

Sample Answers to Discussion Questions

Chapter 1: A Brief History and Overview of Technology in HR

1. What are the factors that changed the primary role of HRM from a caretaker of records to a strategic partner?

The major factors were as follows:

- The mobilization and utilization of labor during World War II had a great impact on the development of the personnel function. Managers realized that employee productivity and motivation had a significant impact on the profitability of the firm. The human relations movement after the war emphasized that employees were motivated not just **by money but also by social and psychological factors**, such as recognition of work achievements and work norms.
- During the Social Issues era, there was an increasing need to be in compliance with numerous pieces of employee protection legislation or suffer significant monetary penalties. This made senior managers aware of the importance of the HRM function. In other words, effective and correct practices in HRM were starting to **affect the “bottom line” of the firms**, so there was a significant growth of HR departments.
- The **increased use of technology** and the changed focus of the HRM function as adding value to the organization’s product or service led to the emergence of the HR department as a strategic partner. With the growing importance and recognition of people and people management in contemporary organizations, strategic HRM (SHRM) has become critically important in management thinking and practice. SHRM derives its theoretical significance from the resource-based view of the firm that treats human capital as a strategic asset and a competitive advantage in improving organizational performance.

The students may or may not mention the importance of HR metrics in answering this question. This factor is implied in the discussion of the cost-effectiveness section of the chapter. For example, one could not complete a balanced scorecard or a cost–benefit analysis without having HR metrics. You should emphasize this point to the students and

indicate there is much more detail on this topic in Chapter 6.

2. Describe the historical evolution of HRM and HRIS in terms of the changing role of HRM and the influence of computer technology on HRM.
 - The role of HRM in the firm has changed over time from primarily being concerned with routine **transactional and traditional HR activities** to dealing with complex transformational ones. Transactional activities are the routine bookkeeping tasks—for example, changing an employee’s home address or health care provider. Traditional HR activities are focused on HR programs like selection, compensation, and performance appraisal. However, **transformational HR activities** are those actions of an organization that “add value” to the consumption of the firm’s product or service. Transformational activities increase the strategic importance and visibility of the HR function in the firm.
 - The historical evolution of HRM can be classified in terms of five broad phases of the historical development of industry in the United States. These phases are Pre–World War II, Post–World War II, Social Issues, Cost-Effectiveness, and Technological Advancement Era.
 - During the Post–World War II phase, it is important to realize that computer technology was just beginning to be used at this time, and it was complex and costly. During the Social Issues phase, effective and correct practices in HRM were starting to affect the “bottom line” of the firms, so there was a significant growth of HR departments, and computer technology had advanced to the point where it was beginning to be used. As a result, there was an increasing demand for HR departments to adopt computer technology to process employee information more effectively and efficiently. This trend resulted in an explosion in the number of vendors who could assist HR departments in automating their programs in terms of both hardware and software. Simultaneously, computer technology was evolving and delivering better productivity at lower costs. During the Cost-Effectiveness phase, to achieve the goal of improving effectiveness and efficiency in service delivery through cost reduction and value-added services, the HR departments came under pressure to harness technology that was becoming cheaper and more powerful. Even small and medium firms could afford computer-based HR systems that were run by increasingly user-friendly microcomputers and could be shown to be cost-effective. During the Technological Advancement Era, the increased use of

technology changed the focus of the HRM function. There was a shift to adding value to the organization's product or service, which led to the emergence of the HR department as a strategic partner. With the growing importance and recognition of people and people management in contemporary organizations, **strategic human resource management (strategic HRM)** has become critically important in management thinking and practice. Technology is key to the implementation of strategic HRM.

3. What is required for the effective management of human resources in a firm to gain a competitive advantage in the marketplace?
 - The effective management of human resources in a firm to gain a competitive advantage in the marketplace requires *timely and accurate information* on current employees and potential employees in the labor market. With the evolution of computer technology, meeting this information requirement has been greatly enhanced through the creation of HRIS.
4. Describe the emergence of strategic human resources management (strategic HRM) and the influence of computer technology. What are some of the approaches used in HRM to facilitate the use of strategic HRM in a firm's business strategy?
 - The development of HRIS helped enable HRM to become a strategic partner in organizations, which then led to the emergence of strategic HRM. While technology is key to the implementation of strategic HRM, strategy is not sufficient. Implementation is critical in the firm's ability to gain a competitive advantage. A critical aspect of an HRIS in supporting the implementation of strategic plans is using it to make decisions about employees, human capital programs, and initiatives. All of these HRM decisions are aided by the ability of the HRIS to generate reports (e.g., the number of new employees needed for a specific job).
5. How does technology help deliver transactional, traditional, and transformational HR activities more efficiently and effectively?

One of the **major advantages** of the design, development, and implementation of an HRIS is to **reduce the amount of time** the HR staff have to spend on transactional activities, allowing the staff to spend more time on traditional and transformational activities. This notion of using technology to process transactional activities more efficiently is the central theme of this book and provides one of the primary justifications for a computer-based system.

6. Describe Six Sigma.

- Six Sigma refers to streamlining operations through business process reengineering and has been structured around five key processes: define, measure, analyze, improve, and control (DMAIC). The DMAIC approach uses an assortment of statistical tools to reengineer business processes, improve decision making, and improve customer service.

7. Justify the need for an HRIS.

There are several advantages to firms in using HRIS. They include the following:

- Providing a comprehensive information picture as a single, comprehensive database; this enables organizations to provide structural connectivity across units and activities and increase the speed of information transactions
- Increasing competitiveness by improving HR operations and improving management processes
- Collecting appropriate data and converting them to information and knowledge for improved timeliness and quality of decision making
- Producing a greater number and variety of accurate and real-time HR-related reports
- Streamlining and enhancing the efficiency and effectiveness of HR administrative functions
- Shifting the focus of HR from the processing of transactions to strategic HRM
- Reengineering HR processes and functions
- Improving employee satisfaction by delivering HR services more quickly and accurately to them

8. Describe and differentiate the major types of information systems.

Listed below are examples of the types of information systems and the types of information they provide.

Transaction Processing System

- Improved transaction speed and accuracy

- Improved efficiency in the processing of daily business transactions
- Automation of routine transactions
- Reduced transaction costs

Management Information System

- Provides key data to managers
- Supports regular and ongoing decisions
- Provides defined and ad hoc reporting

Executive Information System

- Provides aggregate, high-level data
- Helps managers with long-range planning
- Supports strategic direction and decisions

Decision Support System

- Interactive and iterative managerial decision-making
- Supports forecasting and “what-if” analysis
- Supports business simulations

Expert System

- Embeds human knowledge into information systems
- Automates decisions with technology

Office Automation Systems

- Designing documents
- Scheduling shared resources
- Communication

Collaboration Technologies

- Supports electronic communication and collaboration between employees
- Supports virtual teams

Enterprise Resources Planning System

- Integration and centralization of corporate data
 - Share data across functional boundaries
 - Single data source and common technology architecture
9. Using the organizational model presented in this chapter, explain why and how national culture and organizational culture influence the nature and importance of the HRIS function.

National culture will impact the laws, competition, government regulations, technology, societal concerns, and HRM research in the external environment of the organization. The organizational or corporate culture will impact all of the internal processes, programs, and functions within the organization, and the heart that will act as a storage and a monitor of these activities is the HRIS.