Chapter 100 Adoption and Success of e-HRM in a Cloud Computing Environment: A Field Study

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ABSTRACT

This qualitative study examines the digitisation of HRM in a cloud-based environment. The influencing factors for the transformation from conventional HRM to eHRM are examined with a special focus on the success factors from a strategic to the operational level. Additionally, an in-depth analysis of the currently existing and new HR metrics which emerge during the transformation takes place. The study is based on interviews with HR experts with extensive experience in transforming and working with the new technology. Active participation of the HR department is relevant for the success of the digital transformation HRM project. HR metrics have not been applied extensively so far and are used less for controlling and optimizing HR processes. New metrics would increase the acceptance of the new technology and thus the success of the overall HR transformation. The main contribution is related to the field of HR software adoption of cloud-based solutions.

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1. INTRODUCTION

The research on electronic human resources management (e-HRM) covers two separate fields of academia and management in practice whose boundaries, regrettably, are not clearly defined: Information technologies (IT) and human resources management (HRM).

The National Institute of Standards and technology (Mell & Grance, 2011) defines cloud computing as "...a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction."

Thus, the aim of the article is twofold. First, to identify success factors that contribute to the HR digitization in a cloud environment, from the perspective of the business department. Second, to recognise key performance indicators which would enable the measurability of success. Both objectives have been examined separately.

This research follows a qualitative approach and is based on a case study methodology. The researchers have considered five on-going cases of e-HRM implementation and have interviewed seven managers working for the firms involved. This article focuses on the internal drivers and success factors of e-HRM transformation and, on the other hand, regarding the metrics area, carries out an inventory of the currently measured HR key performance indicators (from now on KPI) and their applications. Finally, new relevant metrics are identified that are made possible by digitizing multiple HR processes in a single cloud-based e-HRM solution. The common database enables new approaches to the definition of KPIs (e.g. combining performance with recruitment KPIs).

This study is organized in the following way: first, it discusses the practical and theoretical context of e-HRM. Once the research gaps have been identified, the research hypotheses are shown and debated. Then, the research methodology is presented and justified. Next, the case studies and interviews are examined concluding with the research conclusions. Finally, academic, and management implications are discussed.

2. THEORETICAL CONTEXT

2.1. The Digital Transformation of HR

The digital transformation of companies is progressing, and the digitization of HR processes is a part of it (Bondarouk & Ruël, 2009; Stone & Deadrick, 2015) impacting the way HR are developed (Stone and Dulebohn 2013). The Sierra-Cedar 2017-2018 HR Systems Survey (Harris & Spencer, 2018) shows that the planned adoption rates for workforce management or talent management have risen to more than 80%. It also demonstrates a clear tendency for workforce and talent management systems to be transformed into a cloud-based Software as a Service solution (from now on HR Cloud), where over 50% of the HR technology environment is already implemented. Harris and Spencer (2018) state that the mapping of HR core and talent management processes in HR Cloud solutions has increased by 4% to 63% and by 5% to 79% respectively since 2017 until now. On the other hand, on-premise implementations of HR core processes have fallen by 11% to 33% and talent management by 5% to 19% during the same period. This report also concludes that an average user experience score of 3.51 points, which is 0.61 points higher than comparable on-premise solutions, also speaks in favor of an HR Cloud environ30 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: <u>www.igi-global.com/chapter/adoption-and-success-of-e-hrm-in-a-cloud-</u> computing-environment/295437

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