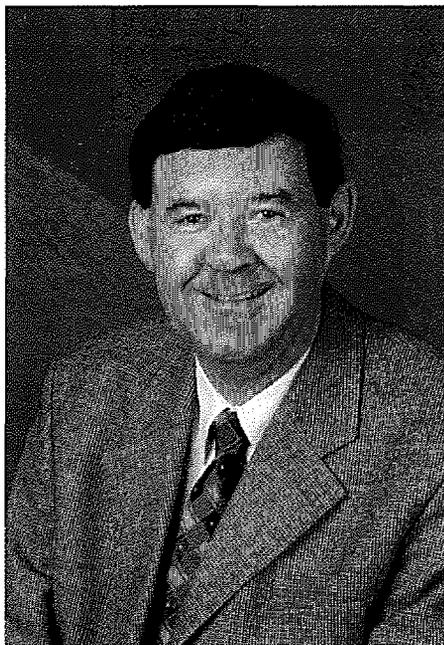


Just as the idea of e-business has captured the attention and imagination of the business world, the world of HR is also rapidly progressing towards an electronic delivery concept sometimes referred to as e-HR.

e-HR management: what HR managers should know



It has been predicted that very early in the 21st century the portion of the economy driven by the electronic media will be greater than that driven by industrial companies.

In this new economy it is inevitable that the way companies do business, are managed and organised will change dramatically. We are already seeing the impact of web technologies such as the internet, intranets and extranets on universal connectivity as an example.

These new developments will also affect the competitive advantage of companies. As a result of this new important initiative, we will look at the impact of the electronic era on business in general fol-

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lowed by the developments taking place within the area of human resource management, the so-called e-HRM.

From the introduction it is clear that electronic or e-business will form the basis on which business will be conducted in the future. Organisations that understand the demands of the internet economy stand the greatest chance of success with their e-transformation.

Of course they must do more than just be aware of these changes, they must develop new best practices to address them.

What does e-business then mean?

According to Alan Brache and Jim Webb, e-business is about doing business digitally – everything from buying and selling on the web to extranets that link a company to suppliers, from intranets that enable an organisation to improve its knowledge management, to enterprise resource planning systems that streamline an enterprise's supply chain from electronic customer support to automated order tracking.

A similar viewpoint is shared by Marie Karakanian when she states: "E-business is the overall business strategy that redefines the old business models and uses digital media and network technology to optimise customer value delivery. It relies on internet based computing which is the platform that supports the open flow of information between systems.

"It capitalises on an existing technology backbone consisting of front end and back end enterprise business systems; it makes effective use of component technology and interacts with customers via business portals established over the internet.

"Technology is used in this case both as the actual cause and also driver of business strategy. It is used not only to develop the product or the service, but also to provide better choices to customers along with enhanced delivery options."

Thus an e-business initiative done well requires dramatic changes in strategy, organisation processes, relationships and systems. Also required will be significant changes in the way employees do work.

So, where does a company start on the e-business path?

Feeny suggests that companies interested in e-business should first construct a coherent map identifying the areas where web based technology could be introduced. The author suggests three core areas or domains – which can almost be seen as generic – and which business should look at:

- ❖ e-operations,
- ❖ e-marketing and
- ❖ e-services.

He suggests that e-operations and e-marketing should receive the most urgent attention as they provide the most certain rewards. He further suggests that it is important to distinguish clearly between these three domains as they each require their own distinctive framework for identifying ideas that can bring a competitive advantage to a given context. We will now briefly

look at the three domains individually.

E-operations

E-operations cover web based initiatives that improve the creation of existing products. Aspects of importance is the way a business manages itself and its supply chain. An example would be the improvement of a company's purchasing by posting requirements on a website and having suppliers bid electronically.

E-marketing

E-marketing covers web based initiatives that improve the marketing of existing products. Aspects of importance are the way the product is delivered and the scope of support services.

An example would be where Amazon notifies customers of new book buying options based on a profile of previous purchases.

E-services

E-services cover web based initiatives that provide customer affiliated services. Aspects of importance are for example the new ways to address an identified set of customer needs.

An example would be shopping robots which search the internet to find the best deals available. A number of new dot com businesses are currently active in this area.

Just as the idea of e-business has captured the attention and imagination of the business world, the world of HR is also rapidly progressing towards an electronic delivery concept sometimes referred to as e-HR. In the following section we will take a look at this new development in the HR field.

The Impact of the electronic era on HR management

There is no doubt that web technology is changing every aspect of the way a company conducts its business. It is also transforming the way in which companies manage their employees.

In this regard, it is changing the way HR professionals do their job and as a result, human resources has become the latest partner in the web development known by the acronym: e-HR.

What does e-HR entail?

According to Karakanian, e-HR is "... the overall HR strategy that lifts HR, shifts it from the HR department and isolated HR activities and redistributes it to the organisation and its trusted business partners old and new.

"e-HR ties and integrates HR activities to other corporate processes such as finance, supply chain and customer service. Its promise is that HR is the owner of the strategy and, when required, it is the service broker as opposed to the provider."

What this definition is trying to iden-

tify is that e-HR:

- ❖ demands HR to do its homework,
- ❖ requires executive participation,
- ❖ needs an excellent appreciation of technology and the use of technology,
- ❖ requires a well developed and integrated human resource information system (HRIS) and lastly
- ❖ needs to use wisely the network of technologies and various communication channels such as the web, wireless and perhaps kiosks.

HRIS will thus form the backbone of the e-HR system. This system will interface with the organisation's intranet and also connect to HR service suppliers and business partners via an extranet as well as have links to the internet via HR portals (single points of access).

Here are some of the ways that human resources can benefit through electronic systems:

- ❖ online recruiting can eliminate paperwork and speed up the hiring process,
- ❖ employee self-service can automate record keeping,
- ❖ a web accessible knowledge base can reduce questions to the HR department or a call centre,
- ❖ electronic benefits enrolment lets employees sort through options faster while reducing paperwork and questions for HR,
- ❖ electronic payroll can cut costs and make data more easily accessible,
- ❖ trading exchanges and e-market places can reduce the costs of products and services,
- ❖ e-procurement can eliminate catalogues and manual processes that are expensive and slow,
- ❖ electronic travel and expense reporting can crumple the paper glut and speed up reimbursements to both employees and the company,
- ❖ online retirement planning can help employees map out their future while reducing questions and paper work for HR,
- ❖ online learning can slash travel costs and make training available, any time, anywhere,
- ❖ competency management can help an organisation identify strengths and weaknesses.

This whole process will allow cost effective universal access to HR data by all authorised parties including employees, managers, executives, HR service providers, relevant communities, corporate customers and the public at large. It will also reduce the distance between the HR department and its internal customers.

For example, an e-procurement system might use HR data to establish rules about authorisations and approvals while an e-operations system might access HR data to tweak staffing levels or help the company plan an expansion more effectively. It might

also play a central role in designing a more efficient production or sales method.

Advantages of e-HR

From the literature it is clear that vast improvements in efficiencies can be achieved by taking HR online. This process strategy according to Carolyn Collett is becoming known as 'B2E' – the automation of the entire business-to-employee (B2E) relationship via the internet in ways that enhance employee productivity and work force return on investment.

For example, one of the largest organisations in the US, Oracle Corporation, has made significant cost savings in the transformation of its HR. Many routine day-to-day administrative tasks have been taken online freeing the HR department to focus on more important issues.

Disadvantages of e-HR

Despite the positive aspects of e-HR mentioned above, there is a negative side to the process. This involves the security of HR data. HR related information is perhaps more critical than any other because it involves private and highly sensitive individual data.

The disclosure and cross border movement of HR data is a critical issue that must be managed very carefully based on country and organisation specific as well as individual authorisations.

Thus, data and multiplatform security aspects are perhaps the most serious factors that need to be taken into consideration during the formulation of an organisation's e-HR strategy.

For the HR website to achieve its full potential, it is important to understand the levels of website development and how effectiveness increases as the site evolves to the next level of sophistication.

Four types of HR intranet sites are identified by Shirzad Chamine. They are:

Brochureware

Normally at the launch of a website companies post most of their written materials on the site using it as an electronic bulletin board. Under these circumstances employees are bombarded with lots of information and, for a busy employee looking for a simple piece of information, this can be very time consuming and frustrating.

Under these circumstances this format does not take advantage of the integrated, interactive and personalised capabilities of web technology.

Transactional

When the enormous potential of the intranet is appreciated by allowing em-

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ment hopes are dependent on the planned and ongoing supply of competent staff in all functions.

New technologies can streamline work, remove physical drudgery, automate many processes, but all are dependent upon there being people competent to use these 'new tools.'

Manpower planning (accepting the politically incorrect term) must be re-engaged to plan for the provision of future numbers of competent people, irrespective of their race, gender or physical attributes.

Number crunching to meet concepts of representative quotas based on gross demographics is not what is meant by this technique; no matter what politically correct term is applied. This planning for the

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employees to conduct transactions online, the site moves up in capability.

Typical online transactions include to change personal information, register for courses, submit expense reports, review vacation information and take leave, review and update benefit selections or apply for other jobs in the company. New technologies have enabled the creation of truly engaging easy to use applications for self-service.

Integrated

Here multiple sites are linked together to create a seamless experience for the individual.

The challenge at this stage is how to integrate the various services in a way that makes sense to the employee.

Personalised

The ultimate goal is to create a truly individualised experience for each user where unique content is provided based on the person's profile e.g. is he or she a man-

provision of future resources in terms of numbers alone is futile if it is not validated and supported by a plan for the progressive development of the people thus resourced. This is succession planning.

Manpower planning (numbers) and succession planning (identified people) are two sides of the same coin. As the actual outcomes of one plan emerge, so do the expectations of the other vary accordingly. Constant monitoring of reality against forecasts of plans is essential for success.

It must be recognised that it is necessary therefore to integrate the diverse, but related planning and monitoring activities of: performance measurement (with its strategic business, financial, customer and social objectives); performance appraisal

ager, supervisor or hourly worker, what region does he or she work in, which benefits package is he or she entitled to, what are his or her unique skills, motivations and objectives for career advancement?

A number of tips for the development of an effective HR intranet site can be identified as follows:

- make it user friendly ~ look at the site through the eyes of employees not through the eyes of an HR professional,
- make it unique - do not just transfer text from paper, make the site compelling, interactive and personalised,
- make it useful - integrate and link HR services wherever possible,
- do not reinvent the wheel - use already developed online tools and invest in creating new custom tools when only necessary,
- update it - consistently change and update the HR home page,
- get feedback - solicit lots of feedback from your users,
- be creative - remember that the site must have interesting, but important issues to make the employees enthusi-

(with its individual staff output and development objectives) and the staff resourcing objectives (number by level with people progressing to specified competence for each level).

The measure of the effectiveness of performance of managers lies in their ability to achieve this integration by means of which they achieve the mission or purpose of the enterprise.

Without such integrated planning all business management is reduced to an ad hoc, impromptu game of chance.

If your intention is to enter and do business in the Mexican bean market and no plans are made to control the parasites who plant their larvae in your beans, you will be assured only of a crop of jumping beans - once!

astic and consistent intranet users.

As employees explore and use an integrated personalised HR intranet site, their productivity and retention are likely to increase due to the immediate delivery of services and information to them.

According to Chamine the website in effect becomes the face of HR and has the ability to make a significant and personal impact on individuals thereby helping them to make a more meaningful contribution to the company.

In conclusion, with the advent of web technology there has been a significant shift in the way companies are managed, organised and, most importantly, valued.

In reality, human resource management has been vitally affected by the introduction of electronic business and its e-HR component touches every corner of a business, as such requiring new tools like portals, intranets and extranets to consolidate, manage and deliver information efficiently to its stakeholders.

Ultimately, HR must be aware of the dynamics of e-business in the market place if it is to be successful.

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DATE	EVENT	JHB	PTA	CT	FEE
June	How to energise slumbering organisations through an innovation system approach	26	25	27	R995.00
June	ASTD international conference feedback			18	R1 800,00

ASTD International tour (New Orleans) - 28 May to 10 June 2002