



Note from the editor, Olympia Fantis

Dear Readers ,

We present you with our second issue of this years e-HR trends. This month's topic is devoted to **electronic HR**. A topic which aims to target not only the HR staff, but also people outside this department: employees and management. Enjoy.

Before going any further we give a clear **definition** of e-HR. In our view it **involves** the following: a way of implementing HR strategies, policies, and practices in organisations through a conscious and directed support of and/or with the full use of web-technology-based channels. **'Implementing'** to mean making something work, putting something into practice, or having something realised. E-HR therefore, is a concept - a way of **'doing'** HRM.

So, some may ask then how **different** is e-HR to Human Resource Information Systems -**HRIS** ? The **difference** between HRIS and e-HR can be identified as the **switch** from the automation of HR services towards technological support of information on HR services.

Is the **'human'** being taken out of human resources? Is personnel in danger of being **run** by PC programmers? The **electronic era** in HR may spell a **technical step forward**, but is it a retrograde step in terms of employee relations?

Is the **driving** force behind the electronic trend moving from an emphasis of freeing up **HR** to be more strategic to a **focus** on hard-dollar savings?

Further reading, we suggest:

E-HR Using Intranets to Improve the Effectiveness of your People

Authors: Bryan Hopkins and James Markham

The authors quite rightly point out the difficulty in writing a book that focuses solely on technology. As they acknowledge, books are meant to exist for a number of years — but technology moves on at a far quicker pace. So to write about **e-HR** is, ultimately, a minefield. Companies providing this software want to have the edge over their competitors and don't want to give too much away, which isn't particularly helpful when you are trying to write about the products.

The Impact of e-HR on the Human Resource Management Function By Lengnick, Mark, Moritz, Steve



The Human Resources function has **always** been on the forefront of integrating technology in organisations. In fact, one of the earliest business processes to be **automated** in organisations was payroll administration. **Since then**, HR has continued to **merge** new **technology** with **old** processes. For example, most organisations use **computers** to maintain their employee records. These human resource information systems (HRIS) increase administrative **efficiency** and produce reports that have the potential to **improve** decision making.

Today, managers and employees are assuming activities that **once** were considered the **domain** of human resource professionals and administrative personnel. This represents a significant break with the **past**. Both managers and employees can **respond** more quickly to **changes** when they have relevant information that is **accessible** and when they are empowered to make **decisions** using that information. **HR** has made this **happen**. But, what does this mean for the **future** of **HR**?"

The Six Thorns to e-HR's side:

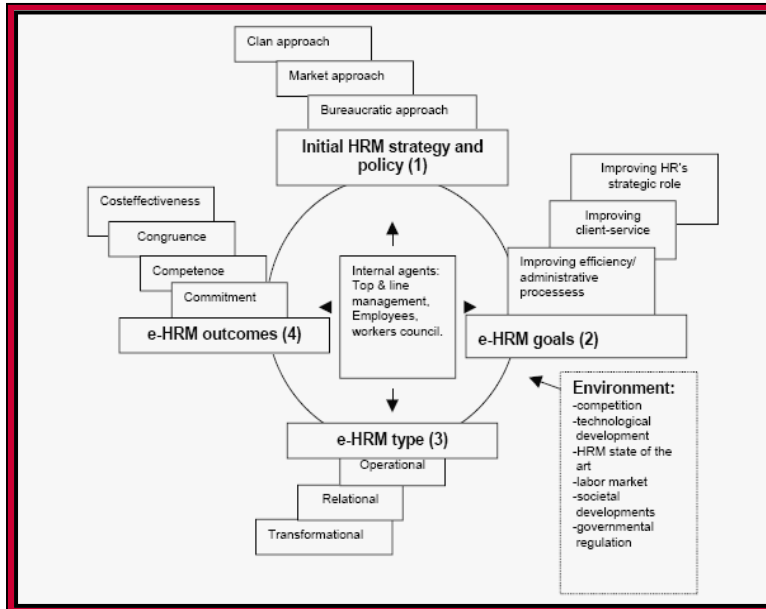
- ◆ Unclear roles and increased workload
- ◆ Inconsistencies in implementation
- ◆ Alienation of HR
- ◆ Lack of objectives for line managers
- ◆ Lack of adequate preparation
- ◆ Lack of support from HR

Source: Personnel Today

For the human resources **function**, **e-HR** has the **potential** to affect both **efficiency** and **effectiveness**. Efficiency can be affected by **reducing** cycle times for processing paperwork, **increasing** data accuracy, and **reducing** human resource staff. Effectiveness can be **affected** by **improving** the capabilities of both **managers** and **employees** to make **better**, more timely **decisions**. **e-HR** also provides the **HR** function the **opportunity** to create new avenues for **contributing** to organisational effectiveness through such means as knowledge management and the **creation** of intellectual and social capital. **e-HR holds** much promise for **improving** the way human resources are **managed** in businesses. However, along with the promise, there are also many **challenges** that will be created as information technology and human resources become combined in ever more **symbiotic** relationships.

Source: Journal of Labour Research

e-HRM Innovation or Irritation, By Tanya Bondarouk and Jan Kees Looise



Advantages of e-HR:

- Increased involvement in strategic planning and decision making
- Capable of providing adequate, accurate and fast information
- Improved client focus
- Better services to employees, line managers and senior management
- Cost reductions/efficiency gains
- Fewer administrative tasks
- Decrease in HR related questions

Source : Bondarouk T., Looise J. K. *E-HRM Innovation or Irritation*, Management Review, vol 15, Issue 3, 2004

DON'T LEAVE THE HR OUT OF e-HR by Kearney, Vance



"The internet **changes** everything, **especially** for employees. It's not only about the **world wide web** or about surfing your favourite sites. It's also about **access** to technology becoming **pervasive** and HR is at the **forefront** of this technological change.

"A recent Microsoft Great Plains **survey** exploring how prepared companies are for e-HR **found** that the **majority** of businesses, particularly those with more than **500** employees, **have** an HR strategy. Nevertheless it also found that, although HR issues are discussed at **boardroom** level, only a **quarter** of boards have an HR professional **present** when they do so.

"This is **strange** is it not? Surely HR professionals are **vital** in facilitating this **move** into e-HR? To place what has been **perceived** as a wishy-washy department at the **forefront** of change requires a big change in **attitude**. Companies need to **understand** that people, when **managed** effectively, deliver **profit**."

"In order though to **deliver** this benefit and to **implement** an **effective** HR system, companies need managers **dedicated** to initiating the **transition**. People management has to be placed at the **heart** of business because this **technology** is becoming a commodity. Companies such as **Oracle**, that run **e-business** software suites or sell over the web, will soon have implemented shared **services** or **outsourced** their back offices. Despite spending more **money** on systems integration, external consulting projects and software, we will say that **people** are our greatest **asset**.

"E-HR goes a **long** way to giving more **control** to employees and increased **efficiency** to companies. That means **smaller** overheads, and **bigger** profit **margins**. Who can **argue** with that?"

Companies which have reached success through e-HR:

- ◆ **BP**: It spends on average US\$350 million every year, but with e-HR the company has identified a potential saving of US\$100 million.
Source :How is it contributing to organisational success
- ◆ **IBM**: It spends on average US\$490 million every year, but with e-HR the company has identified a potential saving of US\$140 million.

Source : Personnel Today

Source : People Management