Companies do not use online HRM effectively

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Professor Tanya Bondarouk of the University of Twente thinks it's embarrassing : many companies and organizations are still not making effective use of e-HRM systems. These online systems can be used for a wide range of HRM-related tasks, such as performance reviews, holiday registration, competence management and expense reports. However, these 'people management systems' are often costly and poorly implemented, while regular updates and consultancy fees represent a major expense. "These HRM systems are often big money-wasters," says Prof. Bondarouk, who has been researching the effectiveness of e-HRM systems for years. She delivered her inaugural lecture at the University of Twente on 4 December 2014.

The suppliers of e-HRM solutions maintain that investing in their systems will result in cost savings, but Prof. Bondarouk has never seen convincing figures. These systems clearly save HR departments time and money when individual employees file their own expense reports or arrange for time off in the online environment. However, this comes down to robbing Peter to pay Paul, as other departments in the organization must then foot the bill to cover the time involved in their employees' e-HRM activities. Furthermore, the initial investment in an e-HRM system is substantial, system maintenance and updates are costly, and it takes considerable time and effort to train users. What is the future of e-HRM?

e-HRM tricky for organizations

Tanya Bondarouk has researched large organizations in recent years, including Ford in Cologne, Belgacom in Brussels, IBM in Amsterdam, ABN AMRO in Luxembourg, Philips in Eindhoven, Air France-KLM in Paris and Amstelveen, and Dow Chemical in Terneuzen. These companies are forerunners in the field of e-HRM, and they do a lot of experimentation with digital [human resource management](#). Prof. Bondarouk observed major, innovative developments at these companies such e-HRM-based competence management and career development, but she also saw that they were struggling to make their efforts in the field of e-HRM bear fruit. Researchers in other countries have also been studying this vexing issue. In 2006, the University of Twente organized the first European academic e-HRM workshop. Fifty-four researchers from around the globe came together, forming an international e-HRM community of experts from the worlds of IT and HRM who were eager to share experiences and learn from one another.

Expertise in the boardroom

Money well spent or not, e-HRM is here to stay, according to Prof. Bondarouk. "If you digitalize HRM and get it right by taking a joint top-down and bottom-up approach based on a range of expertise and needs, then an HRM department can really have a measurable impact on an organization's bottom line. An HR advisor will then have credible figures, and this can serve as real ammunition during boardroom negotiations. If a new product is coming onto the market, for example, the HRM department will be able to specify exactly which competencies will need to be present in the organization in two years' time. Cold, hard facts like these are exactly what you need to be taken seriously when being grilled by a doubtful board of directors." Prof. Bondarouk emphasizes that today's HRM manager needs to possess solid analytical and business skills. In other words, HRM departments need to be just as critical of their own management and staffing as they are of the greater organization's rank and file. UT alumni can certainly help, says Prof.

Bondarouk. More than 60 Master's students have graduated based on e-HRM research since 2004. "Companies can learn more about e-HRM from our researchers, and we in turn can become more intimately familiar with the practical problems they are facing. Together, we will be able to create an archetypal example of effective e-HRM in practice."

Provided by University of Twente

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