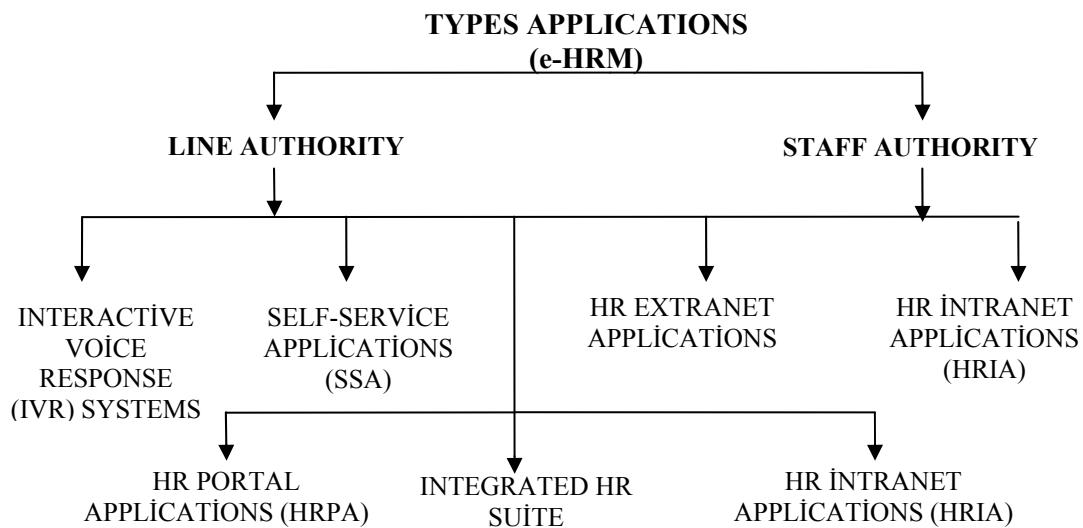
### **2.1.2 Relational e-HRM**

The second area, relational e-HRM, concerns more advanced HRM activities. The emphasis here is not on administering, but on HR tools that support basic business processes such as recruiting and the selection of new personnel, training, performance management and rewards.

### **2.1.3 Transformational e-HRM**

Transformational e-HRM, the third area, concerns HRM activities with a strategic character. Here we are talking about activities regarding organizational change processes, strategic re-orientation, strategic competence management, and strategic knowledge management.

Types of e-HR applications are identified by Florkowski and Olives-Lujan (2006). These can be seen as those that target either the line or the staff authority. Kindly see Appendix 'A' for details.



**Figure 2: Types Applications (e-HRM)**

## **2.2 Benefits of e-HR**

The benefits of e-HR can be grouped as:

### **2.2.1 Human resource planning**

This means that, since employees are given the opportunity to update their personal data, the HR record-keeping gains higher accuracy and data quality (Adamson & Zampetti, 2001).

### **2.2.2 Acquiring human resources**

The practice of online recruitment is one of the most widely discussed functions of e-HR. Online recruitment refers to posting vacancies on the corporate web site or on an online recruitment vendor's website, and allowing applicants to send their resumes electronically via e-mail (Galanaki, 2002). It also includes the active search of the internet and the location of resumes.

### **2.2.3 Evaluating human resources**

E-HR allows the whole performance appraisal (PA) to be conducted on-line, on the corporate internet interface. This means that the manager and the employee are able to submit performance data directly to the HR department in electronic form. This practice, though criticized for the lack of written evidence, reduces paperwork and can impressively decrease time and cost for the HR department.

### **2.2.4 Communication**

The benefits of e-HR use in terms of communication are substantial. In its simplest form, e-HR includes the use of electronic mail for communication with the employee. The penetration rate of computer-mediated communication, mainly e-mail, is higher than 75 percent in corporate environments and e-mail has emerged as the communication medium of choice (Bontis et al., 2003).

### **2.2.5 Rewarding human resources**

Employee self-service allows employees to submit electronically their preferences in terms of benefit selection, reducing the burden for the HR department. Moreover, manager self-service allows the manager to take on or confirm salary actions, salary changes, bonuses and stock management.

### **2.2.6 Developing Human Resources**

Using the internet in training and development is one of the mostly discussed aspects of e-HR and probably the one with the most potential in terms of cost benefits. The internet can be used in training needs assessment, in pure e-learning activity and in career management.

## **2.3 Critical Success Factors for e-HRM**

### **2.3.1 User Involvement**

User involvement in the early stages of the implementation and development phases of the e-HRM system allows users to make adjustments to the system to satisfy their needs. Consequently organizational resistance to the new changes implied by the use of the e-HRM application is minimized and customer satisfaction is increased (Lee & Lee, 2007).

### **2.3.2 Business Process Reengineering**

When a company implements a new e-HRM system, some of the HR processes must be reengineered in order for the e-HRM system to be more effective i.e., the inevitable alignment of processes and activities with the new systems requirements (Remus, 2007); (Bingi et al, 1999). Such reengineering mechanism is applied when transforming HR manual processes to paperless forms.

### **2.3.3 Planning and Vision**

For e-HRM implementation to be successful, a plan must be agreed upon by the project manager or the responsible parties to follow during the project life cycle. The plan will guarantee the alignment of the e-HRM goals and strategy with the HR and corporate strategies to ensure maximum effectiveness, integration and alignment.

### **2.3.4 Training and Education**

Since the e-HRM system offers new methods of processing transformed or new HR activities, proper training must be given to all users of the system. This becomes crucial since the new interface provides functionality that has been never been used before and needs to be related to the newly reengineered business processes (Remus, 2007).

### **2.3.5 Change Management**

Managing change within the organization could be a full time job by itself as it requires the management of people and their expectations, resistance to change confusion redundancies and errors (Remus, 2007). For the e-HRM to be successfully implemented, the organization should realize the impact of this new change

on employees, managers, and HR staff and understand its dimensions in order to manage the effects with a corporate strategy that is open to change.

### **2.3.6 Top Management Support**

In order for e-HRM implementation to be successful, top managers have to approve and continuously support the responsible parties during the implementation stage to make sure no obstacles prevent or delay the progress.

### **2.3.7 Effective communication**

Interdepartmental communication as well as communication with customers and business partners is a key element in the success of implementing the system (Remus, 2007). Communication helps employees and involved parties better understand the new e-HRM system to keep up with the development and implementation stages of the project. Employees should also be informed in advance the scope, objectives in order to meet their expectations (Nah et al, 2001)

### **2.3.8 Project Management**

A company must assign a project manager to lead the project of developing and implementing an e-HRM system professionally according to profound business rules. The project itself must have clearly defined business and technical objectives and goals corresponding to the project deliverables (Remus, 2007).

## **3. CONCLUSION**

The research shows that the latest advanced technologies offer the potential to streamline many HR functions. Companies are increasingly utilizing information technology to design and deliver their HR practices. This statement is made after looking into the findings given by researchers. This trend is not surprising given the substantial benefits that can emerge from integrating information technology into the HR function. In addition to costs, many organizations are utilizing e-HR systems in an effort to enhance the efficiency and effectiveness of the HR function.

With the growth of information technology, much of the administrative aspects of human resource management can be accomplished through technology solutions hosted by the company or outsourced (Lawler & Mohrman, 2003). As technology frees up HR from some of its routine tasks, there is a greater opportunity for HR professionals to become a strategic partner (Ulrich, 1997). This means moving beyond administrative expertise and becoming an expert in areas such as strategic business partnership, change management, and employee advocacy (Ulrich, 1997).

IT has the potential to lower administrative costs, increase productivity, speed response times, improve decision-making, and enhance customer service all at the same time. The need for cost reduction, higher quality services, and cultural change are three main forces that drive firms to seek IT-driven HR solutions. The rapid development of the Internet during the last decade has boosted the implementation and application of electronic human resource management (e-HRM).

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## APPENDICES

### **Appendix ‘A’: Application detail**

<b>Name</b>	<b>Task</b>
<b>Interactive Voice Response (IVR) systems</b>	Ability to set up or change payroll Edit addresses for benefits and payroll records Check job opportunities
<b>Self-service applications (SSA)</b>	Update and use employee-specific information, online via a browser
<b>HR extranet applications (HREA)</b>	Personalized to an individual's role, experience, work content, language, and information needs.
<b>HR portal applications (HRPA)</b>	Promotion agent for training providers. Online services to identify suitable training register, negotiate, process and confirm sales of training services
<b>Integrated HR suite applications (ISA)</b>	Manage benefits plans triggered via a web-based interface
<b>HR intranet applications (HRIA)</b>	Monitoring workforce demographics in line with recruitment and retention objectives.
<b>HR functional apps (HRFA)</b>	Monitoring workforce demographics in line with recruitment and retention objectives.