Chapter 1.18

Making Sense of e–HRM:
Transformation, Technology and Power Relations

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ABSTRACT

Several organisations have adopted e-HRM technology as a platform for achieving transformational change, improving HR operational processes, allowing distributed access to employees / managers and providing better decision support. However, as a consultant working in this field, the author regularly encounters organisations that fail to take advantage of the transformational potential of e-HRM, particularly those in the United Kingdom public sector. This chapter argues that the concepts of sense-making and technological frames may explain the inertia experienced in some organisations. It contends that the analysis of technological frame domains provides a valuable lens for understanding and interpreting e-HRM, where high levels of frame incongruence may act as a barrier to transformational change. Research suggests that power relations between key groups of stakeholders, in particular HR Managers and line managers, may influence these frames and shape attitudes to technology. This approach may also provide the basis for strategies to manage e-HRM related change more effectively. Using a grounded theory approach, the research, currently work in progress in support of a professional doctorate (DBA), investigates how United Kingdom public sector organisations make sense of, plan for and implement HR technology.

THE TRANSFORMATIVE EFFECT OF E-HRM

A wide range of Human Resources (HR) processes and information can now be managed and devolved to line managers and employees through web-based technologies using *e-HRM* ('electronic

Human Resource Management'), with potentially significant benefits in terms of cost reduction and improved service levels (Ashton, 2001; CedarCrestone, 2006). Organisations make a significant investment of time and resource in implementing e-HRM, with more than $1.5bn pa being spent in Western Europe on related software and implementation (Lykkegaard, 2007). At least 91% of midsize and large US organisations claim to be using web based HR technology in some way (Keebler & Rhodes, 2002). As a consultant working in the e-HRM field, the author has observed that organisations typically choose one of three paths when implementing HR technology:

- **Replication:** Simply re-creating the content and functions of the existing system(s)—this is typically an IT 'refresh' activity, often because existing technology becomes non-viable or is simply out of date. There is generally no intention to restructure HR/Payroll services.
- **Enhancement:** New systems provide additional functionality (such as self-service, improved integration and reporting) but are intended to have only an *evolutionary* impact on the overall HR service delivery model.
- **Transformational:** Involving a *revolutionary* restructuring of HR service delivery, including the use of service centres, outsourcing and business partnering. E-HRM effectively becomes an enabler for these new approaches.

Reddington, Williamson & Withers (2005) claim that the greatest benefits of e-HRM arise when transformational outcomes are pursued and clearly, HR technology has a role to play in supporting the transformation effort. As Boroughs, Palmer and Hunter (2008) observe, "*The development of human resources is bound inextricably to the technology that serves it*" (p.3). While HR transformation appears to be the Holy Grail of e-HRM,

the term 'transformation' itself is problematic, since it is often mis-used and abused, covering a range of activities from simple process redesign through to dramatic change. One definition that seems to capture the general spirit of current usage is "*the process of recreating or reinventing the HR function—such as re-engineering, restructuring, implementing new systems or a new HR service delivery model, outsourcing or co-sourcing—with the specific intent of enhancing HR's contribution to the business*" (Mercer, 2007).

Although a recent study by the UK's professional HR body, the Chartered Institute for Personnel and Development (CIPD, 2006), provided evidence that organisations are beginning to use technology to enable HR transformation, in practice, the main focus of many software implementation projects remains administrative efficiency and HR operational cost reduction rather than strategic, transformational outcomes (Ball, 2001). As Broderick & Boudreau (1992) note, "*most organisational investments in HR information technology support only a narrow range of administrative decisions*" (p.9) and the author's own experience suggests that the statement remains largely true. Projects often pursue a replication or enhancement strategy, implementing basic functionality during the first phase, then fail to capitalise on the full transformative potential of the investment in subsequent phases.

Research literature typically explains the impact of e-HRM technology on HR transformation under three, non-exclusive themes. The first of these sees technology as creating more time to be strategic—as HR processes become more efficient, HR functions are able to devote greater time to strategic matters. For example, Snell, Stuebner & Lepak (2002), suggest that e-HRM technology enables organisations to become not only cost-efficient, but also strategic and flexible, shifting the emphasis towards people management processes. The introduction of initiatives such as HR Business Partners, a concept championed by Ulrich (1997), is therefore enabled through the

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