

Role of the IT in HR Transformation Process

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Abstract— Human Resources Management has been viewed as the most integral part of any organization and plays a significant role in providing right human capital at the right time, which in turn ensures meeting up with the pre-set objectives. Timely and correct management of the available Human Capital is very much important in a fast paced economy, where the process demands speed and accuracy. In such a context it becomes inevitable to opt for a technology that can meet the challenges of this new economy. It is thus necessary for firms to have highly skilled human capital to provide them with a competitive edge. This is specially enabled by the usage of the new revolutionary concept called the IT. Transformation, the process of change is the buzzword of today. Human Capital Management is not an exception in this transformation. Gone are the days in which the transformation was being referred to the physical changes. Now, Information Technology (IT) has stepped into every facet of the business, showing its good and bad impact on the processes.

There are a number of studies and research on HRIS or the E-HCM that can be evidenced to assess the contributions of the technology that has come in place. These researches have focused on the type of applications that predominate in every process of the HRM, the contexts necessary for the successful running of it as well as the conditions that support implementation of any new method that could be proved successful.

This paper aims at identifying the HR Process, its transformation and the role of IT in each and every step focusing on respective Pro's and Con's at the individual, department and organizational levels.

Keywords- HRM, Transformation, HR Processes, IT in HRM

I. HR AND THE TRANSFORMATION

History of today's most highlighted segment of any business, i.e. the Human Capital Management or People Management takes us back to the era of industrial revolution where business executives started realizing the significance of managing their people or staff. Next, understanding the behaviour of a business unit was highlighted when the Industrial Psychology came into existence. Next, the department of Human Resources came into light when people started about thinking the organization as a social system. Human Resources Management therefore is expected to ensure the competence of all the organizational employees are maintained in such a way that the pre-set objectives are met. It is also expected out of any HR Process that it contributes

significantly to the organizational identity as a known institution that attracts and retains good resources.

Going further with our topic of discussion, transformation in Human Capital Management has become a watchword in many corporate circles. This concept means that HR departments must find a new way of catering to the needs of its work-force members. HR professionals must put in place a scientific measure for their organizations to ensure that people management practices are fast and results oriented. This system must be designed to orient towards finding out what their departments do, how they work with operating managers, where HR activities are carried out, what role the managers are expected to play in HR activities, and what results their departments are expected to achieve. The exact shape of the human resources transformation varies from company to company, giving rise to several benefits of the change. Many of the related functions traditionally performed by a human resources department were shifted to the line and thus human resources transformation started getting gaining importance.

Transformation has a significant contribution to make in Human Resource process, but whether it can bear fruits in helping organizations achieving the pre set objectives will depend on the consistency in adapting these changes in the organizational routines. However, the impact of this change may result in modifications on the organizational environments and cultures. Today, it is witnessed that the Human Resources functions in most large organizations are in a state of significant transformation, with making the use of the sophisticated technologies. These technologies are helping to revolutionize HR, allowing employees to engage and interact with systems and processes in ways that have previously been simply inconceivable. This has been proving and proved to eliminate many of the hidden costs of people management and dissolve traditional barriers to effectiveness

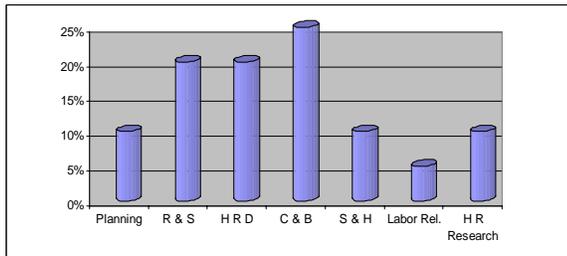
Discussing about the results, HR Transformation is expected to highlight a remarkable shift in the focus, activities, and outcomes of the organizations' workforce to deliver higher-value employee services at lower cost and to dramatically increase its strategic contribution towards the preset goals. Further, the goal of the Human Resources Transformation is to create an organization that will deliver human resources services efficiently and effectively. This could be achieved by realigning existing services into one centralized and automated wing of any business unit. The focus here is to

design an effective service delivery model that can respond to instant business demands, and that will deliver HR services that result in better resource utilization than today. It is proved that this efficiency will be gained by using regular standardizing processes, and by using new enabling technology, called the Information Technology. Thus, any HR Transformation with Information Technology can be referred to as complete, business-orientated guide to the planning, design and delivery of HR information systems. The benefits can include faster communication, improved performance, better decision-making, and more time for HR professionals and line managers alike to focus on other value-adding activities.

HR technology is expected to provide a dais to cover all the functions and processes that support employee management from "Hire to Retire" functions of an organization. It can even enable the workforce management across multiple locations, allowing for implementation of a uniform, global and corporate HR strategy. Needless to say any usage of technology is expected to reduce cycle time, provide online, real time access. IT in Human Resources adds value not by just implementing software tools but by enables mapping of technology on processes.

The HR department of any organization today has reached a stage where it cannot function without IT solutions. Use of this technology in HR management now goes beyond the context of just managing the regular databases. Organizations today see it as an effective tool for people management and a means for increasing employee productivity.

The diagram below narrates the HR Functions and their IT usage. These functions are considered as major functions taking a standard business unit into consideration



Graph 1: Major HR functions and their IT Usage

As seen in the graph, Compensation and Benefits are highly benefited by this Information Technology, making payroll and other processing faster and accurate. The next share is used by Recruitment and Selections and Human Resources Development. Applications in these areas include E-Recruitments, Training and Development Tools, Performance Management tools, Career and Succession Planning tools, etc. Further, the IT can even contribute when it comes to Employee Safety and Health up to 10% of its total usage. Simulations, Online Safety Presentations and other such utilities fall under this segment. HR Forecasts, comparing this with the budget that is allocated to the department of HR can be assessed through HR Planning. This can give an accurate result and

graphs of the future, taken into consideration the past and present data. Better communications between employees through IT can cater to good Labor Relations where as predicting the future of the Human Capital Management can be foreseen through making use of the IT in HR Research.

Discussing further, it can be said that the IT and the HR Department are amongst the pillars of any business unit. HR is observed to be more technology-dependent than the past, while IT is increasingly involved decision making process assisting the organization to have a better HCM system in practice.

II. IT IN HUMAN CAPITAL MANAGEMENT, A SWOT ANALYSIS

Strengths:

- Effective usage of the workforce
- Speedy communication
- Heavy Data Storage and timely retrievals
- Better forecasts and Decision Making
- Knowledge organization.

Weaknesses:

- Rapid organizational change
- Involvement of huge Finances
- Needs continuous updating.
- Monotonous data entries
- Ongoing employee trainings

Opportunities:

- Online Conferences and Meetings
- Focused expansion of business
- Better intranet solutions
- Timely availability of information
- Effective data management

As any system, IT in HRM though features the above attributes, also offers the following threats.

Threats:

- Rapid change in technologies
- Piracy and Duplications
- Risk of data crashes and losses
- Non availability of skilled staff
- Growing dependency on technology

III. THE FUTURE OF HRIS

The combination of Human Resources and IT, termed as Human Resources Information Systems has proved its significance in achieving the predefined organizational growth. However, it is said that this system is not being used up to its maximum potential. The challenge of this HRIS is more with its usage and can prove to be more than enough. It is always advisable for any organization to utilize the HRIS, taking its impact on the business. In some cases the department of Human Resources may even forego some of the advancements which do not prove to be worth going for them. The future of any HRIS application may be defined by the best usage on the applications, its impact on the department's and organization's objectives and a vision for further developments

E-Business Era				
Technology Competent				
Manual				
1960	1980	2000	2010	2020

Image 1: HRIS – Yesterday, Today and Tomorrow

Being considered the industrial age, HR functions were being carried out manually between 1960 and 1980. Early 1980's the technology complaint environment began, giving rise to lot of improvements in carrying out the HR functions. Having considered this, very soon, we can see an e-business environment with lots and lots of virtual business happening.

Conclusion

Technology with Human Resources Management will continue to be important in any business organization; but, it needs to be answered that what kind of application we need in our day to day HR Management Functions. The answer to this question depends, largely on what an organization does, who it employs and the people and the strategists it needs to report to. Still, there are certain types of HRIS utilities that could be used by any business establishment.

Eventually, the concepts presented in this paper or just organic to the present and future of the HRIS usages, extending the scope of Human Capital Management getting more advantages of IT in the years to come.

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