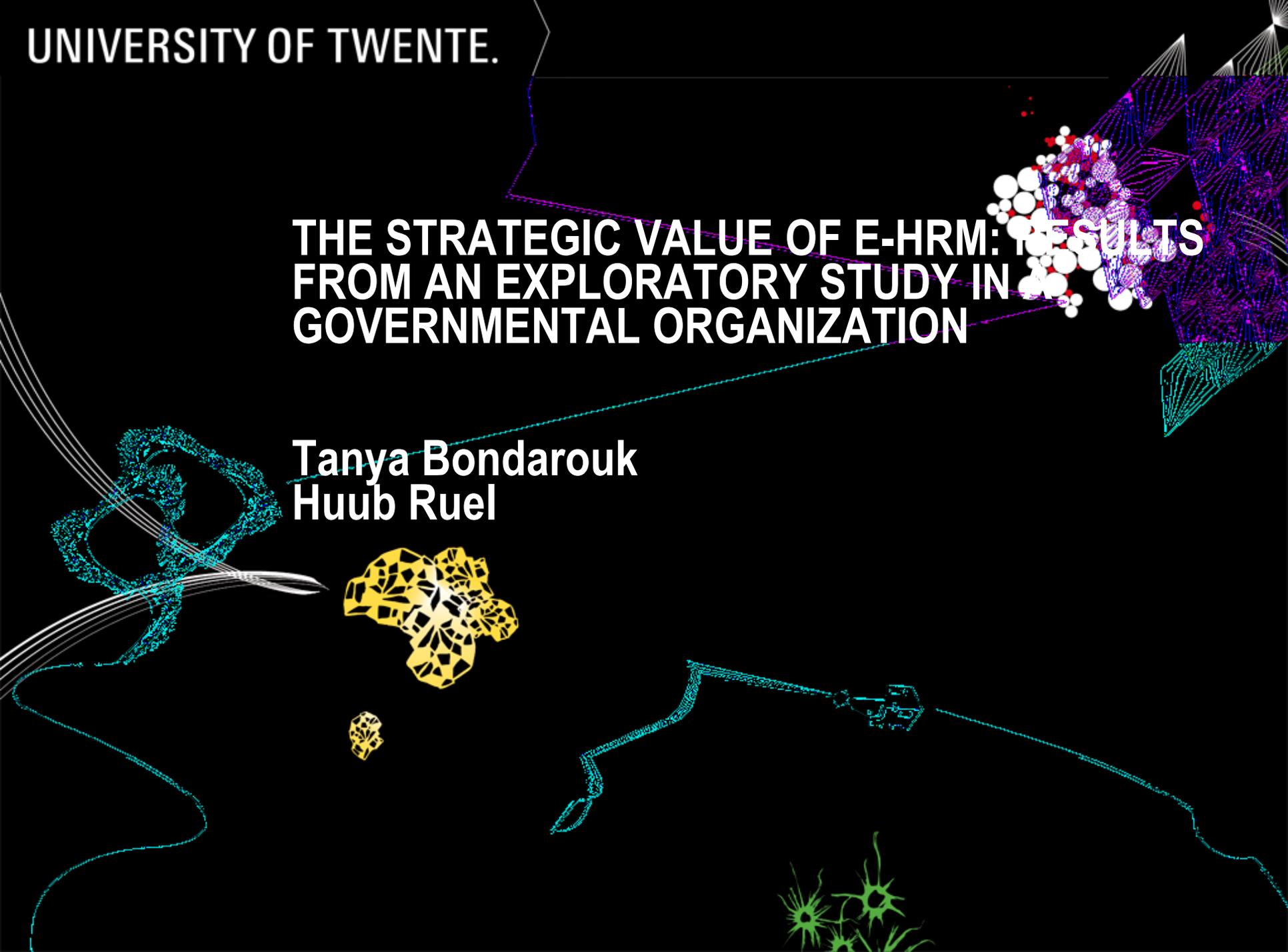
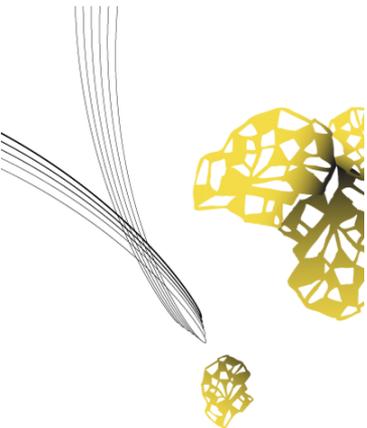


UNIVERSITY OF TWENTE.

# THE STRATEGIC VALUE OF E-HRM: RESULTS FROM AN EXPLORATORY STUDY IN GOVERNMENTAL ORGANIZATION

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Huub Ruel



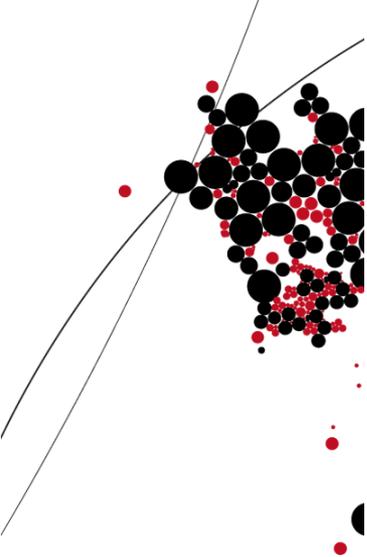


# INTRODUCTION

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The debate on strategic advantages of e-HRM still continues:

- E-HRM offers strategic opportunities to HR professionals;
- E-HRM has no strategic impact;
- E-HRM can create strategic value under certain conditions.



Research question:

*What kind of strategic benefits can and does e-HRM offer to organizations?*

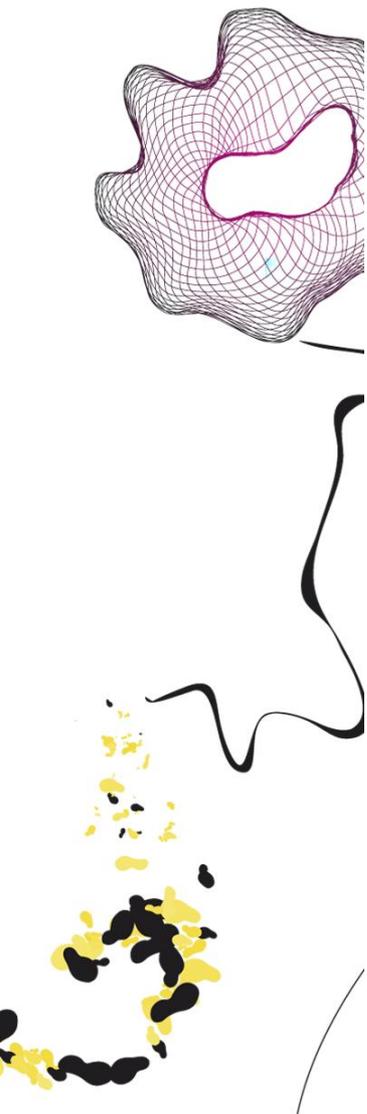


# E-HRM AND STRATEGIC BENEFITS (1)

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E-HRM literature suggests six groups of strategic benefits:

- The generation of HR metrics to support strategic decision making
- The automation of routine HR tasks and replacing 'filing cabinets'
- The branding of organizations
- Freeing HR staff from administrative burdens and allowing them to undertake strategic people-management activities
- Improving talent management through e-selection, self-assessment, e-performance management, and
- Transforming HR professionals from administrative paper handlers to strategic partners.



## E-HRM AND STRATEGIC BENEFITS (2)

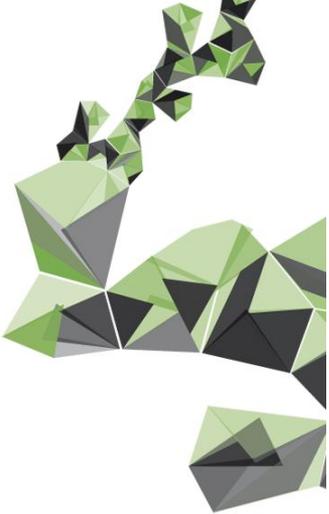
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For our study we started off exploring two popular strategic advantages of e-HRM:

- Changes in HR roles (from administrative expert to strategic partner)
- Time spent on HR administration

However, our study's main driver were the following sub-questions:

- *What is perceived by organizational members as e-HRM strategic benefits?*
- *Who (strategically) benefits from e-HRM?*
- *To what extent can strategic benefits be achieved, and under what conditions?*



## METHOD (1)

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Research site:

- Belgian federal Public Health Service
- Introduction of e-HRM in 1999
- Restructuring in 2005 – various HR units were integrated into one HR department
- An Oracle-based e-HRM system called DEBOHRA was implemented in 2006





## METHOD (2)

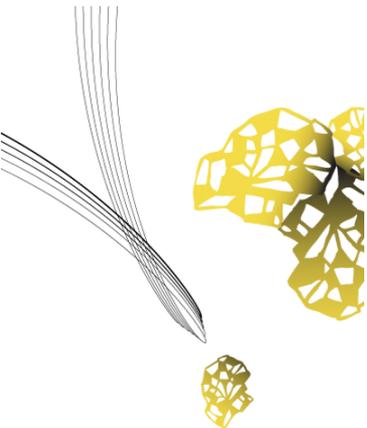
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Multiple research methods:

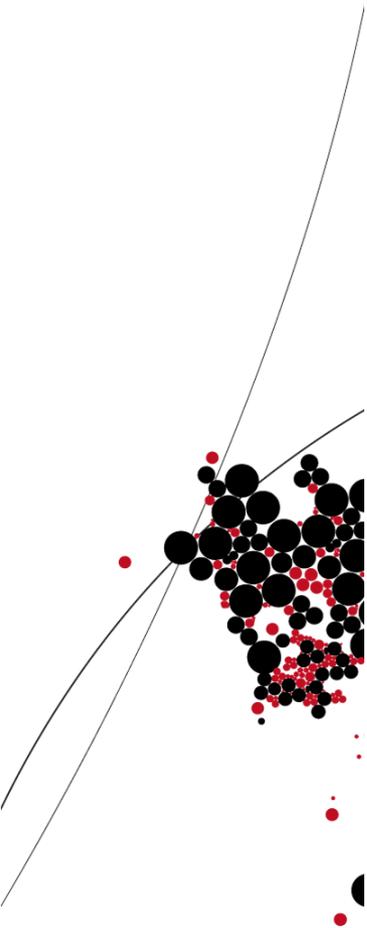
**Document analysis:** 18 presentations, implementation project plan, SWOT analysis DeBOHRA project, user manuals, coaching materials, and strategic HR plan

**Interviews:** 6 HR specialists, 10 line managers, 3 IT professionals (21 hrs)

**Survey:** concepts included were *usage*, *HRM roles*, *time spent on HR activities*. Stratified sample of 500 users, 219 completed questionnaires (43.75%)



## METHOD (3)



Construct	Variable	Number of items in the questionnaire	Cronbach's alpha
Usage of e-HRM	Appropriation	4	.630
	Frequency of use	2	.892
HRM roles	Employee Advocate	4	.854
	Human Capital Developer	4	.878
	Functional Expert	4	.884
	Strategic Partner	4	.866
	Role ambiguity	4	.943
Time spent on HR activities	Time spent on Strategic HR activities	4	.933
	Time spent on IT-related HR activities	4	.901
	Time spent on HR administration	4	.618

Table 1. Variables and Cronbach's alpha

# FINDINGS (1)

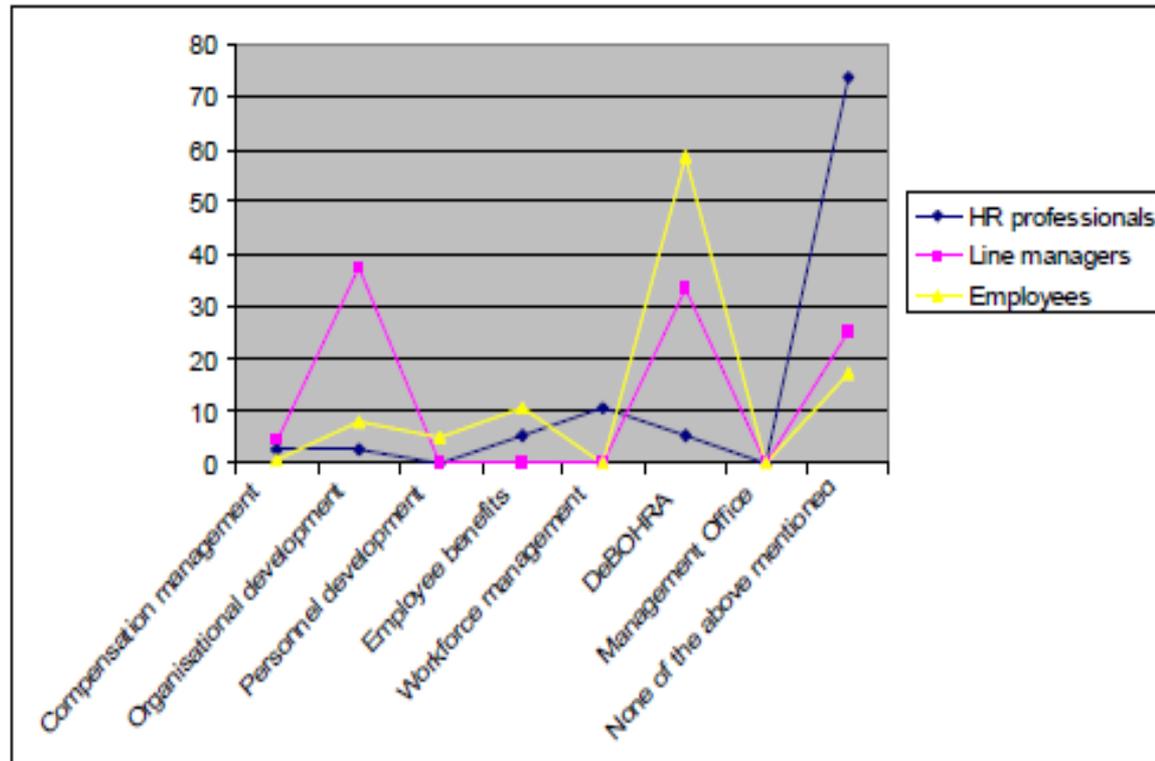


Figure 1. Perceived involvement in HRM activities by HR professionals, line managers, and employees



## FINDINGS (2)

Type of e-HRM transaction	Number of transactions	Percentage of total
Application for internal training programs	1441	51.17%
Application for external training programs	747	26.52%
Application for biking compensation payment	174	6.18%
Changing address	102	3.61%
Changing work scheme	96	3.43%
Changing basic personnel data	94	3.34%
Application for paid services	39	1.35%
Changing family status and contact persons	34	1.19%
Recognition of educational level, language proficiency	27	0.95%
Diploma recognition	19	0.68%
Application for vocational training leave	19	0.68%
Training evaluation	14	0.50%
Recognition of success of exams SELOR	5	0.20%
Application for a badge	3	0.11%
Application for the birth allowance premium	2	0.09%
Application for diploma recognition	0	0.00%
<b>TOTAL</b>	<b>2816</b>	<b>100</b>

Table 3. An overview of DeBOHRA e-transactions / sampled employees

## FINDINGS (3)

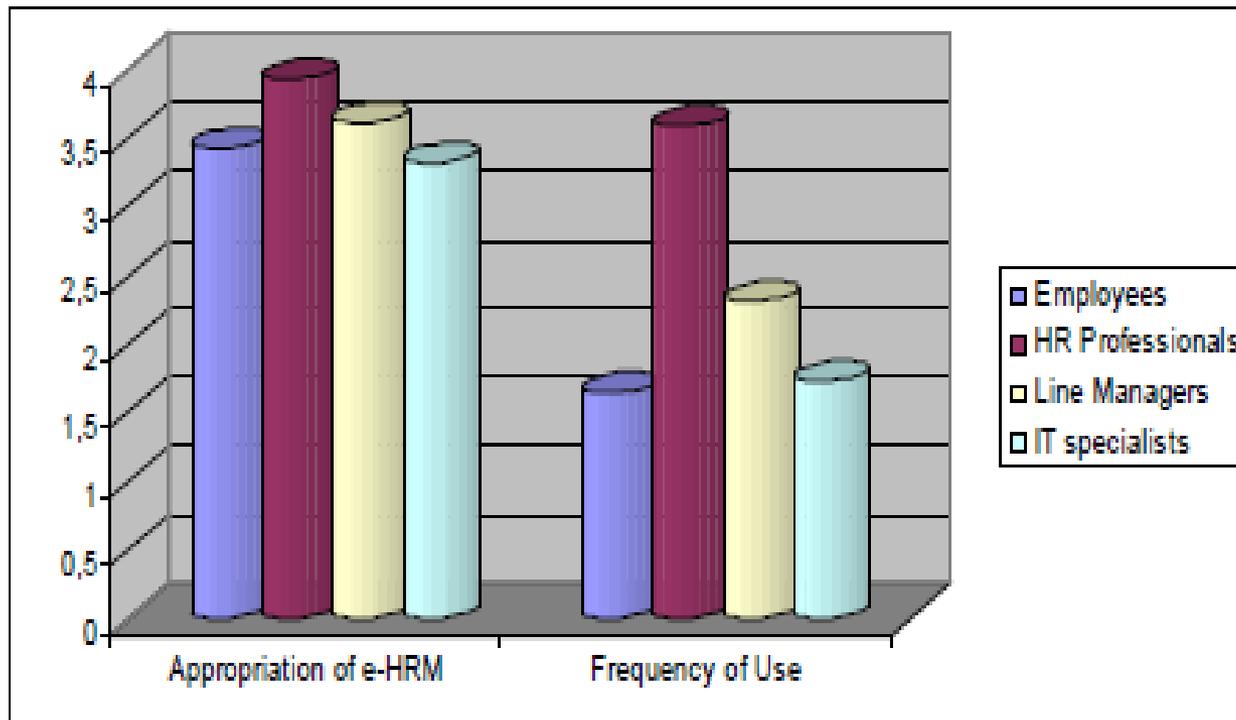


Figure 2. Perceptions of respondents about usage of e-HRM





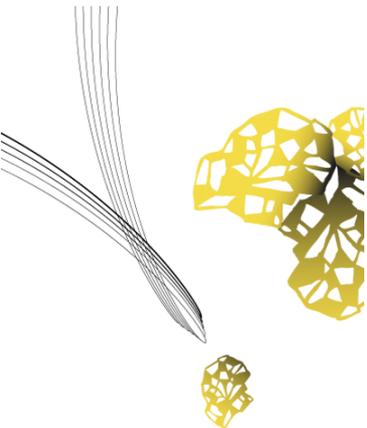
## FINDINGS (4): strategic benefits

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- Interviewees felt that the introduction of DeBOHRA did not change HR roles and responsibilities at the Federal Agency. HR specialist did not see their work becoming easier.
- For example, the HR specialist described:

“People who were busy with HR administration five years ago – they still do the same. New HR employees are mostly busy with strategy and policies. But that is due to our new HR director and not due to DeBOHRA.” (HR sp-1)

“My tasks did not become easier, maybe only making reports and checking the data go easier. But talking about my main responsibility – staffing plan – it is as intensive as without DeBOHRA.” (HR sp-3)



## FINDINGS (5): strategic benefits

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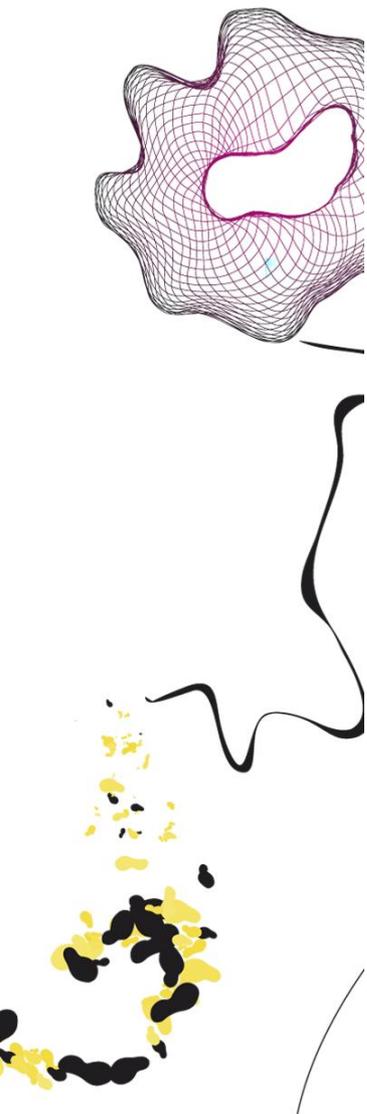
- Interviewees acknowledged changes in the vision of the HR dept. : more strategic, oriented towards people and OD. This, however, cannot be attributed to the implementation of DeBOHRA:

One HR specialist expressed:

“Nowadays I think that our P&O department plays a more strategic role than ever before. P&O is becoming strategic. At the same time, given the FOD work environment, such changes go too quickly. People have different knowledge, expectations, and experience. I often hear that it is a ‘long-life change’. Myself I do not think it is bad, but some people find it too quick.” (HR sp-3)

- Line managers also experienced changes:

“I see lots of advantages compared to the situation of ~10 years ago... There are a lot of changes. Now we have to be busy with management of people, budgeting, planning, etc. I have 3-, 6-year plans, for example. Our targets are high: sustainability and mobility. We determine the goals, and the P&O helps us further. We get guidelines from P&O or the board.” (Line man-3)



## FINDINGS (6): strategic benefits

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- An HR specialist emphasizes:

*“We are very much up-front. The HR Director is a fantastic leader! He is a driver of this change! I am very glad that we are pushing ahead and in front of other ministries. I like it much more than only administration, to be a pioneer in HRM.” (HR sp-4)*

- The e-HRM manager summarizes:

*“I feel that we work now very differently from the past. We discuss concepts, rules, policies, and less administration.” (HR sp-5)*

All in all, respondents did not see big changes in the HR roles or HR responsibilities as a result of the introduction of DeBOHRA. However, HRM has become more strategic due to the HRM re-envisioning program

## FINDINGS (7): time spent on HR activities

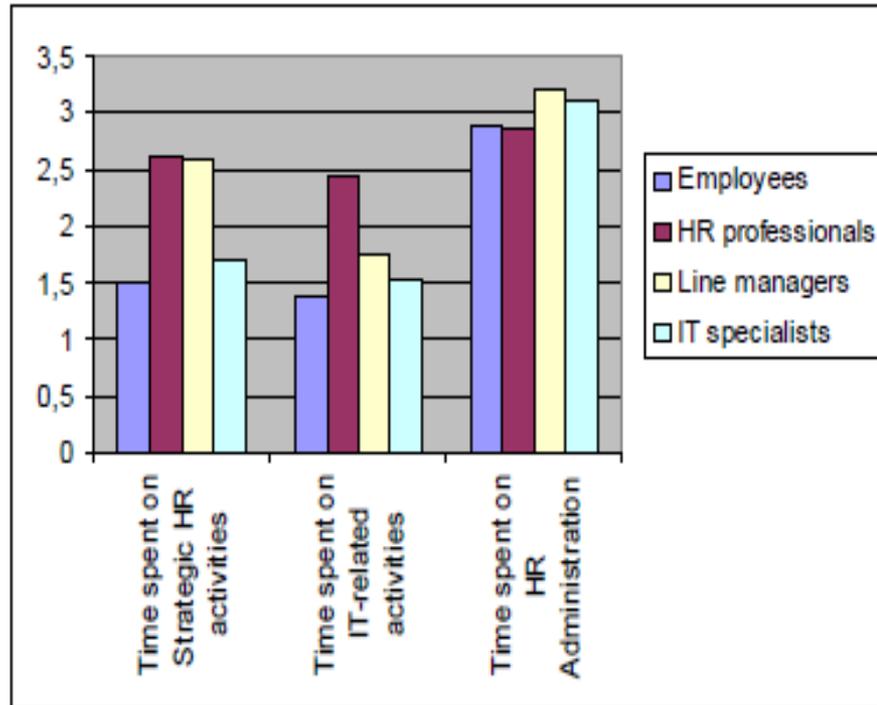
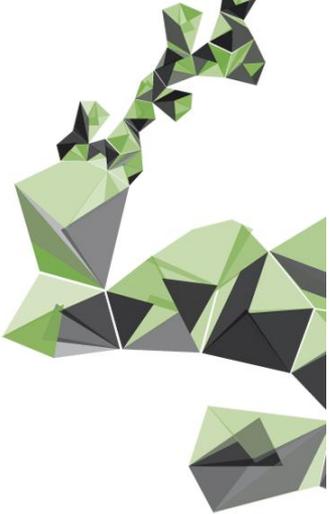


Figure 4. Perceptions of respondents about time spent on HR activities after the introduction of DeBOHRA



## FINDINGS (8): time spent on HR activities

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Opinions of interviewees fell into two groups: those who did not and those who noticed huge time savings due to DeBOHRA:

“In my view, it does save time. If in the past 30 people had a salary increase, we had to change the salary steps 30 times. Now, with the basic data, the list is in DeBOHRA, and it makes changes automatically. At the beginning people were not motivated to make this list. Now they see – if they have good information, it helps. It takes time to explain and convince people to use it. Time saving is in my view the great benefit.”  
(HR sp-1)

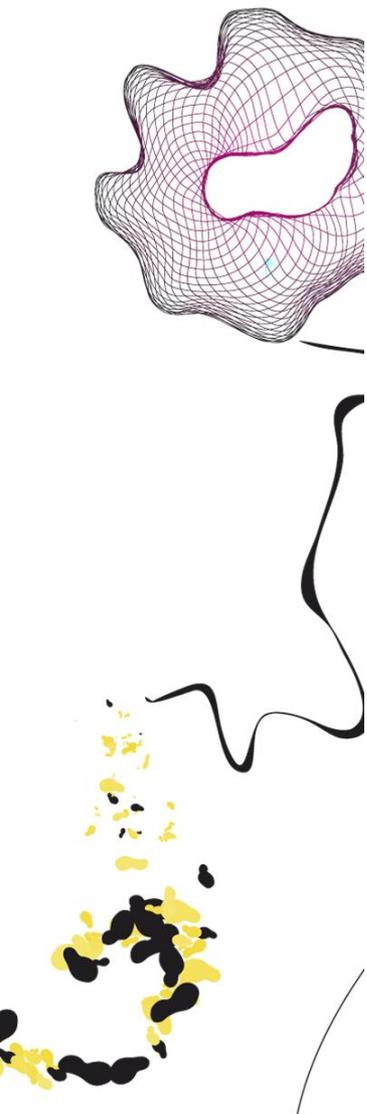


Line managers expressed:

“At the same time I feel that line managers do more and more HR tasks that were done by the P&O department before. It is not always very pleasant but has to be done. I can imagine that it is an evolution of the whole organization.” (Line man-2)

“DeBOHRA doesn't support all of our HR policies and responsibilities yet. To take, for example, personnel development circles. I have to spend about 2 full days per employee to work on their evaluation, planning and development plans for the next year because all of this still has to be done on paper. Too time consuming and not flexible at all.” (Line man-2)

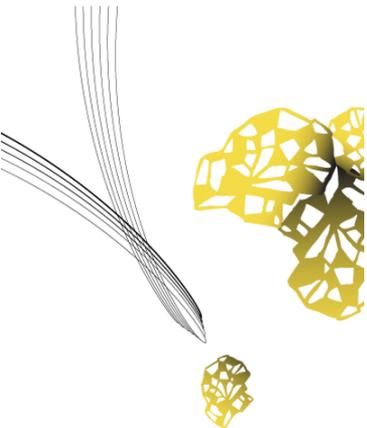




## FINDINGS (9): perceived benefits

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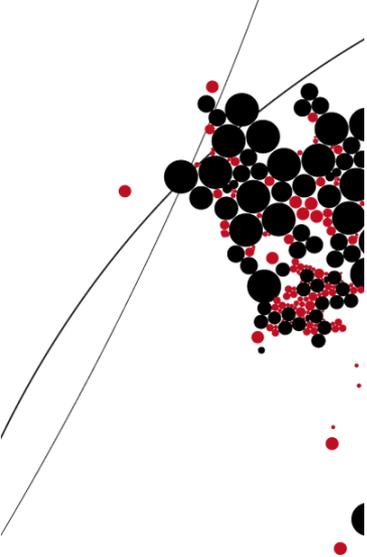
- Interviewees talked about ‘conditional’ benefits: time savings, strategic orientation, better collaboration with other departments: could all be achieved if certain conditions are met:
  - Integration of all systems
  - User readiness
  - New analytical skills of line managers
  - Better utility of report generator
  - Completely successful DeBOHRA implementation



## FINDINGS (10): perceived benefits

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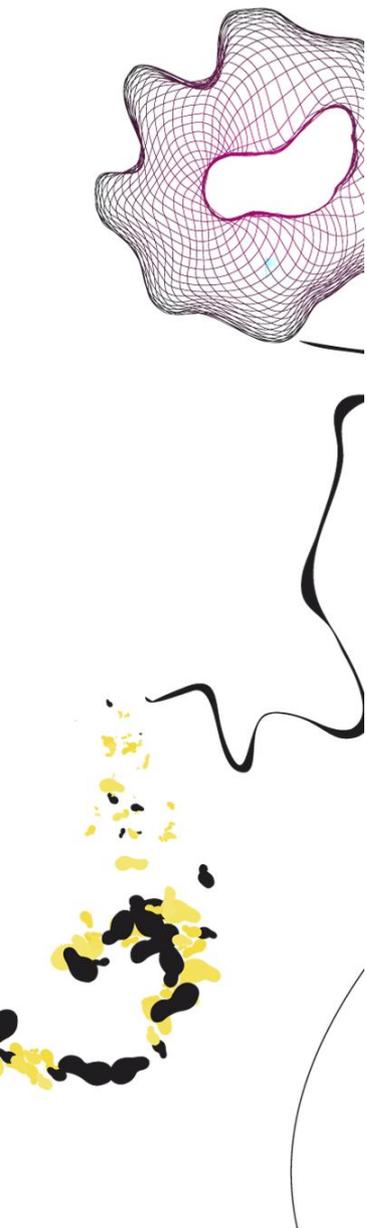
“Benefits-in-use”:

- DeBoHRA contributes to the image of the HRM department
  - DeBOHRA supports the professionalization of the HR specialists
  - HR administration runs more easily
  - Less paper work, more transparency and sharing of information
  - HR specialist participate in strategic workforce planning
  - Improved performance management
  - HRM becomes more efficient
- 

## FINDINGS (11): strategic benefits – quantitative and qualitative data combined

<i>Perceived benefits</i>	<i>Perceived status of benefits</i>
Improved image of the HRM department and HR professionals	Realized
Perceptions about uniqueness of the HRM	Realized
Facilitating a new way of “doing HRM” and professionalization of the HRM function	Realized
Enabling strategic and analytical HRM discussions	Realized
HRM-related information is orderly and transparent	Realized
Enabling sharing of HRM-related information	Realized
HR administration is easier than without e-HRM	Conditional
Enabling and simplifying strategic workforce planning	Conditional
Enabling, objectifying, and simplifying strategic performance management	Realized
Strategic re-orientation of HR professionals	Conditional
Time saving for HR pro’s by reducing HR administration	Conditional

Table 4. Overview of the realized and conditional benefits perceived from using DeBOHRA



## FINDINGS (12): strategic benefits – quantitative and qualitative data combined

### *Conditions for DeBOHRA benefits realization / enhancement*

Increasing ease of use of DeBOHRA applications, good and prompt communication about improvements and challenges

Matching of all information technologies

Increasing intrinsic data quality in DeBOHRA

Increasing visibility of HR practices, more communication

Improving comprehensibility of HR policies, more explanation

Employees' involvement in the DeBOHRA projects (more than just informing)

Increasing analytical skills of line managers and HR pro's

Technology should work well, and all modules should be integrated

Communicating to the users both the advantages and limitations of DeBOHRA

Increasing the usability of a report generator

Table 5. Overview of conditions for enhancing benefits from using DeBOHRA



# CONCLUSION/DISCUSSION

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- DeBOHRA 'created' value/strategic benefits
- However, some benefits were considered as 'conditional'

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