The Role of Human Resource Data Communication System (HRDCS) in Strategic Human Resource Management (SHRM)

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Abstract: Information technology is transforming world to drive Human Resource (HR) transition focus on Human Resource Management (HRM) to Strategic Human Resource Management (SHRM). This strategic role not only adds a valuable dimension to the HR function, but also changes the competencies that define HR professional and practitioner success. The study aims to investigating role of Human Resource Data communication Systems (HRDCS) play in SHRM. It attempts to examine how HR professionals and managers in different organizations see the effects of HRDCS on strategic HR tasks and job roles. It also tries to find out if there is any significant difference in the usage of HRDCS in small/medium (SME) size and large size companies. The target group of the questionnaire were HR managers, HR directors and HR professionals in companies based in organizations. The scope was widened to include both large and small/medium sized organizations across all the business sectors. The results of the survey reveal that HR professionals not only consider HRDCS usage as a support for strategic HR tasks but also perceive it as an enabling technology. The study also indicates that large sized firms are more likely to experience considerable HRDCS usage in support of strategic HR tasks. Moreover, there was no significant difference in proportion to the size of a company regarding HRDCS usage in support of commitment management and managing trade union relations with organizations. Low response rate of this study makes generalization rather difficult.

Keywords: Human Resources, Human Resource Management, Strategic Human Resource Management, Human Resource Data communication Systems, Strategic Human Resource Tasks, Enabled Technology

Backgrounds

1. Human resource management (HRM) issues have been major concern for managers at all levels, because they all meet their goals through the efforts of others, which require the effective and efficient management of people (Dessler et al., 1999). The spacious array of HRM activities for example, planning, recruiting, selection, and training just to mention few place enormous responsibilities on supervisors and managers alike. These embrace analyzing jobs, planning labor needs, selecting employees, orienting and training employees, managing compensation, communicating (which includes counseling and disciplining), and maintaining employee commitment. In addition to already mentioned activities are, ensuring fair treatment, appraising performance, ensuring employee health and safety, building and maintaining good employee/labor relations; handling complaints and grievances, and ensuring compliance with human rights, occupational health and safety, labor relations, and other legislation affecting the workplace. Regardless of field of expertise, from accounting to production control, learning about employee rights, employer responsibilities, and effective HRM practices may provide all managers with knowledge that enables them to perform more effectively (Ibid).

2. However, according to Stewart (1996), the human resource management function has faced a scuffle in justifying its position in organizations. Firms easily justify expenditures on training, staffing, reward, and employee involvement systems in favorable conditions, but when faced with financial difficulties, such Human Resource (HR) systems become prime target for cutbacks. Nonetheless, introducing strategic human resource management (SHRM), in exploring HR’s supportive role in business strategy, presented a possibility for demonstrating its value to the firm. Consequently, Walker (1978) called for a connection between strategic planning and human resource planning marking the commencement of the field of SHRM, but it was not until early 1980s before extensive work was carried out on this proposed linkage.

I. INTRODUCTION

The subject of the strategic relevance of human resource management in organizational plans and models provides a deep foray into one of the core success factors that effectively underpins the achievement of leadership and managerial objectives. This insight drives the current inquiry into one of the principal levers of modern human resource management identified as Human Resource Data communication System. This research begins with the background of the study, the objective and a snapshot description of the structure of this presentation.
For instance, a comprehensive study by Devanna, Fombrum and Tichy (1984) was devoted to exploring the link between business strategy and HR. Since then, SHRM’s evolution has consistently been followed by a few years of developments within the field of strategic management. A very good example is Miles and Snow’s (1978) organizational types that were later expanded to include their associated HR systems (Miles and Snow, 1984). SHRM researchers used Porter’s (1980) model of generic strategies later to explain the specific HR strategies that one would expect to observe under each of them (Jackson and Schuler, 1987; Wright and Snell, 1991). Lately, the increasing pressure to support strategic objectives and the greater focus on shareholder value have led to changes in both job content and expectations of HR professionals (Storey et al., 2000; Ball, 2000). Similarly, Schuler et al., (2001) and Mayfield et al., (2003) noted that one such major changes included contemporary use of Information Systems (IS) in support of the HRM process. More so, a careful analysis indicated that increased human resource Data communication systems (HRDCS) usage enabled improved professional performance and thus facilitated involvement in internal consultancy activities (PMP (UK) Ltd 1997). In addition, according to Ulrich (1997), using HRDCS provides value to the organization and improves HR professionals’ own standing in the organization. In another development, Brockbank (1999) suggested the need for HR to become a strategic partner.

3. HRDCS provides management with strategic data not only in recruitment and retention strategies, but also in merging HRDCS data into large-scale corporate strategy. The data collected from HRDCS provides management with decision-making tool. Through proper HR management, firms are able to perform calculations that have effects on the business as a whole. Such calculations include health-care costs per employee, pay benefits as a percentage of operating expense, cost per hire, return on training, turnover rates and costs, time required to fill certain jobs, return on human capital invested, and human value added. It must be noted though, that, none of these calculations result in cost reduction in the HR function (Gerardine DeSanctis, 1986: 15). The aforementioned areas however, may realize significant savings using more complete and current data made available to the appropriate decision makers. Consequently, HRDCS are seen to facilitate the provision of quality information to management for informed decision-making. Most notably, it supports the provision of executive reports and summaries for senior management and is crucial for learning organizations that see their human resource as providing a major competitive advantage.

HRDCS is therefore a medium that helps HR professionals perform their job roles more effectively (Grallaghe, 1986; Broderick and Boudreau, 1992). Further, various studies had offered a conclusive evidence to affirm the role HRDCS plays in support of strategic decision-making. There has been a dramatic increase in HRDCS’s usage. For example, Lawler and Mohrman (2001) in Hussain et al., (2007) established that the use of HRDCS had consistently increased over the previous years, irrespective of the degree of strategic partnership held by the HR function. Definitely, HRDCS usage had increased substantially even in firms where HR had no strategic role. They cautioned, however, that HRDCS usage and, in particular, fully integrated HRDCS systems, did not necessarily ensure that HR would become a full strategic partner. Even though, numerous studies in this area have provided substantial empirical and theoretical contributions to the field of HRDCS this area of investigation is still in its infancy. Interestingly, little however is known about the role of HRDCS in SHRM. As the pressure to shift from HRM to SHRM keeps on mounting, coupling with severe global competition, and in conjunction with the ever-increasing demand for HRDCS, further research is still needed in this field.

II. RESEARCH OBJECTIVE

This study explores the role of human resource data communication systems (HRDCS) in strategic human resource management (SHRM). The question to address in this study therefore it plays a role if any do HRDCS play in SHRM?

III. HUMAN RESOURCE MANAGEMENT (HRM)

The term ‘Human Resource Management’ has been the subject of considerable debate, and its underlying philosophy and character are highly controversial. Human Resource management (HRM) The term ‘Human resource management’ has been the subject of considerable debate, and its underlying philosophy and character are highly controversial. SHRM has evolved and been transformed from personnel management into traditional human resource management (THRM), and then to SHRM. It’s, like HRM, do not have any consistent definition but scholars generally concord to the central feature of SHRM comprising designing and implementing a set of internally consistent policies and practices to ensure human capital contributions to achieving business goals.
4. HUMAN RESOURCE DATA COMMUNICATION SYSTEMS (HRDCS) IN ORGANIZATION

HRDCS shape an integration between human resource management (HRM) and Information Technology. Even though these systems may rely on centralized hardware resources operationally, a small group of IS specialists residing within the personnel department increasingly manage, support, and maintain them. HRDCS support planning, administration, decision-making, and control. The system supports applications such as employee selection and placement, payroll, pension and benefits management, intake and training projections, career pathing, equity monitoring, and productivity evaluation. These information systems increase administrative efficiency and produce reports.

4.1 Components of an HRDCS

Input Data -> Maintenance -> Output

The Input function enters personnel information into the HRDCS. Data entry in the past had been one way, but today, scanning technology permits scanning and storage of actual image off an original document, including signatures and handwritten notes. The maintenance function updates and adds new data to the database after data have been entered into the information system. However, the note of caution is that, while it is easy to think of HR information systems in terms of the hardware and software packages used to implement them and to measure them by the number of workstations, applications or users who log onto the system, the most important elements of HRDCS are not the computers, rather, the information. The bottom line of any comprehensive HRDCS have to be the information validity, reliability and utility first and the automation of the process second.

4.2 HRDCS functions

Functional HRDCS must create an information system that enables an assimilation of policies and procedures used to manage the firm’s human capital as well as the procedure necessary to operate the computer hardware and software applications. While information technology affects Human Resource (HR) practices HRDCS administration comprise a distinct supporting function within HR. Some of the HRDCS functions include the following:

4.2.1 Integrating the Technologies of HR

Is a fact that developments in Information Technology have dramatically affected traditional HR functions with nearly every HR function (example, compensation, staffing, and training) experiencing some sort of reengineering of its processes. However, this process of change has created significant challenges for HR professionals resulting in the transformation of traditional processes into on-line processes.

4.2.2 Increased Efficiency

Rapid computing technology has allowed more transactions to occur with fewer fixed resources. Typical examples are payroll, flexible benefits administration, and health benefits processing. Though technologies of early mainframes provided significant efficiencies in these areas, the difference is that the record processing efficiencies that were once only available to large firms are now readily available to any organization size.

4.2.3 Increased Effectiveness

Most often, as with processes, computer technology is designed to improve effectiveness either by in terms of the accuracy of information or by using the technology to simplify the process. This is especially the case where large data sets require reconciliation. However, onerous manual reconciliation processes may be executed faster, but also with near perfect accuracy using automated systems. For instance, pension and profit sharing applications, benefits administration, and employee activities are just to mention but a few. Using computer technology in these processes ensures accurate results and offer substantial simplification and timeliness over manual processing. Consequently, the vast majority of HR functions have had some degree of automation applied in order to gain both efficiency and effectiveness.

4.2.4 IT-Enabled Processes

While many of the application areas’ gains are through increased effectiveness and efficiency over manual processing, some are only possible using contemporary technologies.
Most notably, computer-based (web-based) training is a growing area of HR practice that was not available until computer software was created. Even computer based training was not as practical as it is today because it was geographically dispersed until the training was upgraded from computer-based to web-accessible training. However, by taking traditional computer-based training programs and making them accessible on the Internet, firms have created a powerful tool to upgrade and assess employee skill sets. Moreover, many other traditional HR functions have evolved Information Technology (IT) - dependent components with the advent of the Internet. Online recruitment centers, along with the ability to conduct virtual interviews, background checks, and personnel tests on-line have dramatically changed those processes, increasing the geographic reach of firms for potential employees.

IV. ANALYSIS AND CONTRIBUTION OF HRDCS

This study aimed at exploring HRDCS role in SHRM. The study attempted to examine how HR professionals or managers in different organizations see the effects of HRDCS on strategic HR tasks, and job roles. It also tried to find out if there is a significant difference in HRDCS usage between SME and large sized companies in respect of strategic HR tasks performance. On one hand, various studies on HRM propose that HRDCS can contribute to the creation of a long-term competitive advantage through integration of HRM functions with HR technology. However, these studies did not address the role if any HRDCS play in SHRM. On the other hand, a number of strategic HRM tasks have been identified. These include communications, human resource development, workplace learning, career management and human capital accumulation consider greater worker autonomy, high commitment management, leadership, and business Processes reengineering as strategic HRM tasks.

V. CONCLUSION

The conclusion precipitated on the research and analysis of the paper is presented. It is dedicated for the analysis of the contribution and examination of the implications of the findings. However allocated for recommendations and suggestion for further research.

REFERENCES