TRANSITIONING TO A NEW HRIS: THE RESHAPING OF HUMAN RESOURCES AND INFORMATION TECHNOLOGY TALENT

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ABSTRACT

The management of talent is increasingly recognised as critical to organisational performance, particularly during periods of change. This is evident in large scale change projects that are technologically based and where major changes to processes typically require shifts in skills and capability requirements. Based on a single in-depth case study, this paper presents a comprehensive exploration of an organisation's decision to transition from their proprietary stand-alone HRIS system to an integrated vendor system. The study shows how this transition ultimately led to the reshaping of the organisation's understanding of the talent requirements in both the Human Resources (HR) and information technology (IT) functions and resulted in a new approach to the management of talent. By applying a social construction of technology based approach (SCOT), we argue that it is important for those involved in the study and practice of transitioning technology to be mindful of the potential consequences for talent and talent management.

Keywords: Human Resource Information Systems (HRIS), E-HR, talent management, social construction of technology (SCOT)

1. Introduction

Changes in labour demographics, the 'war for talent' [Ready, Hill and Conger 2008], skills shortages and several other factors have compelled organisations to consider new ways by which to more effectively manage their human capital. One response has been to recognise that "our people are our greatest asset" [Boudreau, Ramstad and Dowling 2002:4] and to seek to demonstrate a commitment to this claim by putting in place policies and practices that are specifically designed to enable an organisation to manage the identification, recruitment and development of individuals who are deemed 'talent'. The ability of organisations to effectively implement polices and practices associated with the management of talent can benefit from the use of information technology. The range of technology that can be used for this purpose is diverse, and within the academic and practitioner sphere it is referred to in a number of ways including E-HRM [Strohmeier 2007], web-based HR, virtual HR and Human Resource Information Systems (HRISs) [Ruël, Bondarouk and Looise 2004]. The focus of this study is on HRISs as they are considered to be one of the most dynamic and potentially useful technologies for business [Mayfield, Mayfield and Lunce 2003].

To date, studies of HRISs have tended to focus on their selection and implementation, and the contexts surrounding this [Beckers and Bsat 2002; Kinnie and Arthurs 1996; Gueutal 2003], on the appropriation of HRIS related technology [Ball 2001; Hendrickson 2003; Eckhardt, Laumer and Weitzel 2009] and on the vast organisation

related changes associated with these projects [Stone and Mason Davis 2009; Wilson-Evered and Hartel, 2009]. At the same time, while there is some literature that advocates the use of HRIS technology for talent management [CIPD 2005; Bassi and McMurrer 2007; Williams 2009], there is, as yet, little empirical research which simultaneously contributes to our understanding of both HRISs and talent management and the nature of any inter-relationship. What research there is, has tended to focus either on the ways in which HRISs have the ability to produce data that might inform an organisation's approach to the management of its human capital assets (i.e., talent) [Gueutal, 2003; Lengnick-Hall and Moritz, 2003] or on the talent required to effectively manage and deliver HR services via an HRIS [Bassi and McMurrer, 2007; Pilbeam, and Corbridge 2006]. In what follows we seek to provide a study that is primarily aligned with, and contributes to, our understanding of the latter of these two issues. That is, we consider how the transition to a new HRIS, reshapes an organisation's understanding of what constitutes talent for the organisation with a focus on the talent requirements in both the HR and IT functions charged with delivering this new technology. Specifically, we draw upon an in-depth case study of a single organisation and reflect upon the changes associated with the transition from a proprietary to a new vendor HRIS. This approach enabled us to gain comprehensive insights into the processes and activities undertaken as the transition took place. Specifically, it enabled us to address two inter-related research questions. First, how does the process of transitioning to using a new HRIS reshape the organisation and its understanding of talent? Second, how do the changes that flow from transitioning to a new HRIS technology reshape the Human Resource (HR) and Information Technology (IT) functions?

The remainder of the paper comprises six sections. Section 2 provides an overview of the extant HRIS and talent management literature, paying particular attention to those previous studies that recognise the connection between technology and talent management. Section 3 presents our theoretical approach. In section 4 we outline the study's methodology and design. This is followed by an overview of the organisation and its approach to the use of HRIS technology. Sections 6 and 7 focus on the presentation and analysis of the research findings and concludes by providing recommendations for academics and practitioners.

2. Human Resource Information Systems and Talent Management

There is some debate around the definition of HRISs, focussing primarily on the type of the technology that should be included, who uses it and how it is used. Additionally, given the infancy of research into talent management, there is also significant debate around the definitions within this domain. The following discussion serves to summarise these debates and highlight those definitions of HRISs and talent management that are utilised in this research.

2.1. Defining Human Resource Information Systems

The precise definition of HRISs has been debated by a number of academics [see Hyde and Shafritz, 1977; Ball 2001; Kavanagh and Thite, 2009]. There is however, a general consensus that an HRIS is a system used to acquire, store, analyze, retrieve and distribute pertinent information regarding an organisation's human resources [Bondarouk and Ruël, 2008; Hendrickson, 2003] and that it includes hardware, software, people, policies, procedures, and data [Kavanagh, Gueutal and Tannenbaum, 1990]. Further, there appears to be agreement that a HRIS is an information system that is associated with the human resource function and that the primary users of these systems and the information that they capture are individuals employed as part of this function. As a direct consequence of this positioning, it has been argued that '… there is a fundamental difference between HRIS and E-HR… where users of these systems [HRISs] are mainly HR staff' and furthermore 'technically speaking, it can be said that E-HR is the technical unlocking of HRIS for all employees of an organisation' [Ruël, Bondarouk, and Looise, 2004:17]. For this reason, the study of HRISs has been regarded as a distinct area of research within the E-HRM domain [Bondarouk and Ruël, 2009; Strohmeier, 2007; Voermans and Van Veldhoven, 2007]. In line with this perspective we view HRISs as a sub-domain of E-HR and our study thus focuses on the technology, people, policies, procedures and data used to effectively manage the HR function within the organisation.

When seeking to select, implement and appropriate information technologies, including HRISs, organisations are required to make many decisions. One such decision is whether they will adopt a technology or business-driven approach. Several authors have argued that rather than adopting a technology-driven approach, where the technology influences the direction of the business, a business-driven approach should be adopted as this encourages the implementation of technology within the context of the organisation and its strategic position [Apigian, Ragu-Nathan, Agu-Nathan and Kunnathur 2005; Porter, 2001]. Furthermore, given the potential functionality of the HRIS and the diverse array of modules that are available from vendors, organisations are also required to decide upon the extent to which they will customize the technology. Specifically, organisations need to determine whether they will tailor their existing human resource processes to fit with the functionality of the technology (a vanilla or configured implementation) versus customizing the functionality of the technology to fit their existing human resource

processes (a customized implementation). Evidence to date shows that most organisations choose to select, implement and maintain a vanilla or configured HRIS due to the higher costs and risks associated with making changes to the technology [Shrivastava and Shaw, 2003]. Regardless of the approach adopted, the organisational implications of the decision are typically complex [Dery, Grant, and Wiblen, 2009; Grant, Dery, Hall, Wailes, and Wiblen, 2009].

At a general level, HRISs are promoted as systems that enable organisations to create a centralized system enabling employees and managers to access information about their human resources [Ceriello and Freeman, 1991]. It is also believed that HRISs will allow the organisation to cut costs through the automation of previously labour intensive activities [Bussler and Davis, 2001]; that they can be used to maintain and facilitate communication up and down the organisation [Hannon, Jelf, and Brandes, 1996]; that they can be a tool for increased efficiency [Farndale, Paauwe, and Hoeksema, 2009:546]; and that they can assist in managing a rich variety of information about the firm's human capital and can provide analytical tools to assist in decision making about the management of these assets [Hendrickson, 2003:382]. Accordingly, HRISs have been depicted as critical contemporary human resource management tools [Bassett, Campbell, and Licciardi, 2003:2] enabling organisations to transform data into information that is essential for business operations and decision making [Marler and Floyd, 2009].

Associated with the increased role of HRISs are the implications for talent management. The intersection and potential relationship between talent management and HRISs suggests that HRISs can impact on the management of talent in the organisation in two significant respects. Firstly, HRISs have the ability to produce metrics, analytics and data about an organisation's human capital and hence 'talent' [Gueutal, 2003; Lawler, Levenson, and Boudreau 2004; Lengnick-Hall and Moritz, 2003]. Secondly, the implementation of an HRIS in itself has implications for the talent required for the effective management and delivery of HR services [Bassi and McMurrer, 2007; Pilbeam, and Corbridge 2006]. This paper focuses on the latter of these issues as it examines the changing talent requirements in both the HR and IT functions that result from of the transition from an existing proprietary HRIS to a new, integrated system.

Because our study considers the processes and activities undertaken as part of an organisation's decision to transition to a new HRIS technology, we need to reflect upon research concerning the implementation of technology. There are a number of studies that examine many aspects of such implementations including motivations [Beckers and Bsat, 2002], the importance of design [Bedell, Canniff, and Wyrick, 2009], and the role of trust [Lippert and Swiercz, 2005]. Many of these studies have looked at the processes and challenges associated with the transitioning of HRIS technology and demonstrate that it represents a significant form of organisational change [Senge 1990, 1994]. For example, Tansley and Watson [2000] examined the processes associated with the design and implementation of an HRIS in a large organisation and found that the successful introduction of these systems can neither be understood nor practically achieved without consideration of the change processes used to embed them. More recently, Stone and Mason Davis [2009] provided a comprehensive overview of the obstacles encountered during HRIS implementations arguing that as with many other types of organisation-wide change initiatives, they invariably lacked leadership, were poorly planned, managed and communicated and often failed to take account of the prevailing organisational culture such that they encountered low user acceptance. Recognising that such implementations are complex and not without their challenges, these authors also argue that 'While technical challenges will always remain in implementing complex HRIS, the major challenge to successful implementation is more behavioral than technical' [2009:173].

2.2. Defining Talent Management

The use of the term 'talent management' gained momentum in the late 1990's. The realisation that a number of previously separated demographic and global business patterns were combining in a manner which had important implications led organisations to recognise that there was a need to manage talent more effectively. The McKinsey and Company's 1998 study [Chambers, Foulton, Handfield-Jones, Hankin, and Michaels Ill, 1998] drew widespread attention to a rising demand for talent-intensive skills that would outpace supply in many industries and markets and result in a 'war for talent'. Stahl et al [2007] further elaborate upon this influential change by stating that in the context of the late 1990's 'talent management' came to appear synonymous with human capital management and its influence on an organisation's strategy. There are currently a number of practitioner and academic debates that focus upon diverse aspects associated with the management of talent. These include: its socio-economic significance [see Boudreau and Ramstad, 2005a; Buckingham and Vosburgh, 2001; Ready and Conger, 2007], the drivers [see Blass, 2007; Calo, 2008; CIPD, 2006a; Frank, Finnegan, and Taylor, 2004], approaches [see CIPD, 2006b; Lewis and Heckman, 2006; McDonnell, Lamare, Gunnigle, and Lavelle, 2010], and parties to talent management [see Boudreau and Ramstad, 2002; Devine and Powell, 2008; Guthridge, Komm, and Lawson, 2008].

While the term 'talent' has been used as a generic term to describe employee skills, knowledge etc., for several decades, there is little consensus regarding definitions of what constitutes talent in the context of talent management.

Some have viewed this as a weakness of talent management and its associated research. Lewis and Heckman emphasise this point by arguing that 'a review of the literature focused on talent management reveals a disturbing lack of clarity regarding the definition, scope and overall goals of talent management' [2006:139]. Despite the lack of consensus, at the most basic level the extant literature tends to agree that talent and the characteristics of talented individuals is individualistic, and that desired talents will differ between individuals, organisations and industries. A closer analysis of this literature, does, however reveal that talent can be organized into three basic categories. The first category, views individuals as talent, and involves the identification of individuals who are believed to be high performers with high potential and who are consequently understood to contribute positively to the organisation [see Blass, 2007; CIPD, 2008; Snell, 2008]. The second category, posits talent as skills and capabilities, and centres upon the organisation's evaluation of particular skills and knowledge that are critical to organisational performance. This category can include individuals and cohorts of employees such as knowledge workers, professional services staff and/ or technical experts [April and Jappie, 2008; Blass, 2007; CIPD, 2006a; Lah, 2009]. Individuals or cohorts included in this category are deemed to possess attributes and skills that are considered to be difficult to replace [CIPD, 2006a]. The third category, considers talent as particular functions, or as Boudreau refers to them 'pivotal roles' [2003:21], and involves the identification of resources and roles that are deemed critical to the strategic success of the organisation. To identify such functions, organisations need to undertake systematic analysis of their business. These three approaches all assume that talent is held within the organisation. Widening the scope of this debate, the role of external consultants as 'talent' has also been discussed [see Calo, 2008; Miner, 1973].

While there is some debate around the definition of talent, it can also be argued that it is not essential that academics, practitioners and organisations agree on definitions of talent and talent management and that an organisation needs to define and pursue talent management in a manner that is specific to its business strategy. As such the desired characteristics of talent can change over time [Guthridge, Komm, and Lawson, 2006] as well as in accordance with changes in organisational priorities and strategies [CIPD, 2007; Wu, Hsia and Heng 2006]. It is this perspective that we adopt in this study, arguing that talent management is in itself socially constructed as organisations define and redefine their strategic priorities and the way in which they make sense of the concept of talent within those parameters. The definition of talent is an iterative process as organisations struggle with the tension between existing skills and knowledge that are valued under the current strategic paradigm, and the new projected requirements to meet future challenges. This is particularly evident during the implementation of new technologies where the challenge of predicting what might constitute talent is complicated by a wide spectrum of unknowns as the organisation struggles to predict the implications of the technological change on processes and behaviours.

3. Theoretical approach

There are a number of debates about technology which have highlighted the importance of including and considering the role of both the social and material context upon the selection, adoption and use of new technologies [see Dery, Hall, and Wailes, 2006; Grint and Woolgar, 1997; Orlikowski and Barley, 2001] including HRISs. Such social constructivist approaches emerged as a response to research that assumes a deterministic influence and impact of technology [Strohmeier, 2009]. Embracing the social construction of technology (SCOT) approach, we examine the way in which HRIS implementation processes and subsequent use of the HRIS shape the organisation's view of talent and talent management in the HR and IT functions. Thus, rather than the HRIS technology itself determining what constitutes talent and how it is managed, we argue that the meanings attached to these phenomena are constructed by key actors through an iterative and interpretative process. As these understandings of talent are promoted and articulated, it is this process that shapes, forms and stabilises the way in which the technology is interpreted and used [Orlikowski, 2000]. This is not to say, however that a uniform use and interpretation of the technology can not emerge across the HR and IT functions. While over time, a dominant interpretation may emerge, differing and competing meanings among those in these 'social groups', both of whom have an interest in its use may become apparent and this will have consequences for how it is appropriated.

The SCOT approach is relevant to this study as it argues that the process, design and selection of technologies are open to and can be subjected to contestation [Pinch and Bijker, 1984] and hence challenges the more technological deterministic approaches which argue that a HRIS has pre-given and fixed meanings. Our study shows that using HRIS technology in relation to talent management involves users interacting with 'facilities' (such as the properties of the technological artefact), 'norms' (such as the protocols of using the technology), and 'interpretative schemes' (such as the skills, knowledge and the assumptions about the technology that the user brings to bear) [Dery et al., 2006]. In short, by adopting SCOT as our theoretical approach we were able to recognise that when considering relationships and experiences of technology and talent, it is essential that social factors and previous experiences be considered.