

Chapter 18

Human Resource Management IT and Global Economy Perspective: Global Human Resource Information Systems

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ABSTRACT

This chapter consolidates the state of academic research on the relation between information technology, globalization and human resource management. Main conclusions of the literature review can be summarized into several groups. First, there is evident flow of trends linking the development of information technology, business globalization and changes in the ways of doing business. Second, all these trends have caused the emergence of a new economic order that is known in the literature as the New or the Global economy. Third, human resources are the most valuable assets in the Global economy and it is therefore crucial for firms to successfully manage these assets. Fourth, like other functions, HRM function is heavily influenced by information technology. Fifth, the importance of information technology for HRM is evident for firms operating in one country and especially those that operate internationally. Finally, there is a lack of studies on the global HRIS.

INTRODUCTION

Information technology (IT) has had widespread effects on almost every aspect of our society. The way firms perform business activities has undergone significant changes due to the development of information technology. As technology gradually infiltrated in firms, it has established some new rules. IT has

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become an integral part of the business taking an important strategic role (Croteau & Bergeron, 2001). IT revolution has begun in the early seventies of the twentieth century with the development of computer and telecommunication technologies, digital media, and, ultimately, the rise of the Internet. All these technologies have generated a tremendous change in the perception of geographical areas by the firm and the business transformation from the local to the global perspective. Information, information technology and communication are the engine for economic growth and social change (Brynjolfsson & Kahin, 2000). In other words, the development of information technology, especially the Internet technology has led to a complete change in the context of business enabling significant changes in ways of doing business processes. Kelly (1998) pointed out that new economic order has been established as a background event of the technological revolution. Pohjola (2002) researched the characteristics and impacts of this new economic order and he highlighted the ambiguity of its name in the literature. That is, this transformed economy is known by different names in literature: “post-industrial society”, “information society”, “innovative economy”, “knowledge economy” “network economy”, “digital economy”, “information economy”, “global economy”, “knowledge-based economy”.

In this chapter, the “Global economy” will be used to indicate this new economy and modern business with the definition offered by Pohjola (2002), according to which the “Global economy” is an economy which is defined by two major trends: globalization of business and the revolution in information technology. These two trends have led to the change of priorities regarding firms’ resources. Changing the focus from tangible to intangible assets is present in the literature and it is logical taking into account changes in the nature of the market. Two of the resources important for firms that operate in the today’s global and dynamic business environment are knowledge and human resources, which are considered to be key levers of competitive advantage (Oltra, 2005). Lengnick-hall & Lengnick-hall (2002) highlighted that the Global economy demands orientation of strategic human resource management to the development of human capital and knowledge management. The way in which IT affects the HRM is reflected in the use of the information systems (IS) that may assist in managing their workforce and in meeting their employer obligations. These IS are known as Human Resource Management Information Systems (HRMIS) or Human Resource Information Systems (HRIS).

The main objective of this chapter is to present a critical review of the literature on global HRIS in the following ways:

- By clarifying definition and conceptualization of a topic area in a form of literature review;
- By identifying research gaps in the existing literature.

Table 1. Literature review process

| Steps | Methodology Used |
|--|--|
| Review planning: Why? Identification of keywords and search terms. | Presentation of the global HRIS. Search terms: “human resource management information system”, “human resource information system”, “HR information system”, “global human resource management information system”, “global human resource information system”, “global HR information system”. |
| Conducting the review: Identify research, Select studies Assess their quality, Extract data, Synthesize data | Web of Science was chosen as a primary base. Google Scholar was chosen as a secondary base. |
| Reporting and dissemination | Descriptive and thematic analysis. |

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