

TITLE: HR SELF-SERVICE SYSTEMS: LABOUR SAVING OR LABOUR SHIFTING?

Abstract

Over the last decade self-service portals into Human Resources (HR) systems have become ubiquitous across organisations with significantly-sized workforces. These enable employees to perform administrative tasks that traditionally were the responsibility of workers situated in the personnel or HR function of an organisation. The lack of research into the impact of recent innovations in web-enabled HR system upon workforces has been noted in the HR literature. As such, there is a gap in this literature pertaining to the worker experience of using self-service portals, and critically-minded evaluations of the impact of self-service HR on organisational cultures and structures. Our research will look into this gap by interviewing various stakeholders in two higher education institutions.

Keywords: HRM systems, self-service systems, case studies, Higher Education

1.0 Introduction

Over the last decade self-service portals into Human Resources (HR) systems have become ubiquitous across organisations with significantly-sized workforces. These enable employees to perform administrative tasks that traditionally were the responsibility of workers situated in the personnel or HR function of an organisation. They started to emerge at the turn of the century with an initial emphasis on information provision, specifically employees being expected to find information on corporate intranets rather than contact the HR function (Filipczak et al., 1997; Shugrue et al, 1997; Pelham, 2002). It is only in the last decade that interactive HR self-service portals, through which employees both record and retrieve information from an organisational HR database, have become commonplace in larger organisations (Reddick, 2009; Lin, 2011; David, 2014; Davis and Luiz, 2015; Cascade, 2018a). These have enabled ‘the HR function to be done differently’ (Kavanagh and Johnson, 2018:9), changing the relationship between HR, employees and managers (Gueutal and Falbe, 2005) by, for example, mandating employees to directly record their personal information onto the organisational HR database, book themselves onto training courses, and retrieve their own payroll information.

The lack of research into the impact of recent innovations in web-enabled HR system upon workforces has been noted in the HR literature (Francis et al., 2014). As such, there is a gap in this literature pertaining to the worker experience of using self-service portals, and

critically-minded evaluations of the impact of self-service HR on organisational cultures and structures. As Francis et al. (2014:1330) note, the discourse concerning the framing of contemporary technological solutions for HR practice (commonly referred to as e-HR) has largely been led by consultants and ‘characterised by functional concerns about improving the quality and efficiency of HR services.’ As Ruël et al (2006:4) argue, such consultancy dominance of the discourse concerning web-based HRM tools has led too much being claimed about advantages without offering convincing evidence.

2.0 Literature

Consultancy firms, rather than academics have been behind the first attempts to investigate whether the efforts put into e-HRM lead to the expected outcome, but these assessments tend to have a non-objective air.

There has similarly been a dearth of academic research or commentary on self-service HR systems in the Information Systems (IS) literature. A notable exception is Yang et al.’s (2011:221) research into Employee Relationship Management (ERM) systems ‘designed to provide access to benefits and other important employee services.’ ERM systems are designed with similarities to Customer Relationship Management (CRM) systems, adopting the ideological framing of normative service management practices that employees be ‘managed’ by organisational service functions, such as HR, as ‘internal customers’ (Berry, 1981). They are thus based on the premise of employees being similar to customers in respect to it being important for an organisation to have a single point of interaction with its stakeholders. An important feature of such systems is that they encompass ‘employee self-service and automated transactions with the corporate HR Department’ (Yang et al., 2011:223).

Alongside the rhetorically-expressed voices of consultants, often concealing particular vested interests, other dominant voices of positivity concerning the introduction of new technologies into the realm of HR are those of the providers/vendors of web-based HRM systems. For example, one such company, Frontier (2018), rhetorically point to self-service HR being transformational:

Designed to reduce HR administration costs... Employee and manager self-service transforms the HR function by moving time-intensive, administrative tasks away from your organisation’s centralised HR office and devolving responsibility to your staff.

In line with long-standing arguments in both the IS literature (DeSanctis,1986; Yang et al., 2011) and the HR literature (Shugrue et al, 1997; Huang and Martin-Taylor, 2013) concerning HR information systems (HRISs) generally, another software company, Cascade (2018b) make the rhetorical argument that ‘by devolving responsibility... you free up resource within the HR team to undertake more strategic-value-adding tasks.’ We might perhaps readily recognise here that this rhetorically-expressed benefit conceals a coded managerial message that the software might also enable organisational management to decide to save costs by reducing the headcount of its HR function. Indeed, web-based HRIS (i.e. e-HR) initiatives tend to be driven cost-saving arguments (Parry and Tyson, 2011), and as Yang et al. (2011) explicitly argue about self-service HR functionality: it ‘provides managers with a means to reduce personnel costs and overhead by substantially automating what has traditionally been a critical but labor-intensive process in the firm.’

Other benefits rhetorically claimed for self-service HR by the same company in a white paper (Cascade 2018a), without any evident data, are more dubious. For example:

You can expect to achieve... employee engagement, which helps to improve well-being and create a sense of loyalty [and] sense of ownership over personal information and tasks, which should have a positive motivational impact. This rhetorical jump from efficiency to employee motivation, unsupported by any evidence, is mirrored in the discussion section of Yang et al’s (2011) study of employee self-service systems: Employees enjoyed direct and immediate self-directed access to their personal benefits and compensation information; this will likely result in the high degrees of satisfaction, which can translate into important motivation, performance and job tenure benefits for the firm.

Via diffusion of this discourse of positivity, an assumption has been swiftly institutionalised that the shift to self-service HR administration is unquestionably beneficial with any negative consequences irrelevant for managerial concern. This study thus responds to the lack of a critical perspective to this dominant discourse, by considering what identifiable problems there might be as a consequence of a shift from a human-relational model of HR to a technology-mediated model (Francis et al., 2014)

While it might be a fair assumption that savings may be made in terms of the cost of an HR function as work is shifted away from it, the overall financial cost: benefit to the organisation may be more problematic to calculate given that the HR activities transferred within the organisation. And yet, no attention has been paid to this concern in the literature. Recognising that a driver for the widespread diffusion of HR self-service systems may potentially be an uncritical ‘rhetoric of success’ (Zbaracki, 1998), our study seeks to critically explore via

qualitative methods how HR self-service systems have been experienced by those upon whom they have been imposed: organizational employees and their line managers.

In addition, the focus of Huang and Martin-Taylor's (2013) study was on how organisations might ensure that employees use the HR self-service system, and thus accept the shift of HR labour to them. In contrast, our study seeks to explore the experience of employees to reveal something of the hidden costs and issues relating to the redistribution of HR work via the implementation of self-service HR systems. Thus, the important voices of the workers who are tasked with performing HR activities following implementation of self-service HR systems might be added to the discourse, potentially acting in a pro-organisational fashion as a counter-perspective to uncritical perspectives offered by software vendors, and others with vested interests.

Western universities have embraced the self-service HR portal as a key component of technology-enabled HR strategy (Stone and Dulebohn, 2013) such that they are now ubiquitous within the sector, implementing them with variable functionality. As such universities provide suitable exemplar study organisations to enable an exploration of the effects of the labour shift from the corporate HR function to individual employees situated across the organisation and ranging from low skill, low-wage, workers (e.g. cleaners, ground staff) to high-salaried knowledge workers in senior academic and senior management roles.

3.0 Methodology

This research presented here adopts a case study approach. Case study research is a broad concept and evidence can be collected in a variety of ways, ranging from structured interviews to active participation with the subjects being studied. The greatest advantage of using a case study is the opportunity to provide a comprehensive understanding of the issues under investigation. Case studies are used in situations where the researcher wants to contribute to the body of knowledge of individual, organisational, social or political related phenomena, which is clearly the case in the area of self-service systems' impact on organisations.

A series of semi-structured interviews will be conducted across two HE institutions. The interview questions that will be developed will be revised and refined in an iterative manner as further interviews will be conducted. We endeavour to conduct approximately 20 interviews with various employees in both institutions. We will be interviewing academics, administrators as well as support staff who have to engage with the self-service system

regularly, either as a line manager or as an individual. Template analysis will be used to analyse the interview data. This will involve the coding of the text so that segments of a particular theme can be assembled in order to complete the interpretive process.

4.0 Conclusions – Next Steps

The assumption of cost savings can perhaps be seen as indicative of success of consultancy rhetoric and the marketing strategies of self-service HR software providers. At face value the logic of reducing the labour costs of the organisational HR function as a ‘cost centre’ is alluring from the strategic management perspective. A common rhetorical logic of the self-service system is one of shifting labour costs away from a cost centre, thus removing those costs from consideration. For some self-service systems the labour is shifted outside of the organisation: for example, systems that support IT users in resolving their own IT incidents. But in the case of the HR self-service system the labour is, to some extent, shifted across the organisation. That is, tasks that might have been performed by HR personnel, or involved HR personnel, will, following implementation of self-service HR be exclusively performed by employees.

Clearly the time spent doing their own HR work cannot also be spent by employees on their core activities for which they are employed, and consequently they might resist taking on the additional work (Olivas-Lujan et al., 2007). This suggests that it might be pertinent to take a broader perspective on the implementation of self-service HR such that, for example, hidden costs of opportunity loss and/or costs associated with work intensification (e.g. increased absence and staff attrition), might be brought into the analytical focus. There is thus a gap in the literature for an academically robust study that critically considers whether self-service HR systems as implemented are managerial mechanisms by which HR functions might be downsized and the work of the body of employees incrementally intensified as they are given additional HR responsibilities (i.e. those shifted from the HR function).

Our study will therefore seek to gain a better understanding of the impact that HR self-service systems have on organisations. The initial pilot study has shown that there is a diversity of opinions between how these systems are used instead of how they should be used according to an academic and an administrative staff member. Also the pilot study shows an adverse impact on the relationship between line managers and their subordinates as the human contact has been minimised and it has been replaced by the system. Communications nowadays take place through the automated system rather than face-to-face. These initial findings show that

these systems are more complex than originally perceived and they are certainly the source of a number of issues rather than just the holy grail of efficiency and effectiveness as consultants tended to claim. Our research will look into these aspects in greater detail in order to shed more light in the area of HR self-service systems and their unintended consequences.

5.0 References

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