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**A MULTI-LEVEL APPROACH TO E-HRM MOTIVES AND CONSEQUENCES
IN AN MNC: A CASE STUDY X**

Master`s Thesis in

Human Resource Management

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ABSTRACT

The advancements in technology are changing the way human resources (HR) are managed. While electronic human resource management (e-HRM) is becoming increasingly popular among multinational corporations (MNC), the MNC context in the field of e-HRM suffers from a fundamental lack of empirical evidence.

Therefore the purpose of this study is to analyze the perceptions different stakeholders have on e-HRM which was being implemented in the case company during the time of research. Three research questions were formed to deliver understanding to this purpose. The first research question aimed to understand the motives behind the implementation of e-HRM, why e-HRM is implemented, and what goals is the company aiming to achieve with e-HRM. The second research question focuses on the possible impacts e-HRM has on its end users. The final research question is aimed to deliver understanding on what the strategic potential of e-HRM covers and how the strategic potential is realized and why that does not necessarily happen.

This study was conducted by following a qualitative case study method as it is the most eligible method in terms of the objectives of this study. The empirical data was gathered through conducting semi-structured interviews and secondary data provided by the case company. The interviewees represented three groups; top management, HR professionals and line managers. The data was analyzed using the content analysis method.

Main findings suggest that the implementation of e-HRM is a multilevel phenomenon in several senses. It might change everyone's roles, but the impacts can also be divided into operational and strategic ones. If the strategic potential realize by utilizing the new data transparently e-HRM can help the company gain competitive advantage.

KEYWORDS: e-HRM, Human Resource Management, Information Systems, Information System Implementation

TIIVISTELMÄ

Teknologiset edistykset ovat muuttaneet modernin organisaation luonnetta. Henkilöstöjohtaminen (HRM) sähköistyy monikansallisissa yrityksissä (MNC) yhä enenevissä määrin ja HRM muuttuu sähköiseksi HRM:ksi (e-HRM). Tästä huolimatta e-HRM tutkimus on vielä hyvin puutteellista, etenkin monikansallisessa ympäristössä.

Tutkimuksen tavoitteena on selvittää eri tahojen odotuksia juuri implementoitavaa e-HRM:ää kohtaan. Odotusten selvittämiseksi on muodostettu kolme tutkimuskysymystä. Ensimmäisen tutkimuskysymyksen avulla on tarkoitus selvittää niitä motiiveja, jotka johtavat implementointipäätökseen, sekä niitä tavoitteita, joita sillä pyritään saavuttamaan. Toinen tutkimuskysymys puolestaan keskittyy e-HRM:n mahdollisiin seurauksiin sekä sen vaikutuksiin loppukäyttäjiinsä. Kolmannen ja viimeisen tutkimuskysymyksen tarkoituksena on tarkastella e-HRM:n strategista potentiaalia ja sitä, miten se realisoituu. Lisäksi pohditaan sitä, miksi läheskään aina se ei realisoidu.

Tämä tutkimus toteutettiin laadullisin tapaustutkimusmenetelmin, sillä laadullinen tutkimus soveltuu tähän tutkimukseen parhaiten. Empiirinen data kerättiin teemahaastattelujen sekä kohdeyrityksen luovuttaman toissijaisen tiedon avulla. Tutkimuksessa haastateltiin kolmea työntekijäryhmää, jotka edustivat ylintä johtoa, HR ammattilaisia sekä linjaesimiehiä. Data analysoitiin sisältöanalyysin avulla.

Tulosten perusteella voidaan väittää, että e-HRM on monitasoinen ilmiö useassakin merkityksessä. Sillä on potentiaalia muuttaa kaikkien toimenkuvaa, ja vaikutukset voidaan myös jakaa operationaalisiin ja strategisiin. Strategisen potentiaalin realisoituminen uuden tiedon läpinäkyvällä hyödyntämisellä voi vaikuttaa positiivisesti kilpailuedun saavuttamiseen.

ASIASANAT: sähköinen henkilöstöjohtaminen, henkilöstöjohtaminen, tietojärjestelmä, tietojärjestelmän implementointi

1. INTRODUCTION

The aim of this study is to investigate the perceptions different stakeholders in a multi-national company have on the implementation of a human resource information system (HRIS). The purpose of this chapter is to first illustrate the background for the phenomenon of electronic human resource management (e-HRM) and then explain how this study adds value to the e-HRM research. Following this, the research problem and the research questions are presented. Chapter is concluded, with the outline of the whole study.

1.1. Background

Increased advancements in information technology (IT) offer new ways to conduct business that differ from the past. IT is actually one of the most notable trends that are changing the face of a modern organization. It has made it possible to create a real-time, information based, self-service, interactive work environment, which has not always been possible. Today, many multinational corporations (MNC) are today striving to achieve greater efficiency and effectiveness by integrating their operations in various national and regional units, and IT is playing a significant role in enabling and supporting this trend of globalization. IT helps companies to overcome spatial time and cultural barriers that hinder and complicate the process of global operations and management. (King & Flor 2008: 486; Teo 2008; Lengnick-Hall & Moritz 2003: 365)

The growing digital possibilities have a major impact on the human resource (HR) function and thus, the increased use of IT has been challenging the traditional ways of delivering human resource management (HRM) services (Bondarouk 2009: 505). The roles of HR personnel are likely to shift as a consequence of increased use of IT (Gardner et al. 2003:160). It has been argued that looking form the technical perspective the possibilities for IT to support HR are endless as all the HR processes can be supported by IT. (Rüel et al. 2004: 364; Lepak & Snell 1998).

In the past decades HR's role has slowly been changing from an operational, administrative, functionally oriented and reactive towards a more strategic, consultative, business oriented and proactive. It has been argued that these roles are mandatory for HR to be able to create value and deliver results to the company. Ulrich (1997) argues that HR should fulfil four roles in order to be able to add business value. Firstly, HR should be a

"strategic partner" which means that HR should help manage the human resources and align the HR practices and processes with the business strategy. Second, HR should be an "administrative expert". By being an administrative expert the main objectives are to deliver efficient HR processes for e.g. recruiting and employee development. By the third role of "employee champion" HR should try to increase employee commitment and capability. Moreover, HR should also be a "change agent" by ensuring that there is capacity for change as well as managing the organizational culture. Changing HR to become more strategic would represent great challenges and require new competencies from the HR professionals. Ulrich (1997) argues that technology in particular would change the HR's work and the ways how HR practices are carried out. Moreover, the increased use of IT might impact the different roles of HR in different ways. (Ulrich 1997: 176; Lawler 2005: 165–168; Gardner et al. 2003: 159). It has been suggested that for HRM to realize the hidden strategic potential in it, it should move from traditional HRM to electronic HRM (e-HRM) (Maier et al. 2013:193.)

HR shares a long history with IT and the administrative HR function has always been ahead in integrating information technologies in organizations. For instance the payroll administration was one of the earliest business processes to be automated. Since then HR has continued to merge the latest IT with current HR processes. (Lengnick-Hall & Moritz 2003: 355).

The utilization of e-HRM has developed through many forms. Initially such system was used to support transaction processing and to maintain management control when today new IT is used to improve decision making and support competitiveness (Haines & Petit 1997: 261). At first, HR functions used single electronic applications to ease some of their responsibilities, such as benefit management or payroll administration. However, since then the e-HRM has evolved to systems covering all or most of the employee data. e-HRM applications are no longer "stand-alone" tools but mostly part of a more complicated ERP (Enterprise Resource Planning) system, where e-HRM modules are integrated with financial or other modules (Bondarouk 2009: 505). More precisely, e-HRM can be used for transactional activities, which involve daily transactions and record keeping; traditional HRM activities, such as recruiting, selection and training; and transformational activities, which add value to the organization (Parry 2011B: 1146.)

Over recent years, we have seen a shift in the delivery of transactional HRM from an approach which is "labor intensive" to one which is "technology intensive", whereby a large proportion of transactional activities are now delivered using a wide variety of software rather than by HR administrators. (Parry 2011: 1146–1147)

There are several terms that explain the same or similar kind of phenomenon as e-HRM. Although there are several different terms, two terms have been used more commonly than the others: HRIS and e-HRM. The most significant difference between these two terms is the scope of targeted end users; HRISs are designed for HR personnel use only, while e-HRM is targeted for all employees. e-HRM is the term used in this paper.

Lepak & Snell (1998) make a classification of the types of HRM into operational HRM, relational HRM and transformational HRM. The operational HRM is the most administrative type, as the relational HRM covers more advanced HR activities such as recruiting. Transformational HRM on the other hand has a more strategic focus. e-HRM has been suggested to have various perceived benefits for the company who is implementing it and for its HR function. Cost savings, improved service delivery, improved global orientation and strategic potential are the benefits that are mostly referred to in previous research. It has been suggested that these types influences the benefits companies try to achieve by adopting e-HRM. (Marler 2009; Rüel et al. 2004: 368).

Implementing e-HRM is a very complex process which should first of all; be supported by the top management, second; be led by a cross-functional team consisting of both IT and HR experts, and third; involve people throughout the whole organization. Implementation of e-HRM has an impact on everyone in the organization as everyone will eventually use the system. This means that in addition to all the technical issues also an effective change management plan should be developed as part of the implementation process. (Bondarouk & Looise 2005: 160; Shrivastava et al. 2003: 209–212).

E-HRM literature is cross-disciplinary which means that it has interested researchers both in the IT field as well as researchers in the HRM field and adding the complexity of doing rigorous research. Despite this, in the IT literature, one of the most notable frameworks that describe the impacts of IT, includes three stages of use: automation, information and transformation. In theory, IT automation often reduces the amount of routine work and therefore may provide opportunities and more time for employees to think and use their full cognitive capacities. The HR staff can focus more on interpreting information than on the administrative tasks. On the other hand in the stage of information, IT provides increased effectiveness and benefits for those who use the system. An implemented e-HRM offers HR professionals the possibility to access and assess those personnel statistics that would not have been easily accessible without such an information system. IT may also have a transformational impact on the organization in question. This transformational impact might mean fostering a new culture or mindset as HR professionals try to come up with various innovations. According to this

framework the use of IT in HR has the potential to both enable as well as constrain the roles of employees. (Gardner et al. 2003).

In addition to HR personnel, e-HRM will impact line managers and employees. Line managers' responsibilities in updating HR information grow but simultaneously they will have access to relevant information and data about their teams. Based on this information they can conduct analyzes and make decisions. With e-HRM employees will control their own personal information and they can update it when it changes. (Lengnick-Hall et al. 2003: 365).

However, e-HRM research studies have produced contradictory findings on whether the benefits of e-HRM have realized or not. Some studies indicate that HR has benefited from adopting e-HRM by saving costs, improving efficiency, providing flexible services and increasing employee participation. Other studies on the contrary report the extra barriers e-HRM created such as work stress and more administrative work.

It is assumed that e-HRM enables HR professionals to both provide value to the organization and to improve their own standing. e-HRM is also considered as a tool to help HR professionals in strategic decision making as it provides executive reports and summaries. (Bondarouk et al. 2009: 509) However, there are several studies according to which the system actually is used only for routine and administrative tasks and not for the transformation of HR function towards a more strategic partner. (Dery et al. 2013: 226)

1.2. Research gap

Although e-HRM research extends back 40 years, most studies have been published since the year 2000. It is a relatively new field and springs from the IT/IS (Information System) discipline and from the HR discipline in terms of theoretical and conceptual inputs. In both disciplines, there are parts that are poorly or not at all researched. IS literature is quite rich on studies on IS in multinational corporations that focus on pre-implementation, implementation and post-implementation. Contextual factors are also addressed in at least 10 publications. The e-HRM literature, on the other hand, contains only a few studies dealing with e-HRM in MNCs, and only covers topics such as motivation for e-HRM implementation, the alignment of e-HRM, integration of e-HRM, and e-HRM adoption and e-HRM results. The total number of e-HRM in MNCs studies is only close to ten. (Rüel et al. 2014: 646–647)

The extent of e-HRM usage has been increasingly growing in both US and non-US companies. Typically e-HRM systems and applications have a western origin but the role of west is diminishing. Until recently the most e-HRM systems have promoted western business values and practices but since the course is changing the demand for more research is obvious. However, only little research has been conducted on the impact of IT on HR in an international setting. The amount of research providing a cross-border and cross-cultural perspective and understanding on e-HRM is very low. Even though it has been stated that global HR information systems need to address better the challenges involved in spanning social norms, customs and cultures, a little is known about the effects of national and cultural differences. (Rüel et al. 2014: 636; Heikkilä & Smale 2011: 107; Strohmeier 2007).

As stated earlier, e-HRM is becoming increasingly common in organizations world-wide. It is also one of the most important recent developments in HRM. Still, despite the growing interest in e-HRM it remains under-theorized and under-explored. Little research has been conducted on the consequences e-HRM has for individuals and organizations. (Martin et al. 2010: 1553 – 1574; Stone et al. 2006: 229). The impacts e-HRM has on different stakeholders are also under-explored, since there are only a few studies on the impacts on HR personnel and even less on line managers. (Gardner et al. 2003: 160).

The strategic potential of e-HRM is something to be discussed further. The reasons for adopting e-HRM spring from the perceived positive benefits of e-HRM. Therefore research is needed to investigate the relationship between the use of e-HRM and factors such as increased efficiency and strategic orientation. It seems that turning e-HRM into strategic competitive asset is not as easy as assumed. There are contradictory findings on whether the strategic potential is realized or not. (Parry 2011: 1147; Rüel et al. 2014: 637).

1.3. Research problem and research questions

The purpose of this study is to examine the perceptions different stakeholders in an MNC have on adopting e-HRM. The intention in this study is to focus on HR professionals, line managers and top management.

RQ (1): *What motives drive the adoption of e-HRM?*

The purpose of the first research question is to understand the reasons why a company decides to implement e-HRM or why they should consider doing it. That is to say what are the benefits of e-HRM? What are the goals a company strives to achieve by introducing e-HRM?

RQ (2): *What are the impacts of e-HRM?*

The aim with the second research question is to examine the impacts e-HRM might have on its users; HR professionals and line managers as well as the top management. How do their ways of work change because of e-HRM?

RQ (3): *How is the strategic potential of e-HRM realized?*

The purpose of the third question is to deliver understanding on what is the strategic potential of e-HRM. How is the strategic potential of e-HRM realized? If it is not, why?

In order to answer these questions the case company's HR personnel, line managers and representatives of top management were chosen to discuss the motives, consequences and strategic potential of e-HRM. The chosen HR personnel represent operational HR and the line managers were chosen from different functions. The top management representatives represent the corporate function. The implementation process of e-HRM in the case company is ongoing while this paper was written.

1.4. Structure of the study

The study consists of five sections. The purpose of the first section is to offer background information of e-HRM and to describe how growing digital possibilities and globalization have changed and are changing the HR function. In this section the value of this study is discussed through explaining the research gap. The research problem is also presented in this section together with the research questions.

The second section concentrates on explaining how the phenomenon of e-HRM has evolved through its many definitions by reviewing cross-disciplinary literature on e-HRM. Moreover, the motives that are mostly referred to in the e-HRM literature are presented in this section. After presenting the possible benefits of e-HRM the implementation process is explained in more detail.

The third section concentrates also on reviewing e-HRM literature. The intention of this chapter is to give an insight on what happens after e-HRM implementation. The possi-

ble consequences of e-HRM, both functional and dysfunctional are discussed in this section. Moreover, the impacts e-HRM has on HR professionals and line managers are presented in this section. Finally, the strategic potential of e-HRM is outlined, with a subsequent discussion on whether the potential is realized or not. At the end of this section a conclusion and the theoretical framework of this study is presented.

The fourth section outlines the research approach, methods, and design utilized in this study. In addition, data collection method and justification for it will be provided. After this the case company is introduced and presented without revealing its identity. In the end of this section, a notion of reliability and validity of the study is also dictated.

The fifth section of the study will present the analysis and results of the findings. Examination of the results reflection on research questions is in a major focus in this section. The findings are discussed and compared with the previous literature in chapter six. The main conclusions, limitations as well as the proposals for future research are presented in the seventh and final section.

2. CHARASTERISTICS OF E-HRM IN MNCs

The purpose of this chapter is, firstly explain what e-HRM is and how its definition has evolved in the past decades. Secondly, this chapter gives insight on e-HRM in an international setting. Moreover, this chapter gives also a perspective to the reasons behind implementing e-HRM as well as on how the actual implementation process is carried out.

2.1. e-HRM definitions

Using IT for conducting HR practices, policies and processes is a rapidly growing trend around the world in all sized companies. However, there are numerous widely accepted terms used to describe the phenomenon that is currently labeled as e-HRM.

In order to understand the concept of e-HRM, it is necessary to explain the other proposed definitions which are related to commonly known concepts of e-HRM. To begin with, in their widely cited study Lepak and Snell (1998) use the term *virtual HR* for a network-based structure that is built on partnership and mediated by information technology to help the organization acquire, develop, and deploy human capital. On the other hand, Florkowski and Olivas-Luján (2006) use the term *HRIT* that stands for human resource information technology. *HRM e-service* is also a term describing this phenomenon (Erhart & Chung-Herrera 2008). In the 1990's when the trend was to put an 'e' in front of every business related topic human resources became e-HR. *e-HR* refers to conducting human resource transactions using the Internet (Lengnick-Hall et al. 2003: 365). Despite that there are several terms explaining this phenomenon, two terms are above others: *HRIS* (Ngai & Wat 2006, Haines & Petit 1997: 261) and *e-HRM*. (Strohmeier 2007; Rüel & Bondarouk & Looise 2004; Bondarouk & Rüel 2009; Rüel & Bondarouk 2014).

More precisely, HRIS, "human resource information system", has grown in popularity since the 1960s and is together with e-HRM one of the most commonly used terms. HRIS was defined in the 1980s by DeSanctis (1986) as an information system that is *"designed to support the planning, administration, decision-making, and control activities of human resource management"*. Later, HRIS was defined by Ngai & Wat (2006) as: *"the composite of databases, computer applications, and hardware and software necessary to collect, record, store, manage, deliver, present and manipulate data for*

human resources". Haines & Petit on the other hand view an HRIS as an *"information system that is used to acquire, store, manipulate, analyze, retrieve and distribute relevant information of the employees"*.

Despite the fact that there are several competing definitions of HRIS the general understanding is that HRIS is a system used to acquire, store, analyze, retrieve and distribute relevant information regarding an organization's human capital (Bondarouk & Rüel 2008). HRIS includes hardware, people, policies, procedures and data (Dery & Hall & Wailes & Wiblen 2013: 226).

HRIS might be the first term defining electronic human resource management but lately e-HRM has taken stronger foothold. These two definitions differ the most from each other in their target users. HRISs are focused on automating the systems that are mostly addressed for the HR function itself and the primary end users are HR personnel (Dery et al. 2013: 226). These kinds of systems strive to improve the processes within the HR function itself. However, the e-HRM unlocks the HRIS so that the data can be used by all employees and it aims to create value within and across organizations for targeted employees and management. This means that in addition to HR personnel, also employees have access to some of their own data and the managers can access and edit data regarding their subordinates (Grant 2013; Rüel et al. 2004; Dery, Hall, Wailes & Wiblen 2013: 226). Thus, an HRIS is used by only HR personnel when e-HRM is addressed to all the employees.

e-HRM has also been defined by several researchers. Watson Wyatt described e-HRM as *"an enterprise-wide strategy that used scalable, flexible and integrated technology to link internal processes and knowledge workers directly to the business objectives of the organization"* (Marler 2009).

In addition, Legnick-Hall & Moritz (2003) define e-HRM as conducting HR transactions with the help of Internet. They argue that e-HRM has developed through three key phases. First, the simplest and easiest form of e-HRM was when it was used to publish information. This involves one-way communication from the company to the employees and managers via for example intranets. The second, a more involved form of e-HRM was used to automate HR procedures, workflow and the supply-chain integration. In this phase, intranets were used along with extranets by both managers and employees. The target users have access to the database; they can update information, search for information and make decisions based on it. The last and also the most complex form of e-HRM transform the HR function. e-HRM begins to move beyond its more traditional focus by liberating the HR function from its operational focus and redirecting it toward

a strategic focus. (Lengnick-Hall & Moritz 2003: 367–368; Townsend & Bennett 2003: 361).

Regarding the most commonly accepted definition Strohmeier (2007) defines e-HRM "*the planning, implementation and application of information technology for both networking and supporting at least two individual or collective actors in their shared performing of HR activities.*"

According to Strohmeier's definition e-HRM utilizes information technology in two ways: for networking and for support. The networking perspective is explained by the fact that technology is necessary to connect usually spatially separated actors and to enable interactions between them regardless of where they are physically located. Thus, technology serves a medium with the aim of connection and integration. e-HRM may also be seen as supportive because technology can partially or even completely substitute actors in executing HR activities. Besides individual actors, there are also collective actors, as groups, organizational units, and even whole organizations that interact in order to perform HR activities. Taken this into account, e-HRM is definitely a multilevel phenomenon. (Strohmeier 2007: 20).

Another commonly used definition from Bondarouk & Rüel (2009) is that e-HRM is "*an umbrella term covering all possible integration mechanisms and contents between HRM and Information Technologies aiming at creating value within and across organizations for targeted employees and managers*". This definition suggests an integration of four aspects:

> *Content*: the content concerns all the HR practices that can be supported with IT, both administrative and transformational. It also concerns all types of IT that can offer support for HRM, for example Internet, intranet, ERP systems.

> *Implementation*: This involves the process of accepting and appropriation of e-HRM by organizational members. Success of e-HRM implementation can be measured in various ways.

> *Targeted employees and managers*: HRIS vs. e-HRM. Today's e-HRM goes beyond organization's borders to broaden its target group to concern all stakeholders; HR professionals, managers and employees.

> *e-HRM consequences*: Along with the debate on value creation and value capture, Bondarouk and Rüel stress a multilevel perspective which means that either an individual, employee or an HR professional, the whole department, organiza-

tion, or a net of several organizations is willing to exchange money for the value received from e-HRM. The monetary amount exchanged must exceed the producer's costs (time, training, effort, money, meeting dedicated to e-HRM projects); and it is approximated as a delta between new value (like freedom from HR administration or less paper work) and the users' alternative.

The phenomenon that is called e-HRM has changed in its definitions and target users. This could be as both HRM and IT change constantly, and the definitions should change as well. In fact, Rüel and Bondarouk (2014: 634–635) state that the definition they made in 2009 should already be updated. Now we turn to e-HRM in an international setting, which is of great importance since the case company acts internationally.

2.2. e-HRM in an international setting

The way we are doing business is constantly changing and the work environments are getting more complex and workforces are more often spread in various countries. This means that the management is facing continuously new challenges with e.g. cultural differences and different political systems. IT can be used by managers and the HR function in overcoming challenges caused by the globalization. HR is more liable to local institutional environments than other business functions as the HRM practices are strongly influenced by national cultural values and social structures. (Tansley & Watson 2000: 108; King et al. 2008: 486; Heikkilä 2013: 240).

Parry et al. (2008) suggest fours reasons for MNCs to decide on coordinating their HRM internationally and for transferring the parent practices to their foreign subsidiaries. First, if the firm considers its HR approaches superior it is likely that it will standardize them internationally. However, only if the approaches are appropriate for local environments. Behind integration decisions like this there are reasons like economies of scale, higher quality of service, and better international coordination. Second, ethical issues can drive the company to standardize its HRM. The establishment of systems that guarantee the workers' minimum rights is for instance such an ethical issue. Third, supporting the business strategy by integrating all the policies around a specific set of HRM policies and practices can be a reason behind international standardization. Fourth, knowledge-transfer, quality standards and creating an international network are also possible reasons for standardizing HRM internationally. (Parry 2008: 2025).

The oldest debate in international business on standardization versus localization is an important issue when considering e-HRM in an international context. The standardiza-

tion-localization concern the extent to which MNC subsidiaries are acting as local firms (localization) versus to what extent their practices are the same with the head quarter's practices (standardization). There are several factors that may affect the degree of standardization. Technological intensity, the presence of multinational competitors and cost reduction as a few factors. Additionally, the relationship between the parental company and the subsidiary, the organizational culture, authority structures, and work norms affect the degree of standardization. On other hand, unions, labor market and the legal and political context in the subsidiaries may pressure for localization. (Rüel et al. 2014)

MNCs seem more likely to localize practices than to export country-of-origin practices. According to Rüel et al. (2014) there are no other studies on e-HRM standardization and localization except Bondarouk's study on MNCs in Lebanon. The conceptual framework suggests that e-HRM will show standardization tendencies during stage one (HRM approach) and stage two (e-HRM goals). On the other hand, localization tendencies appear in stage three (e-HRM types) and stage four (e-HRM consequences). This means that MNCs around the world show similarities in their HRM approach and goals but may differ in what their e-HRM actually looks like and what consequences it has. (Rüel et al. 2014.) These consequences depend on the motives for implementing e-HRM, where we now turn to next.

2.2.1. Motives for adopting e-HRM

The increased use of e-HRM shows that the phenomenon has been accepted as something worth investing in further. It is a large investment decision to make for companies of all sizes. To make such a big decision as introducing e-HRM, the benefits shall be evaluated and the goals set. The purpose of this section is to clarify the motives that drive stakeholders to decide to introduce e-HRM.

The motives for adopting e-HRM can be examined through the pressures HR is facing. Lepak & Snell (1998) argue that as organizations have realized that people are their greatest asset HR functions are facing four contradictory pressures. First, HR should be more strategic. It has been noted that HR should be involved in development, planning and implementation of competency-based strategies. Second, HR should be more flexible in the programs, policies, practices and services they provide. Third, HR should strive to minimize their costs. Finally, HR should enhance its customer-orientation. HR functions should maintain their role as a service provider for managers and employees

even though a lot around HR is constantly changing. These goals are possible to achieve by implementing e-HRM. (Lepak & Snell 1998: 216–217)

Rüel et al. (2004) later reduced the four pressures or goals, as they are referred as follows, to three. One goal is the reduction of costs which results in efficiency gains. Another goal is to improve the customer service by facilitating management and employees. The third goal is to improve the strategic orientation of HRM. However, Rüel et al. (2004) took additionally the international aspect into consideration. They argued that a fourth goal for HR would be to improve the company's global orientation. These motives for adopting e-HRM have gained somewhat support in later research. (Rüel et al. 2004: 367; Parry 2014: 591).

Cost reductions

Improved strategic orientation

Motives for e-HRM?

Improved customer service

Improved global orientation
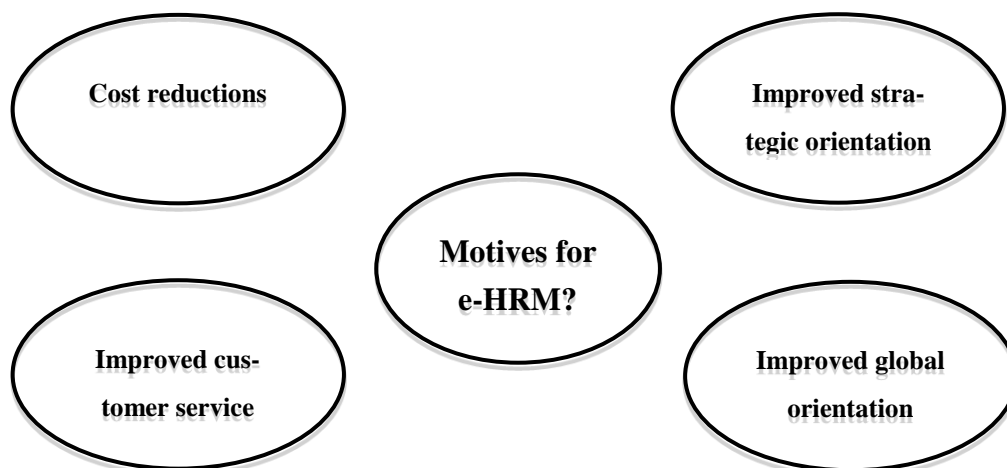
Figure 1. Motives for adopting e-HRM.

2.2.1.1. Cost reduction

The primary justification for implementing e-HRM is the cost reductions it brings with it. These cost reductions increase HRs efficiency. The cost reductions are a result of e-HRM automating the administrative and routine tasks and processes. As a consequence of this the need for HR professionals, especially administrative staff, decreases. Cost

reductions are also being achieved by supplying HR information to large numbers of people on a virtual rather than physical basis. Additionally, e-HRM makes it possible to re-use information flexibly as many times as needed at only little or marginal cost, for example by delivering e-training or e-learning to a large number of people around the globe. According to one study, companies using e-HRM reduced no less than 75 % of their HR transaction costs (Bell & al. 2006: 295.) Moreover, many of the cost reductions are likely to be realized early in the implementation of e-HRM. (Lengnick-Hall et al. 2003: 369; Marler 2009: 519 ; Martin & Reddington 2010: 1553; Storhmeier 2007: 27; Rüel et al. 2004: 367; Ball et al. 2006: 195).

2.2.1.2. Customer service

Another motive for adopting e-HRM is the belief that it will improve customer satisfaction. Customers of e-HRM are the end users that are to say HR professionals, line managers and employees. A lot of HR work is done manually which increases the risk for errors. By adopting e-HRM this risk diminishes as e-HRM automates the work that used to be manual. Other reasons why HR professionals can benefit of e-HRM is that it makes the transaction processing faster, information is more accurate and it improves the tracking and control of human resource actions. e-HRM increases additionally the reach and improves the two-way information flow and communication in general. e-HRM provides both line managers and employees with new possibilities by giving them remote access to some HR data. Both parties can in a specific extent edit and manage their own data. Managers can also independently generate reports, which ease the decision making. e-HRM increases flexibility since employees can for example participate in various trainings from home. As a conclusion the customer service delivery can improve as e-HRM improves the quality by making the information more available and accurate and the transaction processes faster. (Lengnick-Hall & Moritz 2003: 366; Martin et al. 2010: 1554; Ruta 2005: 35–36; Haines et al. 1997: 261; Bell et al. 2006: 295).

2.2.1.3. International orientation

An international working environment brings along various challenges as spatial, time and cultural barriers. Many MNCs use technology to overcome those barriers that complicate the processes of global orientation and management. (King et al. 2008: 487.) Another benefit of e-HRM in MNCs is that it makes the harmonization and standardiza-

tion of HR policies, practices and processes in different MNC subsidiaries possible. e-HRM eases the communication and information sharing across geographic boundaries and supports thereby virtual teams and network organizations. From control perspective, e-HRM can facilitate the greater integration of HRM practices in foreign subsidiaries in three main ways. Firstly, e-HRM can function as a form of bureaucratic control through creating a code of conduct on how the system is used and thus how the HRM processes are carried out. It is possible to communicate goals and monitor them through e-HRM, and therefore e-HRM can work as a tool for output control. Thirdly, e-HRM can via restricting access rights and introducing layers of transaction authorization accommodate varying degrees of control. Thus, e-HRM seems to help facilitate the greater integration of HRM practices in MNC subsidiaries and to overcome barriers caused by the international environment. (Rüel et al. 2004: 373; Parry et al. 2011A: 337; Smale & Heikkilä 2009: 92).

2.2.1.4. Strategic orientation

One motive for adopting e-HRM is that it will increase HRs strategic role. In general, outsourcing gives employees the opportunity to focus on their core competencies (Belcourt 2006: 272–273). This reflects to HRM as e-HRM as enables HR to have more time to engage in strategic tasks, since a lot of the administrative tasks are automated and available on HR applications (Ruta 2005: 35). By spending more time on strategic tasks HR may evolve its strategic orientation which may improve the possibility for HR to become a strategic partner. Naturally the level of e-HRM usage has an influence over how much HRs role has potential to change. Innovative use of e-HRM may result in HR possibly being more strategic by taking new roles, identities and function (Barrett & Oborn 2013: 252; Hempel 2004: 166; Ruta 2005: 35;).

There is some debate in the academic literature on whether the strategic potential of e-HRM is realized or not. Some researchers have indicated that HR has become a business partner as a consequence of e-HRM, but some suggest that e-HRM does not realize its strategic potential. e-HRM systems are still being primary used for day-to-day transactional tasks and record keeping, which means that organizations lack innovation in e-HRM (Tansley et al. 2013; Parry et al. 2011A: 337). This will be discussed more in section 3.3.

2.2.2. The relationship between the HRM type and the motives for e-HRM adoption

There has been consideration on whether companies who are implementing e-HRM are trying to achieve all these goals or are some goals dominant to others (Marler 2009.) Lepak & Snell (1998) made a classification of HRM types into operational, relational and transformational HRM. The operational type of HRM covers the administrative tasks such as salary administration and personnel data administration. Relational HRM on other hand concerns more advanced HR activities and the focus is more on tools that support basic business processes, such as recruiting, training and performance management. The third type, transformational HRM, concerns the HR activities with a strategic character, such as organizational change and strategic knowledge management. The main goal for the operational role is to create an infrastructure which eliminates all unnecessary costs (Marler 2009: 519.) Companies where the role of HR is more administrative and the type of HRM therefore operational, will primary strive for cost savings to increase their efficiency (Ulrich 1997; Parry et al. 2011: 336). As for companies with relational HRM, they will strive for improved effectiveness and improvements in service delivery. Finally, HRs whose primary role is to be a strategic partner will have goals that focus on achieving customized alignment with the business strategy. (Rüel et al. 2004: 368; Lepak & Snell 1998; Parry et al. 2011: 336-337)

Shrivastava and Shaw (2003: 203–204) distinguishes the motives for adopting e-HRM to operational, relational and transformational drivers. The major operational driver is the cost savings that are accomplished through streamlining the HR processes by automation. The improved service delivery on the other hand is a relational driver for adopting e-HRM. Reengineering the HR function is the greatest transformational driver.

Table 1. HRM type defining the primary goals for the adoption of e-HRM.

HRM type	Motives for adopting e-HRM	Goals to achieve
Operational	Cost reductions	Greater efficiency
Relational	Improved service delivery	Greater effectiveness
Transformational	Increased strategic orientation	HR becoming a strategic partner

One important aspect that should be considered when evaluating the motives is the way e-HRM affects the competitiveness of an organization. According to Ngai & Wat (2006) an e-HRM can increase the competitiveness in various ways; by improving HR operations, producing a greater number and variety of HR -related reports, shifting the focus of HR to a more strategic one, making employees part of the e-HRM and by reorganizing the entire HR function. On the other hand Parry (2014) argues that by using the resource based view (RBV) e-HRM can result in competitive advantage. According to the RBV competitive advantage is reachable with valuable rare, inimitable and imperfectly substitutable resources, in this case human resources. Human resources can be divided into generic and differential labor. The former conducts routine and imitable tasks, while the latter is a source of uniqueness that can lead to competitive advantage. Efficient management of generic labor can lead to increased efficiency, and the relational and transformational goals can be related to differential labor. (Parry 2014.; Parry 2011B).

As a conclusion, e-HRM has the potential to affect both the efficiency and effectiveness of the HR function. By automating and improving the routine tasks increased efficiency can be achieved. Reducing cycle times for processing manual paperwork, increasing accuracy, diminishing errors and reducing human resource administrative staff are all factors that can directly affect the efficiency. Effectiveness on the other hand can be positively affected by improving the capabilities of both managers and employees. Due to easier processes and availability of information the different stakeholders can make

better and timelier decisions. (Lengnick-Hall & Moritz 2003: 366). As we have discussed the potential benefits e-HRM might have to the HR function and organization itself, the next section presents how the implementation process is carried out.

2.3. e-HRM implementation process in MNCs

IT implementations are widely acknowledged as turbulent and conflicting developments in organizations that demand the implementation of different technical and social changes. Looking at an IT project, it is clear that a project team has to deal with various complicated circumstances and issues surrounding the IT innovation project. These issues can include budget limitations, political games inside the company, and agreements with the implementation partner. Additionally the project team may have to deal with issues concerning the availability of resources and reallocating them. Nevertheless, also job task analysis and the technological infrastructure influence the implementation process. (Bondarouk & Looise 2005: 160).
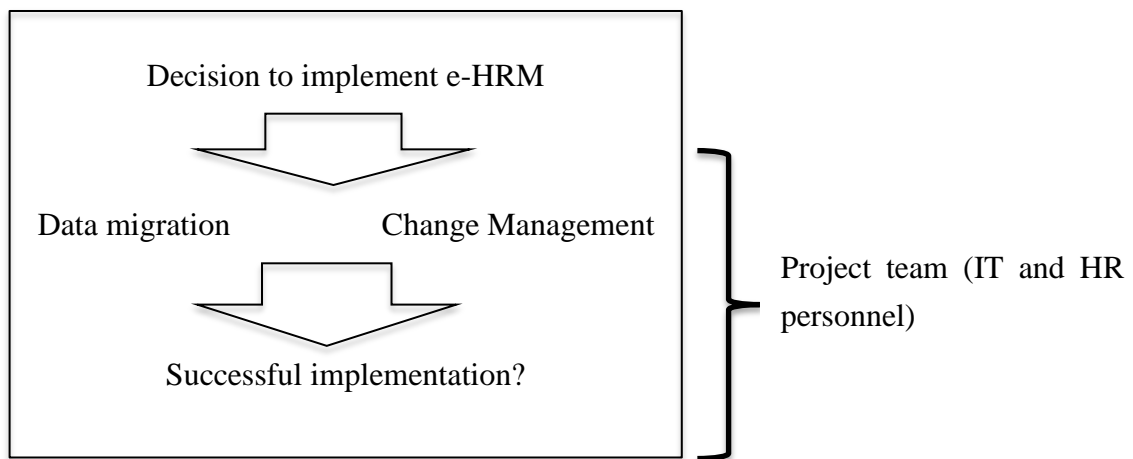
Figure 2. Main phases of the implementation process.

The actual e-HRM implementation phase begins when information about the chosen technology reaches various stakeholders. A project team has been chosen to be responsible for the implementation. No less than 10 years ago, these projects were in hands of only MIS experts. Today, the e-HRM projects are run by cross functional teams, consisting of both IT experts and HR professionals. Tansley et al. (2000: 116) study how different individuals are involved in developing HR information systems, and the project team in their study consisted of both HR and IS specialist who worked in this project full-time as HR and IS specialist world-wide who participated part-time. Thus, the introduction of e-HRM increasingly calls for an integration of various expertise, interdisciplinary comprehension and modernization of the HR. (Shrivastava et al. 2003: 209; Bondarouk et al. 2009: 505–506).

As news about the new technology spread, expectations of all future end users' raises. Service providers must understand the expectations of their clients to be able to offer them quality service. Word-of-mouth communication, personal needs and past experience are factors that can affect the expectations. In this case when implementing e-HRM, there are two sets of service providers and clients. Vendors provide service to the HR and IT personnel, while HR and IT personnel provide services to employees and managers. These groups could be divided into smaller subgroups to properly be able to find out all the possible interpretations and levels of appreciation of e-HRM (Bondarouk et al. 2009: 510.) Different claims of the new possibilities that e-HRM brings along might raise various expectations in the end users. Past usage determines perceived ease of use of an IT and also the perceived usefulness. It must be taken into consideration that some future end users might have experience of similar technology but others do not. (Shrivastava et al. 2003: 209–210).

In the early implementation the project team must make sure that the software is aligned with the HR processes. Most firms reengineer their HR processes to ensure compatibility with the chosen technology and at the same time customize the technology to support some of their existing HR processes. This is called a "hyprid approach". (Shrivastava et al. 2003: 210).

There is some support in the IT literature that the IT implementation process is complex and therefore the project team should not expect everything to go as planned. Along the implementation process the company is facing various challenges concerning technical issues as well as human issues. It is important for the project team to plan the implementation process so that all these challenges are considered to reach the best possible outcome of implementing e-HRM. (Shrivastava et al. 2003: 210).

The implementation of e-HRM requires migration of data into the new system and interfacing it with other systems in the organization. HR work tends to include a lot of data and thus, this data migration might be very time consuming. During this phase organizations usually realize that the existing databases contain invalid, incomplete and even contradictory data. The new e-HRM often call for new data and reinterpretation of existing data. The HR personnel should be closely involved in the data migration process. After the data migration, the system shall be tested and then delivered. The entire system can be put to use at once or in smaller pieces. Empirical evidence shows that incremental approaches are more effective than the big-bang approaches. (Shrivastava et al. 2003: 210–211).

The success of the implementation of e-HRM can be measured on two levels; on the individual level and on the organizational level. Measurements on the individual level have gained a lot attention especially in the IT discipline. The Technology Acceptance Model (TAM) is widely used to provide understanding of individuals' beliefs and attitudes towards e-HRM (Maier et al. 2013; Voerman & van Veldhoven 2006). Ruta (2005) among other researchers used TAM, but also change management theories, to examine the final outcome of implementing e-HRM. The Technology Acceptance Model focuses on factors that predict intentions to use e-HRM, while change management theory focuses on how the intentions to use e-HRM can be influenced. Both theoretical streams view individual acceptance and the level of usage as the final outcome. (Ruta 2005: 36–37.) Also Bondarouk and Rüel (2008: 162) consider successful implementation as a situation where the targeted end users have accepted the technology and are committed to use it as part of their daily work. Haines et al. (1997) argue that user satisfaction and system usage should be measured together to provide a more comprehensive picture of the implementation success.
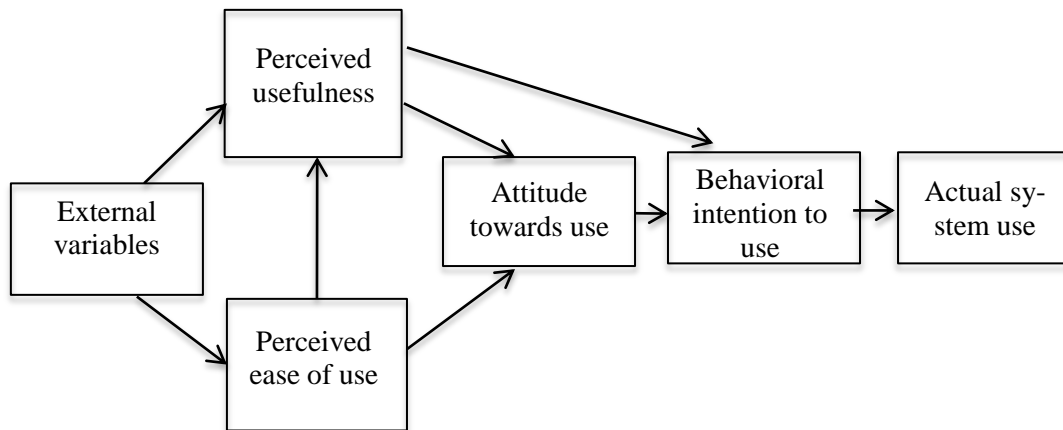
Figure 3. Technology Acceptance Model (TAM). (i.e. Voerman et al. 2006).

When measuring the success of the implementation process employees are playing a significant role. Therefore, the human challenges and the need for effective change management during the implementation process shall not be overlooked. The reactions the targeted end users have on using IT will affect their intentions to use it, which in tun will affect the actual use of IT. Moreover, different users might have different perceptions and objectives regarding the use of e-HRM. Some HR personnel may be scared of their jobs and resist e-HRM, since it has argued to result in reducing HR staff. Employees might resist the implementation due to that they do not understand why the HR processes are suddenly being changed, because they prefer face-to-face interaction to automated responses, or because they lack the faith that the "bureaucratic" HR could be able to utilize technology effectively. The objectives should be identified and linked to the planning process to accomplish better results of the implementation. A change management plan should definitely be considered as part of the implementation plan of e-HRM to improve the organizational culture and employee satisfaction. (Ruta 2005: 36–38; Bondarouk et Rüel 2008; Shrivastava et al. 2003: 212).

2.3.1. Barriers for successful e-HRM implementation

In the research, various barriers for successful IT implementation have been identified. The underestimation of the complexities involved or on the other hand the overestimation of the perceived benefits might hinder a successful implementation. Political re-

sistance and the fear of change might also be barriers for successful implementation. Moreover, underestimation of the kinds of needed skills and technical knowledge might hinder a positive outcome. Other issues are ineffective communication with users, lack of commitment, and the tendency to change the scope and objective of the project. Also the insufficient financial support might put an end to the implementation process. The support of top management is one of the most important factors in successful e-HRM implementation. (Shrivastava et al. 2003: 212; Ngai et al. 2006: 311–312).

2.3.1.1. HRM policies and practices to overcome the barriers

Bondarouk & Rüel (2008: 163) argue in their article that strategic shaping of the HRM system, orienting it towards stimulating appropriate and committed use of IT by the targeted employees, has a great potential to overcome the human challenges. Successful IT implementation depends to a large extent on social practices, not just on technical issues. Influence implementation success through ensuring and strengthening HR policies to remove obstacles and motivate users through providing feedback and the time to take to learn the technology effectively and to ensure that the employees have the abilities that are required to use a newly introduced IT through promoting various learning opportunities. Providing opportunities for the targeted employees to work with the IT implementation projects once the technology is introduced is also important for accomplishing committed use (Bondarouk et al. 2008: 163.) Other facilitators that have been identified in the IT literature are among others; communicating early, extensively and transparently; breaking down the system into "modular deliverables"; aiming for early victories; diffusing IT to a grassroots level by using colleagues of employees as change agents; ensuring user involvement and ownership; changing support systems by rewarding for system usage (Shrivastava et al. 2003: 212). Also, Voerman & van Veldhoven (2006) propose various HRM policies and practices to be used to ensure the success of the implementation. Firstly, such HR policies and practices are important that ensure end users knowledge and build their skills to use the new IT. Secondly, such policies and practices that provides the end users the possibility to work with the IT and encourage them to use it. The above mentioned policies and practices enhance employee performance in such a way that the use of the new IT is committed and task-consistent. This in turn affects the organizational performance in a positive way and the implementation can be considered a success. (Voerman & van Veldhoven 2006)

Table 2. HR policies and practices to overcome the barriers for successful implementation.

BARRIER	HR POLICIES AND PRACTICES TO OVERCOME THE BARRIERS
Underestimation of complexities	
Overestimation of the benefits	• Provide feedback
Political resistance	• Provide time for learning
Fear of change	• Provide opportunities to work with the IT
Underestimation of needed skills	• Communicate early extensively and transparently
Ineffective communication	• Aim for early victories
Lack of commitment	• Diffuse the IT to grassroots level
Tendency to change the scope and objective	• Reward systems
Insufficient financial support	• Employees as change agents

It is of great importance to understand how employees will develop and experience IT. This can be understood with help of the TAM (see Figure 2.). Central in this model is the attitudes that significantly influence the acceptance of new technology. The perceived ease of use and the perceived usability are considered important in in explaining the likelihood of future IT use. To explain this a bit more, the perceived ease of use is the belief that a system's use is simple and requires little effort. Although employee users can be more willing to tolerate difficult, if not complex, technological systems if they produce great functional benefits. However, if the system is functionally useless it cannot be justified by its ease of use. Perceived usefulness describes how convinced an employee is about that the system will increase their work performance. The employees will therefore have an intention to use the system which will finally result in actual system use. The ease of use does not only focus on the system but also on the support provided by the organization for the users. When considering the usefulness in addition the

system itself the overall quality of the application is evaluated. The fact that the system has to be easy to use is most important during the initial phases of any project, but the effect will diminish when time goes by. Thus, perceived ease of use can definitely influence acceptance, but once given technology is accepted, its importance diminishes. (Ruta 2005: 40; Voerman et al. 2006: 888–889).

The context for change in particular multinational firms is somewhat more complex, because of the specific local and cultural factors that are unique to specific subsidiaries. The same innovation is facing both general and local issues. Local differences depend on the physical presence of local units in different countries, which requires companies to follow local regulations. Local contexts depend both on local policy and cultural features that can produce a different context. Multinational companies usually possess a corporate culture that fits various contexts and leads to different management styles. The best implementation plan may need to be varied when considering a general implementation to account for variations in cross-national HR environments. The technical application tends to be standard around the world. The implementation plan of the HR portal, unlike the portal itself, can be more locally adapted to ensure maximum usage in the subsidiaries. (Ruta 2005: 38–39).

To conclude, an IT implementation is a complex process which should be led by a cross-functional project team. HR should be closely involved in both the system implementation process during data migration as well as in the change management. As we have now discussed in this chapter why and how e-HRM is implemented, the next chapter turns to what happens due to the implementation.

3. THE CONSEQUENCES AND IMPACTS OF E-HRM, AND ITS STRATEGIC POTENTIAL

The purpose of this chapter is to present what consequences the implementation of e-HRM might have on the HR function but also on the organization. Further in this chapter the impacts e-HRM has on HR professionals and line managers are explained. Then, whether the strategic potential of e-HRM is realized or not is discussed. This chapter ends with a conclusion of the theoretical framework.

3.1. Consequences of e-HRM

The increasing popularity of introducing e-HRM is due to the expectation of various positive consequences, such as reducing costs, speeding up processes, improving quality and gaining a more strategic role for the HR function. Consequences of e-HRM can be defined as what happens during and after implementation of e-HRM. The consequences can either be desired or undesired or either expected or unexpected. Moreover, they can be distinguished into functional and dysfunctional consequences (Stone 2006). The consequences can concern both the individual and the organization. The organizational consequences can further be distinguished into operational, relational and transformational consequences. (Strohmeier 2009: 528; Strohmeier 2007: 26; Lepak et al. 1998: 219–220)

In widely referred study, Strohmeier divides (2007: 26) the organizational consequences of e-HRM into individual consequences, operational, relational and transformational consequences. As for the individual consequences, acceptance and satisfaction are important consequences. Factors such as convenience, delivery, interface, accuracy, price and security generally influence employee satisfaction positively (Huang et al. 2004: 205.) Notable is that the studies Strohmeier analyzed in his review mostly concerned e-recruitment and e-selection.

Operational consequences comprise both efficiency and effectiveness related consequences. In some studies in Strohmeier's review (2007: 27–28), hints were found on that e-HRM could increase productivity. These studies indicate that factors such as reduction of HR staff, faster processes, and cost reductions actually increase productivity. Nevertheless, savings in HR costs are partly resulting from the shift of responsibilities from HR staff to line managers. Some studies show that e-HRM has a positive effect on

effectiveness, since IT enables HR professionals to provide increased responsiveness to their customers, to have more information autonomy and more external links. Lepak and Snell (1998: 219–220) agree that the streamlining of operations and easing the administrative burden are operational consequences.

Relational consequences refer to the new and extended possibilities that interaction between different actors may provide. Since technology makes it possible for spatially segregated actors to be networked, e-HRM seems to help standardize HR and to overcome barriers of cultural and language issues. Thus, the combination of centralization of policies and decentralization of executing these policies seems to be an important relational consequence of e-HRM. (Strohmeier 2007: 28; Lepak et al. 1998: 219–220) Transformational consequences on the other hand concern whether e-HRM has been able to make HRs role more strategic or not. (Strohmeier 2007: 28)

Strohmeier (2009: 529–530) states that based on previous reviews, theoretical and conceptual work and the debate concerning IS consequences, different important aspects of concepts of consequences can be explained. These aspects consist of: the origin, explanation, divergence, dynamic change, (un)expectedness, (un)desirability, manageability and research ability of consequences. The *origin* of consequences refers to the actual originator for the change. One concept view the technology as the origin, and another view the organizational action as the origin of change. The *explanation* of consequences refers to the basic kind of provided explanation (causal and teleological approaches). One aspect to consider is if the concept allows for and explains *divergent* consequences, for example e-HRM might decrease costs in one organization and increase costs in another. Concepts can also be distinguished regarding the extent in which they consider *dynamic change* of consequences over time. While some concepts refer to stability and durability others refer to instable consequences. Moreover, concepts can also be distinguished to *undesired* and *unexpected* consequences. Some concepts expect such consequences while others may have difficulties in explaining undesirability and unexpectedness. Furthermore, the *manageability* is also important to understand. Some concepts show consequences as fixed and as such that cannot be influences by managerial actions, while other concepts explain the ways managerial actions can influence the consequences. The final concept is the *researchability*, which refers to how easy the concept is to research. (Strohmeier 2009: 529–530)

Table 3. Aspect to concept of consequences (Strohmeier 2009).

Origin of consequences	Is the originator of change technology or organizational actions
Explanation of consequences	Causal or teleological approach to explanation of origin
Divergence of consequences	Costs increase in one organization while they decrease in another
Dynamic change of consequences	Instable vs. stable and durable consequences
Unexpectedness of consequences	Expected vs. unexpected
Undesirability of consequences	Desired vs. undesired
Manageability of consequences	Fixed consequences vs. manageable consequences
Research ability of consequences	How easy to research

In most cases, the occurring consequences are desired and expected. However, also unintended and unexpected consequences can occur. These unintended consequences can be either desired or undesired. Although e-HRM is argued to have positive functional consequences for both individuals and organizations, it can also have several dysfunctional consequences. The system may decrease social interactions, by decreasing the face-to-face communications which can lead to some issues remaining unclear. The system can additionally affect negatively the quality and accuracy of information about organizational expectations, employee performance, and compensation. The system may decrease the perceived control of employees and increase the degree to which the system is viewed as invasive of privacy. This might lead to employees resisting the system and providing inaccurate data to it, which may result in declined system acceptance which in turn leads to reduced organizational efficiency and effectiveness. All in all, e-HRM systems are less likely to bring desired outcomes if individuals work to subvert them. Individuals will more likely use the system in an appropriate way if they see the system helping them to gain access to job-related outcomes. The nature of the system may on other hand serve to diminish the outcome levels of individuals. For example if

the system contains unreliable information the individuals might resist the appropriate use of the system. (Stone et al. 2006: 231)

Strohmeier (2007) considered dysfunctional consequences already in his review in 2007, where he stated that, among others, e-recruiting may have dysfunctional consequences. The applicant pool increases due to e-HRM, but as a dysfunctional consequence the quality of applicants decreases. Later Strohmeier considered the undesirability and unexpectedness of consequences some more. Unexpected consequences can refer to the complexity of consequence bundles, which can result in both desirable and undesirable results. Unintended misuse is also an unintended consequence. This kind of misuse may stem from individual usage mistakes or from organizational mistakes in perceiving the usage potential. This unintended misuse may lead to various dysfunctional consequences. In addition, intended misuse that results in undesired results may occur. This intended misuse can be putting invalid data or in worst case sabotaging the system use. Furthermore, intended re-use refers to situations where the users invent new ways of using the system. These new ways can be undesirable if the user uses it for own purposes alone, but in best cases they can be desirable as well. (Strohmeier 2009: 539).

Despite the advances in the theoretical discussion, there is still very little empirical research on the consequences of e-HRM. The next section will present results from a few studies on e-HRM consequences.

3.1.1. Empirical discussion

Maier et al. (2013: 194–202) study how the e-HRM affects job satisfaction and turnover intention. They consider the implementation of e-HRM *success as sufficient* if the satisfaction level and turnover intention remains the same and *significant* when job satisfaction of employees increases and the turnover intention decreases. In order to achieve implementation success, the system should be perceived as useful, easy to use and generally in a positive way. However, if the system is perceived as threatening, the implementation has dysfunctional consequences as the job satisfaction declines and turnover intention increases. Thus, declining satisfaction and increasing turnover intention are unintended consequences of e-HRM.

Maier et al. (2013: 202) suggest that if HR personnel have a negative perception of the implementation of e-HRM as an enabler for the strategic role of HR, this transformation might not happen because it is not completely accepted by the targeted employees. This

might be one reason to the fact that HR personnel are still known to use HRIS for only automated routine tasks. One might conclude that HR has not yet changed its occupational identity.

Maier's et al. (2013: 203–204) results indicate that by ensuring the usefulness and ease of use of the system, an organization can influence job satisfaction and turnover intention in a positive way. Notable is that employee turnover is not a direct consequence of a system implementation; it can be prevented by keeping up the employee satisfaction. The results also indicate that project management must convince employees of the ease of use and usefulness but also make assurances so that there is a positive attitude toward the changing of HR identity.

Stone, Stone-Romero and Lukaszewski (2006: 229–231) investigate factors that affect the acceptance and effectiveness of e-HRM systems. They present a model on those factors in which both individuals and organization are taken into account. The effectiveness of e-HRM depends on how congruent its outcome is with individual and organizational goals. The way e-HRM is developed depends on the organizational values, goals and resources. Individual values, goals and job-related resources work as significant determinants of their intentions and behavior. In an ideal situation the goals of individuals and organization are in line with each other, but mostly that is not the case. Stone et al. introduce four factors that are affected by e-HRM systems and individual attitudes, intentions and behaviors: *information flows, social interactions, perceived control and system acceptance.* (Stone et al. 2006: 229–231)

The acceptance and effectiveness of electronic HR systems will be enhanced when the individual and organizational values are congruent. In order to achieve this congruence, two-way information flows of valid information between and among individuals and the systems should be promoted. The information flows may increase the organization's ability to access, collect and distribute valid information and faster than before. Moreover, a sufficient type and level of social interaction between and among individuals advance the functional consequences. Electronic HR systems should not threaten the perceived control of the end users in order to avoid dysfunctional consequences. (Stone et al. 2006: 241–242)

In addition, Parry (2008) argues that the international standardization is likely to be problematic and has great potential to produce dysfunctional consequences. The dysfunctional consequences may occur due to that e-HRM will be influenced by organizational, culture, the headquarter-subsidiary relationship, various authority structures, marker characteristics, and work norms. Local factors that can be the reason for dys-

functional consequences are for instance the unions, labor market structures, and the legal and political context. Differences in language and language competencies may also cause difficulties in standardization. (Heikkilä 2013: 240)

The decision to introduce e-HRM depends on the expectation of various positive consequences it brings along. However, the introduction of new technology brings along also several unintended consequences. These consequences can be both functional and dysfunctional and they affect the success of the implementation. In addition to these consequences e-HRM has an impact on its end users, such as line managers. These impacts will be discussed in the next section.

3.2. The impact of e-HRM for different stakeholders

In general, there has been limited research on the actual impacts e-HRM has on different stakeholders. This is somewhat alarming in a situation where it has been stated that e-HRM will most likely change the nature of work, since it may change the roles of employees (Gardner et al. 2003: 160). However, there exists some evidence on its impacts on HR professionals but less on line managers. In e-HRM literature consequences and impacts are often perceived as the same thing (Strohmeier 2007.) We now look at the impacts of e-HRM to HR professionals and line managers.

3.2.1. HR professionals

The introduction of technology brings along new challenges for the HR function. The work tools change, new skills are required, which result in a change in HRs role. For developing these new skills training and education are needed. By introducing e-HRM companies strive to reengineer the HR function to become more strategic, which requires new competencies and capabilities of the HR professionals. However, still some companies are investing in e-HRM simply to reduce the transaction costs and the headcount. Moreover, all these changes require reorganization in the HR function. (Hempel 2004: 163–164; Bell et al. 2006: 295–306; Maier et al. 2013: 193)

In line with other research, Hussain, Wallace and Cornelius (2007) argue that e-HRM allows HR to become a strategic partner. The strategic decision making allows them to participate at the organizational level and to work closely with the strategic management. The HR professionals do thereby add value to the organization. The strategic use

of e-HRM enhances the perceived standing of the HR function within the organization. (Hussain et al. 2007: 85)

By reengineering HR, the focus will be shifting away from a past administrative orientation towards becoming a source of strategic differentiation for the organization. HR must be provided with a basic understanding of e-HRM, HR professionals should be allowed to understand how technology is changing the design of both work and organizations, and to provide a greater emphasis on the particular challenges faced in managing knowledge and innovation work. (Hempel 2004:176)

Gardner, Lepak and Bartol (2003) investigate in their study the impacts e-HRM has on HR professionals work. According to their study, e-HRM have an impact on HR professionals role by influencing informational demands and demands for providing IT support. The results of this study support the perceived benefit of that by automating HR tasks HR professionals become more efficient through their increased responsiveness and autonomy. The IT made it possible for HR professionals to learn more innovative ways to deliver HR activities. It was also suggested that as e-HRM made HR professionals spend more time on IT support activities their focus turned to more knowledge based activities. (Gardner et al. 2003: 173–174)

Findings on this study suggest that e-HRM has is related to the enabling aspects as well as the time shifting aspects of HR professionals' roles. The results indicate that HR spends less time on routine and administrative tasks as e-HRM automates activities. This allows HR professionals to focus on more meaningful tasks and have more information autonomy and professional links and as a consequence of these increase information responsiveness. IT works as a medium for HR professionals to increase value in their work. However, the more extensive use of IT requires HR professionals to provide IT support activities. However, these support activities consume their time. (Gardner et al. 2004: 174)

For HR to be able to provide IT support activities they need to learn new skills in areas of IT. Higher level of IT use lead to changes in HR professionals' job. There are various factors that affect level of IT use. If specific to the organizational culture is to resist change towards technology, the employees might not use the newly introduced technology and thus, their job roles do not change. If the IT is not compatible with the HRs job, the influence might also be smaller. Furthermore, employees' prior experience may influence the extent to which increased use of IT impacts their jobs. (Gardner et al. 2003: 174–175)

In this study, Bell et al. (2006) used Ulrich's, Brockbank's and their colleagues' competency framework to explain the impacts of e-HRM on the HR professionals. In this framework the competencies are distinguished to four; knowledge of the business, delivery of HR practices, change management and technology expertise. Today, HR professionals need to increasingly understand the business and its language in order to be successful in HR. It is not enough to understand how profit is created, but to use this knowledge to make strategic contributions. The HR must also be an expert in its specialties, such as recruiting, development and compensation. Moreover, HR should predict future challenges and developments and act as effective change agents. HR should be able to use technology as a tool for delivering services to their customers. HR should also be able to use technology for collecting and transforming data into strategically valuable information. (Bell et al. 2006: 295–298).

In Bell's et al. (2006) study, it appears that the use of e-HRM allows HR to play a more strategic role. e-HRM has made it more important to possess knowledge of the business. This more strategic role means more than just delivering HR solutions; it means that HR works more closely with other stakeholders to solve problems together. The majority of this study indicated that competency in administrative HR delivery is less important due to e-HRM as HR does not need to know much about for example the benefit system after it has been automated. Hereby, the importance of HRs competence in functional delivery has grown. This means that e-HRM has allowed HR to specialize themselves more, which requires a higher level of expertise within specific areas of HR, for example recruiting or training. However, e-HRM did not have a significant effect on the change management competency of HR. Bell et al. stated that e-HRM might help to cope with change but does not change the importance of HRs change management competencies. Their findings additionally suggest that e-HRM has not resulted in a major change in the technology expertise required from HR professionals. (Bell et al. 2006: 299–302).

To conclude, technology is both an opportunity and a challenge for HR. Adopting e-HRM might cause challenges if the end users are poorly prepared for the changes it brings along. Instead they should be provided with thorough understanding of the data base model underlying HRIS and have good hands-on skills using the system. (Hempel 2004: 166–167). The role of HR might change since HR might be able to spend more of their time on meaningful tasks and take a new role as more consulting than administrative.

3.2.2. Impact on line managers

HRM responsibilities are increasingly being shifted from HR professionals to line managers as more HR work is being devolved to them. Line managers are today expected to do more of their own HRM and they can benefit from cross-training in HR processes. It is considered, that line managers work as a medium to integrate HR to company's real work. Line managers should adopt a "partnership" approach between HR, line management and employees to manage the HR issues. (Renwick 2003: 265) However, there are practical problems associated with this development, line managers may not want this responsibility, may not have time or ability to deal with it properly and they might be ignorant about HRM issues. (Larsen et al. 2003: 228–229)

Line managers will have remote access to HR data bases and information and have thereby an increased ability to connect with other parts of the corporation as well as outside service providers. Due to e-HRM managers and employees can perform some HR activities by themselves. IT has enabled people to communicate and share information across geographical boundaries, and thereby it has eliminated such barriers as time and space. (Lepak & Snell 1998: 219–220).

Since e-HRM will give employees and line managers an active role in implementing HRM strategies, policies and practices, less HR professionals are needed. There will be less demand for HR professionals for operational and information processing work, such as administration, registration and information distribution as some of the responsibilities is shifted to line managers. Also from a relational approach less HR people are needed if line managers and employees understand and use the possibilities provided by e-HRM. Finally, with a more transformational approach, strategic HRM expertise will be necessary to formulate adequate strategic HRM plans. (Rüel et al. 2004: 371)

Today, employees and managers do a lot of the tasks that have been considered as the core of HR professionals and administrative personnel's tasks (Lengnick-Hall et al. 2003).The devolvement of HR tasks to the line managers is increasing and the use of e-HRM is contributing to it.

However, there is still very little research on the impacts e-HRM has on line managers. The impacts on the HR profession is somewhat researched but line managers are almost completely left outside the research focus, at least in the MNC context. Next we turn to discuss the strategic potential of e-HRM.

3.3. Strategic potential

As discussed earlier in this paper, one motive for adopting e-HRM is that it allows HR to become more strategic. e-HRM enables HR to have more time to engage in strategic tasks, since a lot of the administrative tasks are automated and available on HR applications (Ruta 2005: 35). By spending more time on strategic tasks HR may evolve its strategic orientation which may improve the possibility for HR to become a strategic partner. Naturally the level of e-HRM usage has an influence over how much HRs role has potential to change. Innovative use of e-HRM may result in HR possibly being more strategic by taking new roles, identities and function (Barrett & Oborn 2013; Hempel 2004: 166; Ruta 2005: 35).

There is debate in the academic literature on whether the strategic potential of e-HRM is realized or not. More precisely, there are findings revealing that IT has not provided a strategy-supporting role of HR despite the potential to do so. Some researchers have indicated that HR has become a business partner as a consequence of e-HRM, while others suggest that e-HRM does not realize its strategic potential. According to some studies IT has the potential to support international strategy and move HR towards global integration. IT might also have an impact on HR's status and image by making a clearer profile and a better image. However, in many cases e-HRM systems are still being primary used for day-to-day transactional tasks and record keeping, which means that organizations lack innovation in e-HRM (Tansley et al. 2013; Parry et al. 2011A: 337; Strohmeier 2007).

Before discussing whether e-HRM realizes its strategic potential or not it is important to understand what "being strategic" means. Marler (2009) explains "strategic" from two views. According to the first view, "being strategic" is associated with market positioning in the external environment to achieve competitive advantage. The other view, resource based view (RBV), looks at competitive advantage as something that can be achieved with resources and capabilities within the firm. In the first mentioned view strategic human resource management (SHRM) contributes to competitive advantages only when it fits or is aligned with the business strategy. In the latter view, SHRM can actually itself create competitive advantage by representing such strategy (Marler 2009: 516)

Despite that Parry (2011; 2014) has used the RBV in her studies the strategic e-HRM research seems to emphasize fit with an externally focused business strategy. In this literature "being more strategic" means a situation where the administrative burden of HR reduces which in turn allows HR to spend more time in strategic tasks and thereby sup-

port the organization's external business strategy. (Lepak & Snell 1998; Lengnick-Hall et al. 2003; Rüel et al. 2004)

Benefits such as cost reductions and greater efficiency can be easily copied and therefore are unlikely to contribute to competitive advantage. Applied to e-HRM, firms must use it in distinctive ways or in ways that promotes them to distinctive outcomes to achieve sustainable advantage. Moreover, it requires more than cost savings to add value or create competitive advantage with the use of e-HRM. Firms can compete through operational effectiveness or strategic positioning. The latter means doing things differently from others in a way that results in unique value. It seems to be very important to customize e-HRM to be able to create value. According to the RBV, the technology itself cannot create competitive advantage but it might develop such qualities of its users that might result in competitive advantage. (Marler 2009: 520).

Different researchers have presented various ways in which HR can become more strategic. To begin with, Dery et al. (2013: 226) present three ways. First, e-HRM frees up time for HR professionals to spend in more strategic level tasks such as talent management as it automates and devolves many routine and administrative tasks to the line management. Second, e-HRM helps the HR function to become more "modern" and implement transformational HR practices. e-HRM enables HR professionals to support strategic decision making by the possibility to generate HR related real time data and metrics. In addition, Martin & Reddington (2010: 1554) suggest that e-HRM can provide strategic value by among other things creating international virtual communities of practice, capturing real time data for human resource management, facilitating flexible organizational structures and ways of remote working.

Furthermore, Grant (2013:188) suggests in his review three ways for in which e-HRM may lead to HR playing a more strategic role. First, it creates more time for HR professionals to engage in strategic tasks. Second, it provides valuable data to help strategy makers in their decision making. Third, it allows HR professionals a seat at the strategy table.
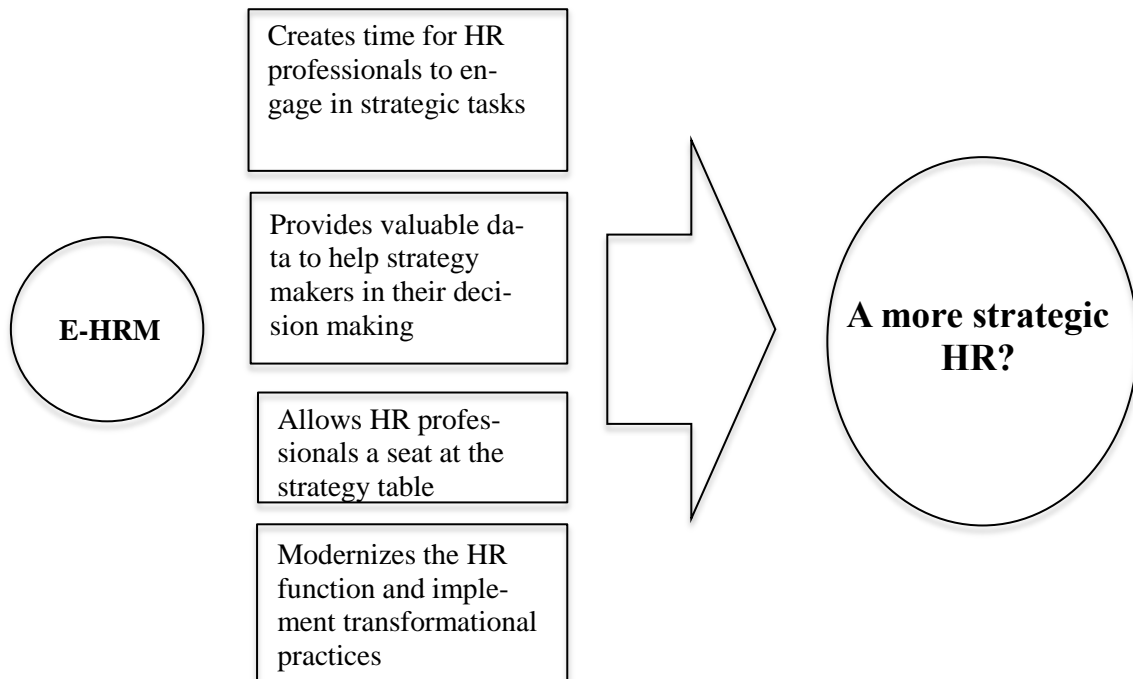
Figure 4. Ways for e-HRM to contribute to strategic potential.

When organizations are able to create value in an effective and sustainable way their ability to develop their strategic potential increases. Organizations need to understand how they can enable their value creation facilitated by e-HRM. To actually become more strategic, e-HRM needs to go beyond automation and increased service efficiency and promote new forms of value which lead to competitive advantage. (Barret & al. 2013: 254)

Barret & Oborn (2013: 255) suggest four ways in which e-HRM can contribute to innovation and thereby lead to competitive advantage. First, e-HRM can itself be an innovation. HR can be regarded as forward thinking because to the new working practices and cutting edge technology as consequences of e-HRM. e-HRM can create value by skillfully localizing and implementing global corporate practices. Second, the centralizing effect of IT used to deliver e-HRM can add value by providing new forms of visibility. This also enables HR to play a more proactive role when engaging with business units

and in new ways to strategically promote performance management. Third, by supporting or facilitating innovation practices e-HRM allows larger employee involvement to for example ideation process, thus it helps the people innovate. Finally, by supporting the culture of innovation, an e-HRM implemented properly frees up time, which is crucial for innovation. Fostering an innovative climate is not just about collecting ideas but also helping to flesh out the value propositions by which these ideas can be sculpted to form a business model. In this way HR can guide and facilitate the process of developing new business models across organizations. Furthermore, HR is well positioned to understand how different individuals within the corporation might strategically deliver value in business model innovation.

In regards to strategic HRM, compared to other business functions, the HR function is strongly influenced by national and cultural values and therefore is considered more subject to the influence of local institutional environments. The HRM in MNCs face pressures for local adaptation most likely while it has to respond to some degree of standardization. Bondarouk and Rüel (2009) suggest that the main change for HRM is that HR must consider whether the e-HRM systems are reasonable and whether it is capable of delivering standard people-related practices without them having to pass the HR personnel. (Heikkilä 2013: 240)

However, e-HRM is often used in an incremental form of innovation where existing practices are only replaced with more efficient processing of administrative work. Marler (2009) concludes that e-HRM implementations are unlikely to make the HR function more strategic or achieve competitive advantage, thus, relying on e-HRM alone to realize this transformation may be more myth than reality. On the other hand, although there is little potential for e-HRM to make the HR function more strategic, the converse holds greater potential. Investments in e-HRM that have the best chance in creating competitive advantage are more likely to be in organizations where the HR function already plays a strategic role. In this context the likelihood that e-HRM will contribute to an organization's competitive advantage is greatly enhanced. (Marler 2009: 525; Barret & al. 2013: 254). However, despite these benefits there are limited amount of evidence of support the suggestion that adoption of e-HRM transforms the HR function. (Dery et al. 2013:226)

To conclude, MNCs are facing a complex challenge of implementing a typically standardized system in the subsidiaries which act in less familiar settings. MNCs have to decide which aspects to sacrifice in order to achieve greater legitimacy, acceptance and

usage, which might lead to e-HRM realizing its strategic potential. (Heikkilä 2013: 249).

3.4. Conclusion and the theoretical framework

As the previous literature review suggest, e-HRM has grown in popularity in the past decades and today it can even be considered as a necessity for organizational success. What makes the implementation of e-HRM interesting but also challenging in comparison to other IT solution implementations is that it affects everyone in the organization directly.

The motives behind the implementation decision are similar in all companies, but how the actual system looks like might differ from company to company. e-HRM has been stated to first of all result in significant cost reductions, which come as a consequence of e-HRM automating administrative and routine tasks and processes. However, some of these cost reductions are indirect and therefore not easy to measure. Second, e-HRM should improve customer satisfaction as it might make the transaction processing faster, the information more accurate and improve the tracking and control of human resource actions. A third possible benefit of e-HRM is that it might improve the international orientation since it makes the harmonization and standardization of HR policies, practices and processes in different MNC subsidiaries possible. Looking from a control perspective, e-HRM can also enable a greater integration of HRM practices in all the subsidiaries and the top management has a better vision of the human resources in the organization. Finally, e-HRM has been argued to enable the strategic orientation of the HR function by allowing them to spend less time on administrative tasks and more time on strategic tasks.

The e-HRM implementation process is run by a project team, which should consist of both IT and HR personnel. The implementation process consists of two major phases; data migration and change management. During the data migration phase organizations often realize that they have a lot of invalid data or the data needs reinterpretation. This is one reason why it is important to involve HR as early as possible since they are the experts on HR data. As when implementing any new IT also e-HRM most likely causes change resistance. Therefore it is of great importance to plan proper change management process in advance. To ease the transition to the new system as many stakeholder groups as possible should be involved. One way to enhance the acceptance of the system is to use employees as change agents.

If the perceived benefits of e-HRM are realized they can be considered as intended functional consequences. In addition to these intended consequences e-HRM might also have unintended consequences that can be both functional and dysfunctional. The dysfunctional consequences result often in misuse of the system or in resistance to use the system. If the intended consequences realize and the administrative tasks are automated due to e-HRM, it has obviously a great impact on its end users. Employees can update and edit some of their own personal data. Line managers will have more responsibility in updating HR related data and they will also have a greater visibility to their team data. HRs role is also inevitably going to change because of e-HRM. The operational role of HR is going to diminish and therefore HR professionals might need to develop their competences to be able to take new roles. HR might be able to become more strategic as e.g. HR might have more time to engage in strategic tasks and HR might be able to provide valuable data for strategic decision making. In addition, e-HRM might even change how people see HR and therefore it might improve the status and image of HR.

However, in many cases e-HRM systems are still being primary used for day-to-day transactional tasks and record keeping, which means that organizations lack innovation in e-HRM. For HR to realize the full potential of e-HRM in becoming a strategic partner means that e-HRM needs to go beyond automation and increased service efficiency and promote new forms of value for the organization which lead to competitive advantage. e-HRM can create value by localizing and implementing global corporate practices, by providing greater visibility, by supporting and facilitating innovation practices.

In order to achieve the strategic potential of e-HRM one could say that it comes back to *everyone* in the organization. The top management should support e-HRM but also understand the potential competitive advantage in the system. The HR should understand both the strategic and operational benefits of the system and use it for both. The line managers and employees shall be convinced of that the system makes their work easier but also be able to see the connection between e-HRM and the business strategy.

All these stakeholders have various perceptions of e-HRM and e-HRM has various impacts on all of them. They might see and understand the strategic potential e-HRM or even the strategic role of HR in different ways. Everyone will probably have their own interests in top of their mind and it is a great challenge to get all the interests aligned with the actual reasons for implementation.

STRATEGIC PARTNERSHIP

IMPACTS

Cost savings   Standardization   Control

New data   HR's role change   HR's image

MOTIVES

Operational	**Strategic**
Cost savings	International orientation
Improved efficiency	Strategic role of HR

HR

Line Managers (LM)

Top Management (TM)
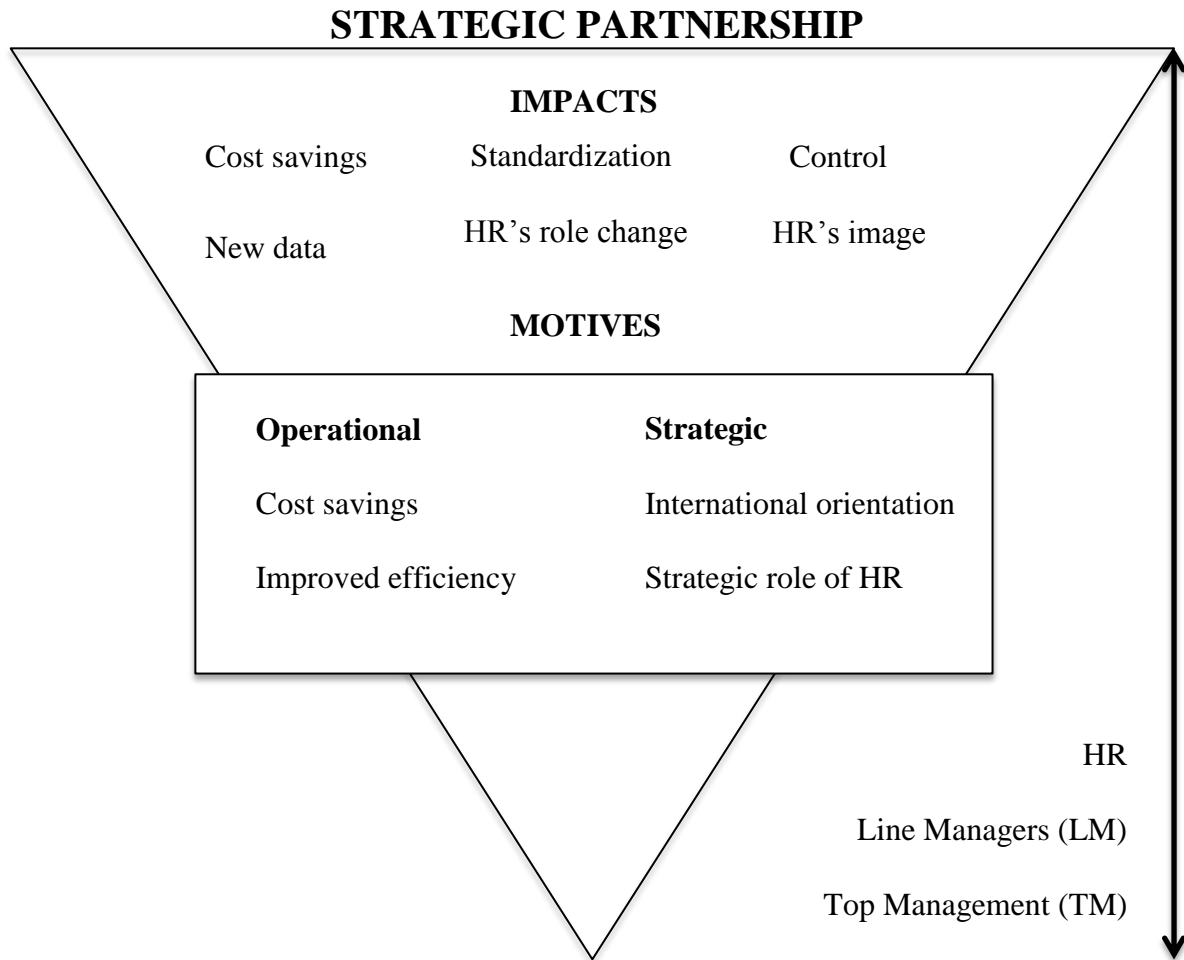
Figure 5. The theoretical framework of this study.

4. METHODS

The purpose of this chapter is to present how the study has been conducted. First the research approach, design and methods are explained. Then a general presentation of case company "Company X" is provided as well as background information of e-HRM in Company X.

4.1. Research approach, design and methods

Often the methods for rigorous research are divided into qualitative research and quantitative research (Aaltola & Valli 2007; Alasuutari 1995). In this study, Saunders et al.'s (2009) "research onion" is used provide to understanding of the methodologies utilized. The research methodologies and their choices can be approached from the perspective of an increasingly diminishing scope and therefore an "onion" suits well for this purpose. The outermost circle covers the research philosophies; positivism, realism, interpretivism and pragmatism. This philosophical perspective to research affects all the other methodological choices made. The philosophical perspective is followed by two different approaches to research: inductive and deductive. The next circle in the onion cover the research strategies; experiment, survey, case study, action research, grounded theory, ethnography and archival research. When the research strategy is chosen, one should decide between using qualitative or quantitative data or both. At this point data sources and the number of sources are determined. Next, the time horizons should be determined; is the study a cross-sectional or longitudinal one. Finally, data collection and analysis are in the center of the onion.
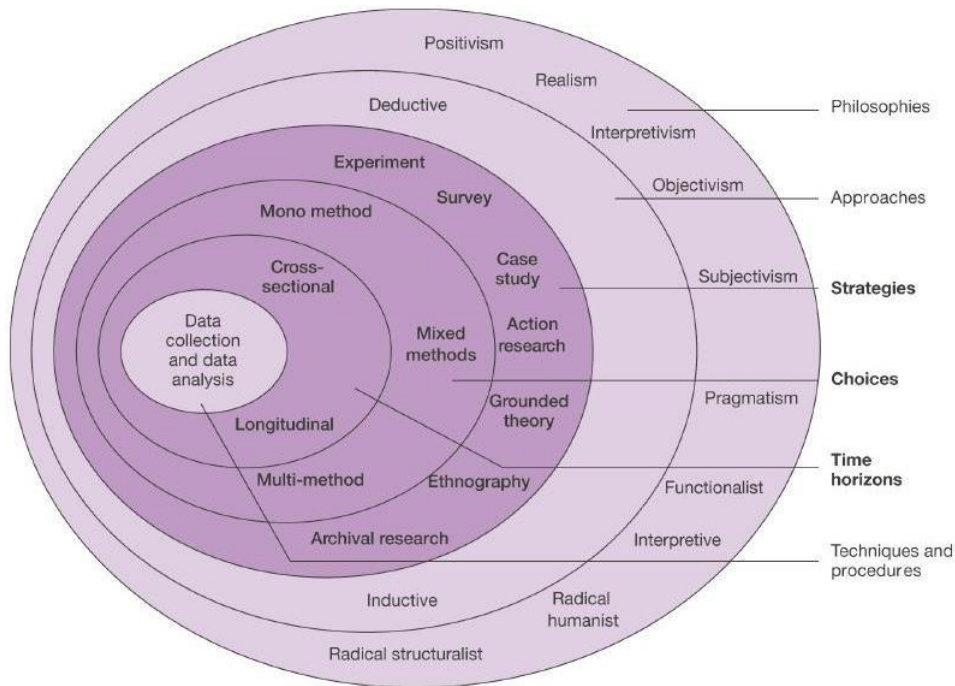
Figure 6. Research onion (Saunders et al. 2009:138).

4.1.1. Research approach

When choosing the approach for the study one should consider whether the study is aimed for testing a theory or for building one. The deductive approach is about making a hypothesis based on theory and testing that hypothesis in empirical data. The inductive approach on other hand focuses on the empirical data and strives to form understanding and new theory based on it. (Saunders et al.2009: 124–126).

The research approach in this study is inductive as the main purpose of this study is to form greater understanding based on interviews and secondary data on how the e-HRM implementation process is planned and carried out and what are the different stakeholders' thoughts about all this. So, instead of testing a hypothesis the aim is to form a deeper understanding of the research context.

4.1.2. Research design

Research design can be explained as turning the research questions into a research project. The research design covers three layers of the onion; research strategies, research choices and time horizons. (Saunders et al. 2009: 136).

There are several research strategies one can choose between (see figure 6.), of which some clearly belong to the deductive approach and some to the inductive approach. The strategy for this study is a case study. Case studies answer questions as "why", "what" and "how". For this reason case study strategies are used for explanatory and exploratory purposes. Data collection types may vary in the case study strategy, and often several types are used simultaneously. Interviews, observation, documentary analysis and questionnaires are examples of techniques for data collection. Consequently, triangulation of multiple sources of data is common when using a case study strategy. Triangulation refers to the data collection through different methods and techniques within one study to produce a more complete, holistic and contextual picture of the object under study. (Saunders et al. 2009: 146; Piekkari et al. 2004: 115). Since the aim of this study is to gain understanding of "why e-HRM is adopted", "what are the impacts and consequences of e-HRM", and "how the strategic potential of e-HRM realizes" a case study seems to be a natural choice for the research strategy. Piekkari et al. (2009) argue that a single case study can usually provide more richness and deepness than a multiple case study. As the aim is to understand different stakeholders' perceptions on e-HRM in one company, the single case study is seen as a suitable approach. Further, triangulation will be used in this case study in forms of observation, analysis of company's written documentation (secondary data) and conducting interviews.

The research choices in the onion refer to the methods used for data collection. One can choose to use a mono method, which means using one single, qualitative or quantitative, method for collecting data; or multiple methods. Multiple methods can further be divided into multi-method and mixed-methods. Multi-method means that several techniques are used but they are all either qualitative or quantitative. Mixed methods refer to those combinations of techniques that consist of both qualitative and quantitative data collection techniques. Mixed methods can further be divided into mixed-method research and mixed-model research. The mixed-method uses both qualitative and quantitative techniques at the same time or after each other but does not combine them; the qualitative data is analyzed qualitatively and the quantitative data quantitatively. In contrast, the mixed-model combines qualitative and quantitative data collection techniques and analysis procedures. (Saunders et al. 2009: 152–123)

A study can be either cross-sectional or longitudinal. Cross-sectional studies examine a certain phenomenon at a certain time. Longitudinal studies, on the other hand, have the capacity to study change and development. (Saunders et al. 2009: 155). This study is a cross-sectional study as the interviews are conducted and the data is gathered during a relatively short period of time.

4.1.3. Data collection

Qualitative analysis has been argued to consist of two phases: simplifying the observations and solving the mystery. (Alasuutari 1994: 39). These two phases are closely linked to each other. In this study, triangulation is used for data collection. The methods that will produce understanding of the object under study are semi-structured interviews and secondary data as written company documentation and observation. A total of nine interviews were conducted. Two (2) representatives of top management (TM), three (3) operational HR personnel and four (4) line managers (LM) were chosen as interviewees.

Four of the interviewees were conducted in a face-to-face manner and five through Company X's internal video meeting tool. The interviews lasted approximately from half an hour to one and a half an hour. As typical to semi-structured interviews, the themes were considered beforehand but the order and form of the questions might differ from interview to interview (Hirsjärvi & Hurme 2001: 48). The list of questions which was formed before the interviews was followed slightly different in the interviews.

Table 4. List of interviewees.

NAME	ROLE	YEARS IN COMPANY X
HR1	Operational HR	10+
HR2	Operational HR	10+
HR3	Operational HR	0-5
LM1	Line Manager	10+
LM2	Line Manager	10+
LM3	Line Manager	10+
LM4	Line Manager	5-10
TM1	Strategic HR	0-5
TM2	Member of the Executive Board	0-5

The interview questions were divided into four sections. The first section covered the background information about the interviewee. The three following sectors focused on finding answers to the research questions. The objective of the second section was to investigate how the different stakeholders view the current state of HRM in Company X and what they thought could be the reasons for implementing CORE. The third section focused on the possible impacts CORE might have in general but also specifically on different stakeholders' day-to-day work. The fourth section focused on strategic potential of CORE.

It should be noted that the awareness of the new HRIS system "CORE" varied between the interviewees when the interviews were conducted. The top management representatives have both been involved in the actual decision making to introduce CORE while the line managers yet had not received any formal information about such system being implemented in Company X. The operative HR personnel had received some information about CORE itself and of the schedule for the implementation.

The secondary data was gathered from the Company's internal sites, mostly the project site for the implementation of the new HRIS called "CORE". Also some data, mostly various power point slides were provided by the e-HRM implementation project team. The interviews were conducted during 6 weeks' time period in the premises of Company X.

4.1.4. Analysis

According to Patton (1990: 381) content analysis refers to the "process of identifying, coding and categorizing the primary patterns in the data" and it typically begins with coding. Before the coding was possible the recordings of the interviews were transcribed. After transcribing all interviews the transcriptions were coded. The coding was done according to the three research questions. The transcripts were highlighted with different colors according to which research question was in question.

After the coding was done and the key themes were highlighted from each transcription the analysis process was ready to move forward. First they were analyzed all together and then in the stakeholder groups; HR professionals, line managers and top management.

One important part of the data analysis was to look for illustrative quotes to support the presentation of the findings and these quotes were identified when going through the transcriptions. All the interviews were held in Finnish and the quotes were translated into English for the purposes of this report. Quotes from interviews can be seen throughout the chapter 5, which presents the findings of the study. The purpose for using quotes is to provide support for the results of the study.

As Patton (1990: 379) notes, the data gathered through qualitative interviews is often abundant. In this study, there was some information that occurred during the interviews which was not related to the actual research topic. These issues were disregarded in the data analysis but it was done with caution to make sure all relevant data was still taken into consideration.

4.2. Background information of the case institution

Because of the confidentiality regulations of the case institution "Company X" where the study is conducted, the research object is introduced only on a general level and without going to any details.

Company X is a multinational company from the industrial sector. Company X's history is full of mergers and acquisitions and is initially a result of a demerger. It has operations in over 100 countries. Company X has been formed to what it is today by several mergers and acquisitions of companies in the industrial sector. Company X consists of the parental company and three business areas (BA) that all have their own niche in which they operate in. In first years Company X strived to be a "one company" in the sense that all the BAs would have used Company X's name and logo. However, now the BAs are getting more and more independent and are using their own brands and own channels to communicate with their customers. The role of the corporate is to work as a strategic architect to maximize shareholder value. Company X has over 10 000 employees in more than 40 countries.

4.2.1. Background information of e-HRM in the case institution

The state of e-HRM in Company X before the decision to introduce CORE was non-existent. No HR IT strategy or tool landscape was defined or implemented. There was no access to basic employee master data to understand basics of organization, workforce, employee data and related costs or market position. The HR tools to plan for the organization, resources that were in use were only reactive, not proactive fact based tools. Over 140 different HR related tools were in use and administrated locally and a lot of work was done in the MS Office tools and by e-mail. Because of this the HR processes were manual, slow and inefficient with limited transparency, control points and common interfaces to other Company X tools and processes. There was no visibility to measure consistency, quality, and level of deployment or output of different HR processes. Employees did not have any access to their own data; everything was handled by HR personnel.

HR's structure and state of role definitions at that point were not much better. There was no clear common HR model of operation defined or implemented. There were no clear HR roles, responsibilities and way of working agreed. As a consequence, the existing HR policies were not followed. Every BA in every country and most sites has their

own local HR processes and practices. HR resources are not known, what they do and who they support is unclear. HRs work is mainly tactical, transactional and operational, only very few strategic business partners exist.
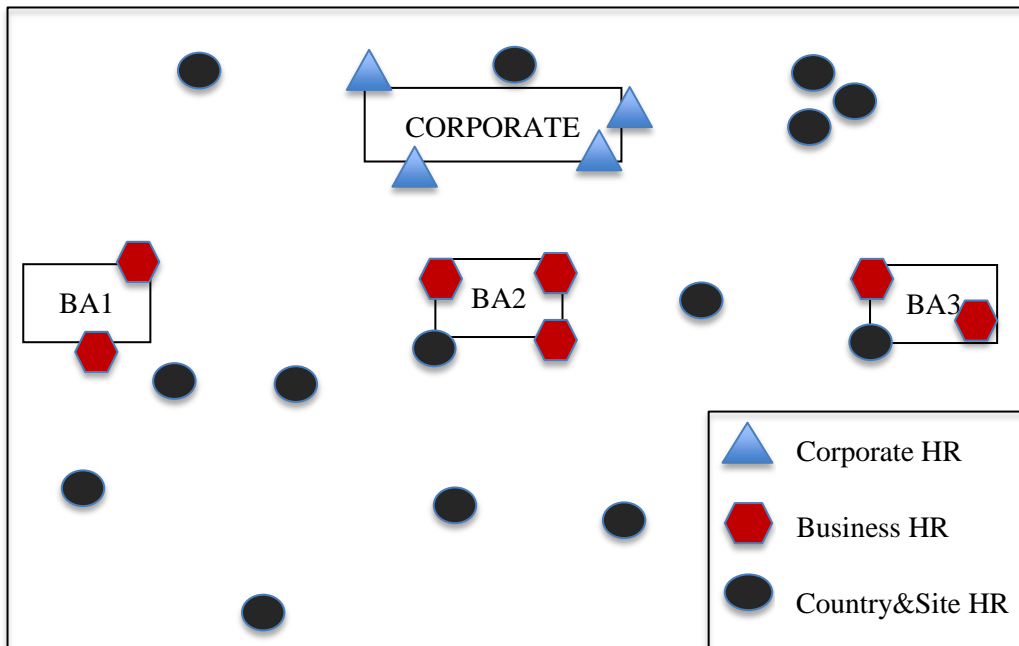
Figure 7. HR in Company X.

The decision to implement CORE was made in autumn 2013. Several stakeholders and teams are closely involved in the implementation process. The steering group is the "*architect*", "*wallet*" and "*decision maker*" for the project as it e.g. sets priorities, decides on the project scope and on the budget. The steering group consists of the head of HR, top management representatives from finance and information management as well as the executing project management team's leaders. The BA HRs are closely involved in the steering group, the project team as well as in the data migration team. The data migration team consists of both HR personnel and IT experts.

CORE is a cloud based HRIS and different modules; employee central, performance management module, recruiting module, can be implemented gradually. To be implemented first is the employee central with the employee core data and the organizational

structure. The second module to be implemented is the module for performance and goals.

When the decision was made in Company X to implement CORE the first step was to define the project organization and reference group set-up. The next big step was to find an implementation partner to help setting up the system and run the project with the project team. The kick off for the implementation project was after the implementation partner was chosen. The data gathering from all countries was performed during the summer months and the second data gathering is scheduled for later in the autumn. The launch of CORE will take place a couple of months before it will be opened for everyone's use. The CEO and head of HR will blog about CORE and other campaigns are organized in e.g. Company X's intranet. At the same time the first people are trained to become trainers who later train the managers.

	2013	2014			
		Q1	Q2	Q3	Q4
Status of the project	Project organization and reference group set-up defined	Finding the implementation partner	Project kick-off		⬤ **Go live**
Data Migration				Data gathering round 1 Testing	Data gathering round 2 Testing
Change Management				Launch for everyone CEO & head of HR start blogging	Trainings: Train the trainer, train the manager

Figure 8. Main phases in the implementation process of CORE in Company X.

5. FINDINGS

The findings of this study are presented in this chapter. The purpose of this research was to investigate the perceptions different stakeholders have on *why* e-HRM will be introduced in Company X, *what* possible *consequences* and *impacts* it might have, and *how can the strategic potential of e-HRM realize*. This chapter is structured to illustrate the main themes in the collected data and deliver answers to the set objectives of this research.

5.1. The state of HRM in Company X before introducing CORE

The purpose of this section is to provide understanding of the state of HRM in Company X before the implementation of CORE. The thoughts different stakeholders have on HRM and HRM strategy in Company X are presented in this section. Also, the role of HR and how different stakeholders see the structure of HR in Company X will be discussed in this section.

All interviewees agree on that HRM in Company X before introducing CORE is very fragmental and complex. The role of HR is perceived differently by different stakeholder groups (HR, LM, and TM) but there are also differences in the perceptions within stakeholder groups. What HR does and how HR is structured seems to be more or less a mystery to most of the interviewees. Only TM representatives are aware of the current HRM strategy, which, however, has only recently been launched.

The unclear picture of the role and structure of HR might depend on the recent major changes in Company X, top management representatives have changed, new head of Corporate Human Resources has been hired and a corporate HR function has been formed again. Company X is moving from a "One company" model to a model where the BAs are increasingly independent and where the corporate's role is to ensure that the BAs have successful prerequisites to operate in their own areas of business. The strategy of Company X has changed due to these organizational changes and the new strategy has apparently not yet been adopted by everyone in the organization.

"..The BAs which have been given a mandate to act as independently as pos-sible [...] on the other hand they are bound a little bit by the group's alignment in some areas, but somehow I find that they are entering a time of this kind of independent thinking…and they create their own practices which are not nec-essarily in line with others'. But it is maybe a little controversial that at the same time something common is wanted but also everyone wants its own guide-lines [...]" HR1

5.1.1. HRM strategy

When asking about what is strategy the most of the interviewees agreed on that it is *something long term*. A long term plan or guidelines how to ensure the company's growth, how to add shareholder value and reach the targets. One HR professional point-ed out that during the past years the strategy has changed as the company has changed and, today, the strategy is emphasized a lot.

> *"Strategy [...] it is kind of guideline…for how to act or a plan how to act…We have like a target and we consider how we get there [...] So, guidelines."* HR2

Important regarding the strategy is that the owners and the top management are on the same page; that they understand the possibilities and challenges the company is facing. It is important that they understand the most important battles, the so called "*must win battles*", where the company has to grow aggressively or to be able to keep the threats as far away as possible. The support function's role is to ensure that the company has the prerequisites to be able to do this.

The HRM strategy and its content are unknown to most of the interviewees, even to the HR professionals. One HR professional said that she feels that there are only a few who have a clear picture of Company X's strategy, not to talk about the HRM strategy.

> *"That is also unclear to many[...]and especially to those who has been here longer and seen [...] these mergers and now this kind of separation again [...] so now some might be confused of what are in the end the strategy and the tar-get [...] when first everything is concentrated and now all three business areas are separated from each other [...]"* HR3

However, it has been recognized by the top management that Company X has been lacking a clear HRM strategy and common global HR policies. The newly introduced

HRM strategy has been named as "basics in place" which indicates that the fundamentals are to be put in place in the near future.

> *"..We look at these policies, look at the processes which are carried out according to the policies [...] Look at the tools and resources and put like the basics in place."* TM1

5.1.2. HR structure and HR's role in Company X

Before implementing CORE there was no common HR model of operation defined in Company X. Either no clear HR roles, responsibilities or ways of working were agreed on. The HR in Company X consists of Business HRs, local HRs and Corporate HR.

> *"Well actually in my opinion that (the structure) is also quite complicated [...] it is sometimes a little hard to know who [...] who does what."* HR3

All the HR professionals explain the HR structure differently; HR1 talks about *site and country level HR*, *strategic business HR* and *Corporate HR* while HR2 divides HR into *HRD*, *HRM* and *HR*. Moreover, HR3 thinks that it is hard to know what is whose responsibility.

HR1 explains the site and country HR as the operational HR function, which ensures that everyone gets their monthly pay check. The strategic business HRs are business partners for each BA and they look at the strategic issues concerning the BA in question. The corporate HR looks at long term policies and practices – however this function is quite new and its role is not clear for the HR professionals.

According to HR2 the *HRM* represents the strategic HR "looking at bigger issues", such as firing and recruiting people, salary reviews and bonuses. *HRD* on other hand covers the employee development, and *HR* refers to the administrative HR which works with e.g. payroll issues.

Taken the fact that HR professionals have problems in knowing who does what it is not surprising that line managers feel the same way.

> *"..a normal employee is once in a while lost…what should be done with whom, what should be sent where or should it be sent and what is my role and what is HR's role"* LM3

On line manager feels that there is too few HR personnel compared to how many employees there are at his site, but on the other hand he has concerns about the increasing amount of HR personnel in the headquarters. This could indicate that since the roles and function of HR are not visible enough throughout the organization it might seem unfair that the amount of strategic HR personnel is increasing while the operational HR is staying the same.

The top management of Company X has a clearer view on the structure of HR. It consists of Corporate HR, Business HR and local HR. The Corporate HR is kind of a strategic architect looking at certain global processes and tools that are then implemented throughout the whole organization. The head of Corporate HR works as the strategic partner for CEO of Company X and the most important mission for the head of Corporate HR is to ensure that CEO has the best people to lead the company. When we turn to the business areas, the HR structure becomes more diverse; there are the strategic business area HRs and local HRs. The BA HRs work as strategic partners for the BAs and the local HRs are responsible for the operational work. The local HR is even more indefinable than the BA HR and a lot of historical roles are on top of each other.

The operational activities have to get done under any circumstances as the people need to get their salaries no matter what. As there are no global HR processes or tools HR has become very locally run and operational and this explains why HR has become different in every country. Also, as everything is done locally it cannot be measured and compared throughout the organization.

> *"The global processes are very thin and global information systems are [...] there are none [...] so it is like what it happens to be locally"* TM1

When thinking about the role of HR one could say that HR is supposed to be a support medium for line managers, as finance already is. The aim for these two support media is to provide sufficient amount of information for line managers so that they will be able to succeed. Finance and HR should also help line managers in processing and analyzing this information to help them make the right conclusions. Currently, the finance's role is more appreciated and known in Company X than HR's role.

> *"It is like the role of finance services is widely understood but for HR like the appreciation and ability to do it as efficiently as finance varies from place to place… Our HR's role is easily when there are no tools become too administrative…But it should however be strategic like finance's role."* TM2

This section gave an overview on the situation in Company X before the implementation of CORE. In the next section we now turn to the perceived and actual reasons for implementing CORE in Company X.

5.2. The motives for introducing CORE in the Company X

Four motives for implementing e-HRM dominate in e-HRM research. These drivers are cost savings, improved efficiency, improved international orientation and the shift of HR's role to a more strategic one. As for Company X, the similar motives came up in the interviews.

5.2.1. Improved global orientation

> "A global firm like this cannot be run in over 140 different ways [...]uniformity is very essential. " TM1

There are over 140 different system used for HR purposes globally in Company X, which means that the mass of over 10,000 employees is run very differently in different countries. There is no common system and therefore every country has created some kind of lighter systems to process the HR information. As a result HR in subsidiaries has become very locally run.

> "Well they are delivered as they happen to be...especially in countries the practices varies a lot depending on what tool they happen to have so around that the services are delivered as is possible in order to be able to pay every month salary to everyone [...] In my opinion reasonably good but that is just because we don't have knowledge about the organization and the people and these human resources that we try to manage [...]" TM1

5.2.2. Improved cost efficiency

> "However when we are in such a big...big company and this is [...] I don't know if the biggest cots are the human resources, but most likely [...] so in that sense it is quite smart to follow this information systematically." HR 3

When looking from the Company X's perspective the system is needed mainly for three reasons.

> *"To improve performance, improve the information flow and make control easier."*TM2

The aim with CORE is to verify company's performance and capacity. First of all, decision making and evaluation should be fact-based and the information should be available as broadly and fast as possible. Every line manager should *have* fast access to the information; they should not have to dig for it. The lower the organizational structure is the faster and flexible it is. To achieve such low organizational structure one should have the information of where we are and on other hand measure the change that we strive for.

> *"The costs related to the human resources; salaries, social costs etc. are our biggest single items of expenditure and overall getting a good grip on those improves efficiency and brings along possible savings."* TM2

5.2.3. Improved customer service and efficiency

Previously, HR has conducted tasks manually in order to ensure that everyone gets paid. This manual work needs a lot of people working on it, which for one makes it inefficient. All HR information that needs to be updated goes through a small group of people and in fact, only a few might have access rights to the specific application or system. The visibility to the information is poor as it is so hard to find. Every country has their own ways of keeping track of the information and the majority of the information processing is done using Microsoft Office tools but also by using various local applications. Line managers use e-mail as the prior communicating medium for getting HR information from HR.

> *"We live in a "collecting information" and a scattered environment. All information is behind someone or on a server on in an Excel. Always <u>someone</u> is needed, since it is impossible to proceed as the information cannot be checked in a system at that point"* HR1

> *"When an employee exits he should be destroyed there and there and there and if a new employee is hired he should be added there and there and there [...]this might cause ineffectiveness."* LM 3

Lack of valid information came up in several interviews. The invalid information might depend on both that there are so many different applications in use but also on that only a few people have access to edit and update the information. In other words the information flow regarding HR information in Company X is poor. There are several systems and different "master systems" in use, which are not talking the same language with each other. This means that the information needs to be put in all the different systems separately, which is very time consuming but also increases the risk for human errors. All updating of personnel and employee information is HR's responsibility. However, the information needs to be delivered to HR before they can update it. If the information does not reach HR will not be updated and the invalid data remains in the systems. Line managers have access to some HR information that is on the intranet. This information is however mostly guidelines. In the end, the information is very scattered and one should know exactly what to look for and where in order to be able to find it. When one finds eventually the information there is a risk that it is old and therefore invalid.

> "[…] *They don't always have real time data in their own system about people's holidays [...] there is not always information on salary increases [...] that when it took place and on what grounds."* LM 4

The information flow is not poor only between HR and line managers but also among HR professionals and business HRs. A business HR has no visibility to any HR data and they always need to consult the local HR if they need any information on the human resources.

Transparency, improved efficiency and streamlining ways of working were things that many interviewees mentioned as possible reasons for introducing CORE. Transparency would lead to that line managers would not have to ask so easily from HR as they could look for the information themselves in CORE. Better transparency goes hand in hand with a better visibility. CORE might give HR and line managers a better visibility to relevant HR information.

> *"Transparency throughout the organization to what kind of people, how much [...] what we have...I would say the most important regarding transparency is that everyone would have the same master tool and not as in worst-case-scenario Excels as HR-systems [...] Although, this is such a big company..."* LM4

However, line managers are overall happy with the HR service because they usually get what they ask for. One of the line managers is strongly against CORE since he gets everything he asks for by calling, sending an e-mail or visiting face-to-face. However, most line managers think that HRs customer service could improve as they could focus more on supporting them than in the time consuming administrative tasks.

> *"The status of HR…well[…]let's say it is too reactive and focused on routines [...]that maybe HR could be more active and focus in strategic competences and preparing for those and supporting those."* LM3

5.2.4. HR's role changing to more strategic

CORE has the potential to make HR less transactional and improve its standing as an equal support medium in comparison with finance. CORE will lead to some of the operational work being pushed to employees and line managers. Now as only a few people update HR information, a lot of errors occur. The belief behind giving employees and line managers more responsibility in updating HR information is that *"the doing should be where the information is"* (TM1). The one who "sits on the information" should be responsible of updating it; a new bank account should be updated by the employee him/herself and a new title should be updated by the line manager and so forth. It is unnecessary to first send an e-mail to HR notifying about the change and then HR makes the needed updates in the application(s) when the employee and line manager can make it right away him/herself. HR is now taking its first steps moving towards a more strategic role.

> *"My clear belief is that we in the HR are not an archiving function, but a strategic partner whose mission is to produce that kind of workforce that we can actually win these business contests and not some kind of information system maintaining –contest"* TM 1

As a conclusion CORE has potential in making it possible to clearly define the different HR services that are provided. These services could be divided into transactional and strategic. CORE makes providing transactional services, i.e. operations related to employees, their employment and salary, more efficient. At the same time CORE enables HR professionals to provide strategic tools which help in implementing the strategy with a more efficient organization, with better know-how and suitable roles.

> *"It is not possible to do strategic HRM if you don't have understanding on where the human resources are and what they consist of"* TM1

5.3. Consequences and impacts of e-HRM

Implementing e-HRM has various consequences. In an ideal situation the perceived benefits, the motives for implementation, go hand in hand with the actual consequences. The researchers have suggested various positive consequences such as cost savings, standardization, increased control, new data, HR's image improved, HR's role change. In this section we explain the expected consequences of CORE.

5.3.1. Standardization and a higher level of control

Company X has had various HR policies and processes but they have not been possible to verify as there has not been a tool. For example, everyone in the organization should have a personal development discussion with his/her line manager but this has not been followed up on since there is no system in which the discussions could be registered in. CORE will ensure and provide the possibility of verifying that all employees of Company X work for a common goal.

> " *I can go and see that everyone has their targets set and in addition to that even verify that are they aligned with the business strategy"* TM1

From the employees' perspective this could be seen as giving more meaning to the work they are doing. Everyone would know how their work contributes to the company's success, i.e. how the individual targets are aligned with Company X's business targets.

In a global company like Company X with over 10 000 employees, the human resources are a significant cost. At this point there is no systematic way to conduct the basic transactions or even control them, and there is no commensurable practice on where the money is allocated on and who has accepted what. CORE will systemize these basic transactions and enable their control.

> *"In a certain way when you don't have the information it is impossible to make fact-based decisions, which is of course quite crazy in an environment like this[...]to manage this kind of big group and make decisions based on "some" data but you can't ever be totally sure if the data is correct [...] "* TM 1

CORE aims to standardize the HR processes globally and thereby increase control in the subsidiaries. The standardized policies and practices behind the processes help the stra-

tegic HR to measure the transactional HR better and finally CORE makes it possible to see and verify transactional HR functions in different countries. However, it is not only to top management whose level of control increases. Line managers will have a better control over their teams as they can see and edit their teams' data and take out various reports themselves.

5.3.2. Improved transparency

Improved transparency is something that all stakeholders are expecting from CORE. As there will be one common system for everyone the access to HR information will be easier. CORE will give the head of HR better visibility on the human resources in order to make transparent fact based decisions. Line managers will also have better visibility in their teams' information.

> "Well, globally…it could have benefits such as one could look from the HR system for profiles and view the work history and so forth, it could help in these kind of global positions." LM 4

This transparency of organization and employees might enable a more fair culture in Company X as for example it will be easier to verify that same kind of positions are worth the same amount of money.

> "It would probably give a better possibility for our unit's management […]when salary reviews are ongoing […] and same kind of positions under different line managers and when people transfer to different positions[...]so this kind of transparency in salaries and their grounds so that there would not be situations where the salaries are unfair. These kinds of things are easier to look at." LM3

The transparency CORE brings along is both internal and external. When Company X is internally standardized the information can be compared externally. In this way the competence practices remain fact based as Company X will have market understanding on e.g. the wage trend and will be able to compare the salary level in Company X with the outside world. Then it is possible to look at how Company X is positioned as an employer in a specific market and ensure that Company X is competitive and is not paying too much. CORE enables a possibility to verify that the salaries are based on performance and that the salary increases go to the right addresses based on performance.

> *"That it has a lot of value adding fact based factors which bring new bearing to this doing and it is not guessing anymore."* TM1

Fact based decision making is something that is strongly emphasized by both top management representatives. Fact based decision making increases fairness as it will possible to better communicate why decisions are made as they are. The management does not have to look for any excuses as they can refer to the information they have.

> *"As a management tool this is like a 'stone base'."* TM1

5.3.3. Cost savings

The expression 'time is money' came up in several interviews. Some argued that CORE saves time for HR personnel since the administrative tasks are automated but also because some of the administrative burden is transferred to line managers. One HR professional was concerned about whether the time savings for HR personnel become a cost for line managers.

> *"[…] maybe users feel that they need to use time in something that they haven't used time for before…they can experience that they have less time on […]as they might express it[...]in the actual work. Then it could be seen as a cost as it reduces the time for the actual work."* HR1

Some of the line managers feel that CORE would release both their and HR's time to more important tasks. CORE could probably diminish the need to ask HR for small trivial questions. Sending e-mails and various papers back and forth are more time consuming than checking the information from your own desktop.

> *"This reduces also line managers' kind of [...] somewhat manual work when they need to send various papers[...]back and forth"* HR3

However, one line manager has a skeptical attitude towards CORE. He thinks that a new system always increases costs and he sees that the only cost saving would be if the amount of HR personnel would be reduced. He continues by arguing that it is only a theoretical saving if HR is able to focus on other "*more important*" tasks.

> *"It could save time for HR, for me it doesn't save time at all. Asking a question from a person takes less time than if I open a system and look there for the answer."* LM2

The top management is partly of the same opinion that LM2 as saving time is kind of a rounding error.

> *"Time is saved yes, but it is kind of a rounding error. If we get this company more efficient then the biggest benefit comes from the strategic part, that if we can verify that the set targets in the Personal Development process, that the strategy that we have in this company, that the individual targets are aligned with it and we actually get the whole crew to execute the strategy. So the bigger upsides are in this kind of performance management process so not only savings but also rationalizing, that we get better productivity with what we have. I think this is the argument for all of this."* TM1

Notable is that the actual implementation of a new system costs always something. However, problematic with this kind of system is that it is hard to measure how much actual cost savings occur as the administrative burden diminishes while it does not directly result in reducing the human resources. In this case it is favorable to measure effectiveness by showing that CORE results in savings in the total salary costs. As there are over 10,000 employees in Company X the percentage saving per employee does not have to be very big for CORE to be able to pay itself back. The top management argues that the cost savings come from using HR information in a better way than before.

> *"The current costs for the organization would be better on record"* LM4

5.3.4. HR Image

Whether introduction of CORE has a positive impact on HR image in Company X was not something all the interviewees agreed on. Half of the line managers do not see CORE improving HR image but the other two think that if CORE improves HR operations and the quality of HR service the image gets better as well.

One of the HR professionals argues that HR image is something HR needs to work on; they need to communicate who they are and what they do in order to improve HR image. Thus, improving HR image can be seen as something that is HR's responsibility. The other two HR professionals consider the increased visibility of their actions as something that could improve their image. The visibility gets better as CORE is a system for *everyone*; the HR data is no longer some kind of mystery for line managers and employees.

Top management thinks strongly that CORE has a positive impact on HR image.

> *"Well it is clear that when you move from the back office to front office, to more strategic themes and you can actually support the business on those areas where it is needed"* TM1

5.3.5. Service

Everyone thinks that CORE might have a positive impact on the quality of HR service. Noticeable is that both operational HR and line managers seem to have same kind of expectations on HR service. Line managers hope that CORE makes it possible for HR to focus more on employee development issues. HR, for one, hopes that CORE releases time for them to focus more on the actual *human resource management*, i.e. by getting the processes clearer, developing the employees and improving the work wellbeing.

> *"The likelihood for errors will diminish significantly as now we have so much manual work and nothing more than a copy-paste mistake is needed for the information to go wrong. But when the information is there and it transfers from there, it cannot change by itself."* HR1

One thing that has a positive impact on HR's service is that the information will most likely be valid as CORE is implemented. However, not immediately but as the ones "sitting on the information" start to update it into CORE.

5.4. Impacts on different stakeholders

CORE will have an impact on everyone in the organization. It has a various direct impacts on different stakeholders' daily work but one thing that is common for everyone:

> *"A concrete example is that running things in Excel and constant signing of papers end."* TM2

5.4.1. HR

There is a strong belief that CORE will have an impact on HR's role, but there are various opinions on what the impact could be. HR professionals think that CORE will release their time for "*other*" and "*more interesting tasks*" since not as much time will be

needed for transferring various forms from one place to another and for updating the same information in different applications and Excels as now. However, one HR professional thinks that her role is not going to change so much – the administrative work will remain even though there will be a new system. She thinks that the same work will be done just differently. The opinions on what the *"other"* and *"more interesting"* tasks might be differ between the HR professionals.

> *"HR can focus more on…the co-operation with the business."* HR2

> *"In my opinion competence development and…work wellbeing issues…"* HR3

Some of the line managers seem to hope that due to CORE HR will have more time for supporting them in competence development issues. Line managers also hope HR will take more initiative in HR policies and guidelines.

HR professionals, line managers and top management agree on that the responsibilities of HR are most likely to shift as a consequence of CORE. Some think that it is definitely a good thing, but what if administrative work is what you are most familiar with and enjoy it?

> *"For others the fact that the job description will change – that your job is handled by a system – means of course "what happens to me" or immediately the question of what happens to me comes up, when the expectations from you might suddenly be different in the future than what you are used to and in what you are really good at. And that is our kind of internal challenge; how will we get people who have done administrative work their whole life to become interested in a more consultative job…and we want to build those competences with which it is possible to do. It isn't always easy."* TM2

5.4.2. Line Managers

CORE will definitely have an impact on line managers. First of all, they will have increased responsibility in updating the data related to their subordinates. However, CORE makes it possible for them to follow their subordinates' performance ratings and CORE can be useful as a tool for defining what is satisfactory performance, good performance and what is underachieving.

> *"We might possibly notice that line managers in different organizations do the ratings differently"* TM2

One of the line managers is strongly of the opinion that he does not need CORE. He has all the information in his mind of his own team and therefore he cannot see this benefit of CORE. However, he sees that for higher level management CORE can be very useful as they have so many employees to manage and keep record on that it is impossible to keep all the information in one's head. This particular line manager might use the system if it is easy to use but he will not give up the face-to-face contact he has with HR professionals.

There was a concern raised by one HR professional regarding the fact that line managers might experience CORE as time consuming which could make them very unsatisfied with the system. However, two of four line managers see CORE as releasing their time for their *actual work*. One argues that asking these "trivia questions" takes a lot more time when you have to ask HR compared to if you could just check the information yourself in the system.

> *"The overall impact of it (CORE) increasing the work load – I don't believe it. I rather believe that decision making and moving forward with things become faster…and through that working become more efficient when you don't have to send e-mails and ask and wait for someone to answer."* LM4

5.4.3. Top Management

> *"It is important that it enables a better visibility not only to employee quantity but also to organizational levels and this assessment and others. It gives plenty of good statistics which I can use in my work and assessment."* TM1

All in all, the top management seems to be very eager to get CORE up and running. The top management representatives expressed their frustration on having to sign various approval forms which will end or get reduced due to CORE. Although, they are primarily looking forward to all the analytics the system will eventually provide. These analytics, the strategic potential, is what the company will really benefit from if utilized properly.

5.5. Possible challenges in implementing CORE

When implementing a new system there is always a risk of fundamental challenges which can result with system flaws. Following, some concerns were raised by the inter-

viewees regarding the implementation process. One HR professional is afraid that if the information that is uploaded in the system is not correct, it will diminish the credibility of HR. However, as there are so many different systems in use globally and all the work is done more or less manually, all the information will not be correct. The fact that there will be invalid data uploaded in CORE is acknowledged by the top management. It has also been acknowledged by the top management that this transfer from over 140 different practices into one system can be painful and will cause a lot of work. Some subsidiaries might have to keep two systems parallel with each other until CORE is ready to be used alone.

> *"I think that one major challenge will be to get the data correct in the system because I believe that we will find quite many places where the quality and accuracy of the data is not as CORE will demand. This brings pain and along with the pain it brings responsibility [...] in one sense this makes us to put things in order."* TM2

As LM2 puts it *"Change resistance is part of every change"* it will most likely occur in the implementation process of CORE. In this case the change will be significant as this implementation is not an upgrade but a totally new system which brings along new ways of working.

> *"Here comes one size socks for everyone and those have to be worn and lived with."* TM1

One of the biggest advantages CORE is believed to have is that the risk for errors diminishes significantly and the information will be more reliable. However, one of the concerns was that there might be a different kind of risk for errors: the line managers. Line managers will have an increased responsibility in updating some of their own information as well as their team's information. First of all, they need to *remember* to update the information and secondly, to do it in the *right way*. A couple of the HRs were also concerned over the reactions line managers will have as they realize that they have to do something HR used to do.

> *"It should be carefully considered that who does and what, how much of updating HR information is transferred to the people themselves and to what extent it is smart to do…To some extent yes, but what is HR then doing [...]Let's say that they should focus on competences and development and other things…but it (CORE) can have negative impacts if it is seen as a burden[...]difficult[...]and the line manager does not feel benefiting from it."* LM3

The importance of understanding the reasons for implementing the system was suggested in several interviews as something that could help in overcoming the change resistance. Thereby it is important to communicate the actual reasons throughput the organization. Another thing that was highlighted was understanding the importance of the *own responsibility;* it is important for everyone to understand that CORE is a common tool for everyone and all users have responsibility in keeping it up-to-date. This means a shift from a culture where someone always helps you to a culture where the own responsibility is highlighted. Thus, a change in the mindset is required.

> *"Yes, the system change is not often the main thing, but the cultural change which is change in behavior. It can be noticed that several of our line managers think that information must be delivered to them, so that we all learn that there is this online tool that we will use ourselves is a behavioral change. It is an important change that we learn to use it and we actually use it. Another important change is inside HR and organization to reduce the administrative burden and transfer peoples energy to more strategic HRM questions. I guess it will be interesting to see how that goes."*TM2

The line managers had difficulties in seeing how CORE could have a negative impact on the organization. Change resistance is something that some of the line managers said could become a challenge. Proper training and communication would, however, help in overcoming the change resistance. One line manager suggested that in case none of the perceived benefits would realize, CORE could be experienced as a burden. Another of the line managers strongly feels that there is definitely no need for such system. He has no need for it as he gets all he needs by asking. This particular line manager reflects what TM said in the earlier quote, he is such a manager who is used in getting help from others instead for looking for the information himself. However, he did not come up with any negative consequences CORE might have.

One concern about confidentiality came up in an interview. A lot of *sensitive* HR related information that has not been available will be available globally due to CORE. One line manager expressed that some might be concerned of who will have access to all the data and how are the access rights defined? There might be change resistance if the access rights do not satisfy the end users.

CORE has multidimensional consequences in the basic transactional HR operations but it first and foremost enables a strategic role for HR and this kind of fact-based people management as well as more clear processes with which everyone's targets can be veri-

fied; whether they are aligned with the business strategy and how they have been reached. Next we turn to the perceived strategic impacts of CORE.

5.6. The strategic potential of CORE

When evaluating the strategic potential of e-HRM it is important to understand what is meant by HR having a strategic role. Most of the interviewees think that the strategic role of HR has "*something to do with human competences*". For such expert organization as Company X the human competences are crucial for the company to be successful.

> *"As for HR's strategic role, the most important thing is to have the right people in the right places and that they get fair compensation. And if more resources are needed the recruitment process should be as efficient as possible. To keep people content…Motivating the people is the most important thing."* LM2

There seems to be a common understanding within the top management that HR should be a strategic partner. The importance of people is recognized by the top management and by ensuring that the company has prerequisites to succeed in the so called must win battles HR's role becomes strategic.

5.6.1. CORE's role in making HR more strategic

The foundation for HR being strategic is to clearly understand what the work force consists of and how it is allocated to the areas where Company X really has to win. CORE provides data of the work force globally without which it is impossible to do global competence or talent planning.

All the information of the work force around the world will be in CORE. Compared to the current situation, first of all the information will be accessible and secondly; faster. As a consequence of this it will become easier to plan ahead e.g. mobility inside the corporation and between the BA's. CORE makes it easier to do career planning for single employees and by doing that to ensure that the well performing people are not lost to competitors. All this helps the top management to ensure that the right people are in the right place.

> *"If we want mobility inside the corporation it probably will support it as it will be easier to find suitable people. It helps HR's planning"* HR1

HR1 sees the connection between CORE and the work force planning but the two other HR professionals cannot see the strategic aspects of CORE. They only suggest ways in which CORE helps them in their daily work. The other one mentions that it will be easier to take reports from CORE, but she focuses more on statistics of sick leaves than on the strategic possibilities. The other one comments only that CORE could help HR to be closer to the BA.

CORE is seen as a tool that gives management fast access to information and a possibility to take out various reports. As for HR, line managers see CORE as improving efficiency and helping HR concentrate on "other" tasks but they cannot see how CORE could have an strategic impact.

> *"As what I know now…I think its impact is quite small to HR's strategic role…I see it more as a technical solution to keep things in order…and release time to do other stuff…but I don't see it as a core thing for strategy… that it will have a great impact on our strategy…no"* LM3

Some line managers are somewhat skeptical; they cannot see how CORE could change HR's role to become more strategic. Among these line managers CORE is seen as a tool for HR which makes HR more efficient, but these line managers cannot see how CORE could help in finding the right people for the right positions. Overall between the line managers, CORE is seen as a technical solution that gives HR more possibilities and transparency and it might simplify processes and improve the efficiency.

However, one line manager seems to understand the potential in CORE; how top management will have access to more information and can make decisions based on this information that have impacts on the costs and development.

> *"If I were a business manager or a manager on a high level I would see that these kind of things would be seen online all the time as they have a huge impact on costs and development. I think this will become easier."* LM1

5.6.2. CORE's role in supporting the business strategy

> *"From HR's perspective HR's mission is to support the business strategy."* HR1

As HR is a support function, its objective is to support the business strategy. The top management strongly feels that CORE will definitely help HR in supporting the business strategy. But they emphasize that the system needs to be used in a proper way so that the information is actually utilized in order for HR to become more strategic as a consequence of CORE. The company should be managed based on this information.

> *"The fact that we can better and more proactively support the strategy implementation is clearly the biggest benefit of CORE. And these transactional things will become modernized in such way that the doing will get easier."* TM1

One line manager highlighted that CORE might make it possible to ensure that at least the most important things have proper resources. He continues that CORE could make it possible to spot people who are not working on the right things or are not 'fully used'. As they are spotted, their work input can be allocated in a more optimal way, and efficiency is improved.

CORE might help the top management in allocating the resources in the best possible way. It might help them evaluate whether right people are sitting at the right places globally and evaluate whether there is a proper amount of people working on a certain project. It also helps in evaluating whether Company X is organized in a way that the information flow is reasonable and good management practices are possible to execute. One line manager emphasized how the allocation of resources also improves the efficiency, as people will no longer be working on tasks that do not support the Company X's strategy. CORE has also the potential to enable the alignment between individual targets with the business strategy.

> *"To have a system like this is the starting point… I am surprised on how well we have survived without such a system and what happens now when the systems are in place and we have for real a visibility and a huge possibility to develop this business"* TM1

As discussed in this section, the strategic benefits are the most desired consequences and the transactional benefits which come along are easing some of the operational work. However, at this point the strategic benefits are only desired consequences.

> *"It is possible but it (CORE) does not in itself mean that it will happen."* TM2

6. DISCUSSION

The purpose of this chapter is to discuss the research findings and offer an analysis connected to the research objectives. First, the research questions are repeated and then, connections of the research findings to theoretical framework are presented.

The purpose of this study is to examine the perceptions different stakeholders in an MNC have on adopting e-HRM. To deliver understanding to this purpose three research questions were formed; RQ1) What motives drive to the adoption of e-HRM?; RQ2) What are the impacts of e-HRM?; RQ3) How is strategic potential of e-HRM realized?

All stakeholders evaluated the current situation similarly and they suggested similar motives for the implementation decision. The expectations between different stakeholders on e-HRM were somewhat aligned but there was a gap between the top management and the rest in understanding the strategic potential of the HRIS, CORE. The operational consequences of CORE were highlighted more by HR professionals and line managers while the top management focused mainly on the strategic motives and the possible strategic impacts CORE might have on overall performance.

6.1. Motives for implementing e-HRM

With respect to the first research question a strong need for e-HRM was recognized in the case company. HR is run different in every country and a total of more than 140 systems are being used for HR purposes. HR is not commensurable in Company X, there is no HR information available throughout the whole organization. The top management does not necessarily know who works for Company X and where.

Line managers and HR professionals assumed that HR is too reactive and administrative and does not have enough time and resources to support the line managers, for instance, in competence development. Top management was looking from a wider perspective when evaluating the current situation. Indeed, top management was aware of all operational defects presented by HR professionals and line managers, but they emphasized the strategic motives for implementing the system. The question is not only about implementing an HRIS to make the HR operations more efficient, it is mostly about implementing a more strategic way of working for HR, and the whole organization.

6.2. Operational benefits and impacts of e-HRM

With respect to the second research question, similar reasons for implementing of e-HRM occurred in the case company as in the previous literature of e-HRM. Cost savings have being considered as the primary justification for implementing e-HRM and according to one study e-HRM reduced 75 % of the HR transaction costs (Bell & al. 2006: 295). HR professionals and line managers in Company X could not see the direct cost reductions resulting of the use of CORE. All respondents indicated that it will reduce HR's time spent in administrative and routine tasks, but one line manager argued that as long as the number of HR personnel stays the same one cannot talk about cost savings. Responsibility of updating HR information shifts in some extent to line managers and employees, which means that the ones who are the "primary owners" of the information will update it. The top management, however, suggested that the actual cost savings will occur when they will be able to verify how much human resources Company X actually have and where. It will then be possible to allocate the human resources better based on the data, and this will bring along cost savings.

As Rüel et al. (2004) argue one major benefit of e-HRM is that it might improve the global orientation and thus make standardization easier across countries. Indeed, the starting point for Company X was that it is using globally over 140 different systems for HR purposes. HR is locally run and every site or country has their own ways of processing and maintaining the HR information. Therefore, one major reason for adopting e-HRM in Company X was that it makes the standardization of HR policies, processes and practices globally easier. As the HR processes and practices are globally standardized it will become easier to measure and verify them across different sites and countries.

Based on previous research (i.e. Lengnick-Hall & al. 203:366; Ruta 2005: 35–36) HR customer service improves because e-HRM diminishes the risk for manual errors as it automates a lot of the manual work. The transaction process is argued to become faster, information should be more accurate and the information flow in general gets better.

After CORE is implemented there will be one way instead of 140 ways for processing HR information. The information will no longer be in one person's Excel on a specific site, instead it will be in CORE. HR professionals themselves thought that CORE will reduce errors and the information will be more accurate. The access to information was believed to become easier and one does not have to always ask someone for the information and. Thus, the information flow gets smoother. The data will more likely be real time as the ones "sitting on the information" are updating it without any middlemen.

Another thing that will improve efficiency is the greater possibility to make fact based decisions and the decisions will no longer be based on "*some*" information. It is also easier to measure standardized HR than locally run HR.

The above mentioned reasons for implementing CORE are all perceived consequences of e-HRM. In addition to those there are a couple of other perceived positive consequences that came up in the results. As there will be one system in use for everyone and the policies, processes and practices will hopefully get standardized the transparency will improve significantly. The transparency will improve both internally and externally. Internally, decisions can be based on facts and externally, the workforce and the compensation levels can be compared with the outside world to ensure that Company X is not paying too little or too much. This will have an impact on fairness, as everything will be more transparent and e.g. salaries can be verified to be based on performance. This enhances fairness in that way that similar positions in different teams are worth the same and all policies are followed in a same way regardless of site or country.

There has been only little research on the actual impacts e-HRM has on different stakeholders. As for HR personnel some impacts have been acknowledged, e.g. HR function might become more strategic which however requires new competences from HR personnel (Bell et al. 2006:295 – 306; Gardner et al. 203: 160). As for line managers, the HRM responsibilities are increasingly being shifted from HR professionals to them and they should adopt a "partnership" approach between HR, line management and employees to manage HR issues (Renwick 2003: 265). CORE will have an impact on everyone in Company X. Both line managers and HR professionals agreed that CORE will release HR's time for other tasks. Competence development was mentioned several times and especially line managers seemed to hope that HR will have more time to focus on supporting activities. Line managers seemed to understand that their responsibilities will grow in updating HR information and some saw it as time consuming. However, most of the line managers agreed on that HR is too reactive and spends too much time on trivial questions instead of in supporting them. One argued that even though he might have to use more time in updating HR information than before, it will still become faster for him as he does not have to wait for an answer for days. CORE will impact the top management as well. Firstly, signing and sending the papers will stop and secondly, they will get good statistics out of CORE to help them in decision making.

It is interesting to note that line managers' attitudes overall were quite positive. However, this might depend on that they were not yet fully informed on how CORE will actually impact their work. Their attitudes might change when they get access to CORE but

their attitudes give the change management process a good starting point. In general, everyone seemed to be at least partly of that opinion that CORE is something that is needed. They seemed to understand that CORE is *must have* for a global company as Company X, no matter how painful the implementation will be.

6.3. Strategic impacts of e-HRM

The final aim of this study was to investigate how the strategic potential is perceived to realize. As e.g. Rüel et al. (2004) argue; one big benefit and major motive for implementing e-HRM is that HR's role is more likely to shift into strategic. However, according to previous research it seems to be easier to realize the operational benefits than the strategic ones. There are contradictory findings on whether the strategic potential of e-HRM is realized or not. According to some previous studies e-HRM has the *potential* to provide a strategy supporting role for HR, improve HR's image, support international strategy and move HR towards global integration. (Tansley et al. 2013; Parry et al. 2011A: 337).

Company X is primary aiming to achieve great strategic benefits of e-HRM. The transactional benefits which improve efficiency were seen more like a "side product" of the strategic ones. However, most line managers and HR professionals considered the operational benefits as the major benefits of e-HRM. This might depend on that their roles are more operational than strategic and therefore the operational benefits will have a greater impact on their daily work than the strategic ones. Another issue that could cause "blindness" of the strategic potential is that everything is so locally run and neither line managers nor HR professionals are well aware of the corporate strategy or the HRM strategy. Their work spins around the operational and daily routines.

Researchers have suggested various ways in which e-HRM can contribute to HR playing a more strategic role. e-HRM creates time for HR to engage in more strategic tasks, it provides valuable data to help in decision making, modernizes the HR function and allows a seat at the strategy table. (Grant 2010; Martin et al.2010; Dery et al 2013). All these ways came up in the interviews. All the interviewees agreed on that CORE will release HR's time to other tasks, such as competence development. Some HR professionals and one line manager suggested that CORE will provide valuable data on the human resources which can be used for allocating the resources in a better way. This was actually one of the main motives for top management to implement such a system.

CORE will most certainly provide a large amount of data that can be used for decision making. This data might enable verification of that the right people are in the right places in order to be able to win the *must win battle;* the business battles that are critical to win. In addition, CORE will certainly modernize the HR function as the processing of HR information will become faster and the information is available for more people across the geographical boundaries. HR will become more efficient. It seems that HR has already a seat at the strategy table as a new head of HR has recently been hired. Now it is just the matter of keeping the seat.

The line managers did not think that CORE will improve HR's strategic role. Most of them considered CORE as a management tool, or as a HRM tool that only eases HR's work. However, line managers explained HR's strategic role as *something to do with human competences* and one line manager suggested that CORE can be used for verifying that the right people are working at Company X and for ensuring that they will stay employed. Only one of the HR professionals considered CORE's impacts in a broader scale than just looking at the direct impacts it might have on her own work. This particular HR professional could see a possible link between CORE and an improved ability to talent management and resource planning.

The top management were strongly convinced that CORE will support the business strategy. It allows them to verify that every individual's targets are in line with the business strategy and simultaneously everyone can see that their work has an impact on the Company's performance. Moreover, it has been stated that as HR's role becomes more strategic the image of HR might improve (e.g. Tansley et al. 2013) According to top management the image of HR should definitely improve as CORE is in use. HR will hopefully get rid of its role as an "archiving partner" and becomes a strategic partner. None of the interviewees saw a negative connection between e-HRM and the image of HR but most of them did not think that it will radically improve the image.

To actually become strategic e-HRM needs to go beyond automation and increased service efficiency and promote new forms of value that lead to competitive advantage. (Barret et al. 2013: 254). HR becoming a strategic partner is not just about improving the image of HR and getting more appreciation, it is about creating value for the company. As for Company X, the top management believed that strategic HR makes sure that the company have the right people in the company to win the *must win battles.* HR becoming strategic might improve the image of HR but as the company's performance improves the image of the company might improve as well. All in all, it is about creating shareholder value.

6.4. Challenges to consider

However, implementing e-HRM is a complex process facing several challenges. It is important to note that CORE is only a system, which means that it will not run by itself. For CORE to realize all its potential, the end users need to become committed in using the system and use it in a proper way. Moreover, the top management shall utilize the statistics they get from CORE as a base for their decision making.

In other words, the system needs to be easy to use and it needs to function as planned in order to attract end users. This will very likely happen as there is a project organization working together with an external implementation partner to successfully implement CORE. Secondly, the end users must be convinced to use CORE in a proper way. The top management has acknowledged that there will be a very painful phase in the beginning when it will be realized how much invalid data has been uploaded to the system and all that information needs to be corrected. At the same time end users might make mistakes in updating new information, which then needs to be corrected as well. One HR professional raised a concern regarding line managers updating the HR information wrong, as it is something that line managers have not done before.

As perceived and as previous literature (i.e. Bell et al. 2006: 295 – 306; Maier et al. 2013: 193) suggest: e-HRM might change HR's role. A lot has been discussed about the strategic potential and how HR can become more strategic, but, wh*at happens with the administrative HR personnel*? As the tasks might change competency in administrative HR delivery becomes less important and instead new and more functional skills are required (Bell et al. 2006: 299 – 302). However, some of the operational HR professionals might have done administrative work their whole working life and now they suddenly should shift to other types of tasks. What if the "other" and "more interesting tasks" are not interesting for them? One of the HR professionals suggested that even if CORE will automate some tasks all the administrative work will not disappear; it will just be done differently. The top management has acknowledged that it might be challenging to train the operational HR personnel to more consultative roles.

The level of control increases at different organizational levels in Company X; the top management will be able to increase their control in the subsidiaries based on the new data; the strategic HR will be able to better verify that Company X has the right human resources; and line managers will have an increased control over their teams' information. However, operational HR's level of control can be considered decreasing. Until

CORE will be in use, the HR operations have been extremely locally run. The information has been in some cases behind one person alone, which means that this person has in a way *controlled* and *owned* the information. The information will soon be available for more people and it will probably be updated by other people than the operational HR professionals. This should be noted in the change management process for operational HR.

The strategic potential of CORE was the main motive for implementing e-HRM in Company X. The operational efficiency gains are also significant but they come along the strategic ones. The main objectives for CORE are that it will enable management to verify Company X's performance and capacity, decision making will become fact based and the information will be available faster and more broadly.

One thing that came strongly up in the interviews was that for most HR professionals and line managers it seemed to be very hard to understand the strategic potential. They seemed not to have any idea of what the strategic benefits are. This should be noted in the change management process. The top management should aim to explain the strategic potential to HR professionals, line managers and also employees in their language. What the strategic benefits means for them and how they can see the benefits in their work. Therefore, the strategic benefits should kind of be "operationalized" to the operational personnel so that they will understand them and be willing to aim for them.

To sum up, it seems that the top management has thought about most of the possible challenges CORE might bring along and they have a solution for them, but all top management actually does is *globally*. The change management and the communication, that comes from top management is *global.* All the other work for the actual implementation happens *locally.* Local HRs are the ones who need to first of all be convinced of the system benefits themselves but also engaged to convince line managers and employees of CORE's importance. Local HRs are the ones who get all the complaints and have to struggle if there are any technical challenges. It is in the local HRs' hands that will the system become used in a proper way. Thus, it is important to have top management backing up e-HRM but it must be noted that the local HRs are the ones who do the actual implementation locally and it is depending lot on them that *everyone* will start using the system and thereby the information that will be in CORE will be accurate and reliable.

It needs to be remembered that in the end CORE is just a system. It is not strategic in itself or it does not provide any solutions on its own. It needs people to do it. As TM2 put it "*The possibility of what to do with the information is endles*s." but in order to do the endless list of things the information has to be utilized, *someone has to utilize it.* In many cases e-HRM systems are being primary used for day-to-day transactional tasks and record keeping and the strategic potential is not realized (i.e. Tansley et al. 2013; Strohmeier 2007). It seemed that the top management of Company X realized this and they will make sure that CORE will not become just an information bank.

> *"This (CORE) enables the achievement of various strategic targets in the system […] and that the alignment that comes along, that we align the individual targets more clearly with our other plans and strategy. And this tool enables this, but once again it only enables it, the actual hands-on work needs to also happen."* TM2

7. CONCLUSIONS

The purpose of this chapter is to conclude the main topics of the study. The validity and reliability are also discussed in this chapter. Then, a notion of limitations of this research and a proposal for future research are outlined. To conclude this report, practical implications are presented.

This research was conducted to answer three research questions; **RQ (1):** *What motives drive the adoption of e-HRM?*, **RQ (2):** *What are the impacts of e-HRM?*, and **RQ (3): *How is the strategic potential of e-HRM realized?***

As for the first research question, various motives that drove the adoption of e-HRM in the case company came up in this study. HRM needs to be modernized as it is very locally run, even though the case company is a multinational corporation with over 10,000 employees. Because of the local nature of HR, the operations are not commensurable across the geographic boundaries. The HR operations can neither be measured nor verified without such a system. As there is no common tool, there is no accurate information on all the human resources, where they are located and what they are doing. Looking from a subsidiary perspective, HR operations are very manual and slow. The manual nature of the operations increases the risk for errors. All this result in that HR in the case company is very reactive and has no time for proactively support the line managers.

The second research question focuses on the impacts of e-HRM. e-HRM will have an impact on everyone in the case company. Responsibility to update HR related information will partly shift from HR professionals to line managers. However, line managers will also be able to take out various reports on their teams and manage their teams' data in a way they have not been able to do before e-HRM. The administrative work of HR is expected to diminish because some of it transfers to line managers. Due to this, HR professionals might have more time to engage in such issues as competence development. However, the HR's administrative work might actually not diminish but the nature of it might change. HR needs to have administrative rights to the system and be the system support person for line managers. e-HRM will have various impacts on the top management as well. The constant signing of papers and running things in Excel will end, but as most important; the top management will get valuable statistics out of the system which they can utilize for decision making. As a consequence of this, the decision making will become fact based. Transparency will increase and so will fairness

too as a result of e-HRM. It will become possible to verify that e.g. salaries are based on performance and that the performance is evaluated similarly between teams and countries. It will also become possible to verify that the compensations in each subsidiary are in line with the market situation in each country.

The third research question concerns the strategic potential of e-HRM. As for the case company the strategic potential relies on the information e-HRM will provide for the top management. Strategic HR will be able to ensure that the right people are in the right places and they get fair compensation and thereby make the case company even stronger in the business battles that needs to be won. Line managers and operational HR professionals had difficulties in understanding the strategic potential that lies in e-HRM, while only some saw the connection between e-HRM and career planning. Regarding the strategic benefits e-HRM is expected to have; it will be possible to verify that the individual targets are aligned with the business targets. This might bring the strategy closer to the "grassroots level", however, top management should bring the strategic targets closer to the rest of the employees already in the implementation phase.

To conclude, the most important positive benefits of e-HRM in an MNC are; the control becomes easier; external and internal transparency improves; HR operations become more efficient; and the possibility to fact based decision making regarding the human resources increases. Both the internal and external transparency which increase due to e-HRM play a major role in realizing the strategic potential, by making it possible to verify that the case company have the right people in the right positions and that their compensation levels are aligned with the market levels.

7.1. Validity and reliability of this study

The difficulties in qualitative studies are related to reliability and validity of the study (Koskinen et al. 2005: 254–257). Validity implies whether the study actually measures, researches and explains the phenomenon it is supposed to examine. According to Yin (2003), validity in descriptive case studies consist of construct validity and external validity.

Construct validity refers to use of correct operational measures for the studied phenomenon. External validity indicates how well the findings of the study can be generalized in the field in question. Construct validity can be ensured by using multiple information sources, creating a chain of evidence and have key informants review the draft of the

study. In this study triangulation was used for collecting data, which means that parallel to the interview data also secondary data was used in forms of observation and written company data. The fact that one of the key informants reviewed the draft of this study improves its validity. (Yin 2003)

According to Yin (2003) external validity examines whether the research results can be generalized to other domains than only the case study in question. The external validity is quite low in this study as it is a single case study and the empirical analysis focuses only on one specific business network. However, Yin (2003) also argues that external validity in a single case study can be improved with theory building. The theoretical framework in this study is based on a literature review and can therefore be generalized to some extent.

The interview questions should be carefully considered so that they will answer the research questions. In order to meet the validity requirements all the interviews were conducted within 6 weeks' time period. The anonymity theoretically minimized the alteration in interviewees' answers. (Heikkilä 2005: 186; Saunders 2009: 150 – 151).

Reliability refers to the extent to which the data collection methods or analysis procedures used will result in consistent and repeatable findings. In order for a qualitative study to be reliable it has to include enough information about how data was collected and analyzed. (Saunders et al. 2009: 156–157; Koskinen et al. 2005: 258 – 259; Heikkilä 2005: 30). However, repeating the qualitative studies is not possible because the qualitative study is always connected with a certain context, time and people (Yin 2009).

In order to add overall reliability and credibility of this study, the data collection, analysis and interpretations of the findings were carefully reported in this chapter. Also the justifications for chosen methods were provided. Moreover, reliability was gained also by using direct quotes from the interviews in the findings chapter 5.

In this case, the choice of semi-structured interviews as one way of collecting data improves reliability as it is a suitable method for this purpose. Semi-structured interviews enabled that all the subjects could be discussed with the interviews and the responses could be compared. In addition, this method ensured that it was possible to focus more on the specific issues every interviewee felt important.

The fact that all the interviews were recorded increases the credibility. The recordings could be listened to as many times as needed. The interviews were held in Finnish,

which is the mother tongue for all the interviewees. This improves the credibility as well due to that they could express themselves in the best way and there were no language barriers.

However, as the interviews were held in Finnish the quotes needed to be translated to English, which brings along some risks; the meaning could have changed from how it was initially meant to be. Finnish and English are quite far from each other and sometimes it can be nearly impossible to translate from Finnish to English in a way where the meaning would be exact the same. Therefore it should be noted that the quotes are translated from Finnish to English and might not be the exactly the same word by word. The translations were however made carefully in order to ensure credibility.

One thing that could have decreased the credibility is the fact that I worked in the case company while I was conducting the study. The fact that the interviewees knew that I worked in the company might have had an impact on their responses. I tried to stay as objective as possible and more like an external observer but still it is possible that due to this they did not tell everything.

7.2. Research limitations

There are some recognizable limitations regarding this study. First of all, the findings are case specific and therefore not generalizable. Secondly, the data was collected of a total of only nine people who represent the top management, HR professionals and line managers. Two of the nine interviewees represent top management; three represent the operational HR; and four are line managers. Even though the interviewees represent corporate and different business areas of Company X, they are all Finns and working in Finland. These elements together set a very specific area, in which the results can be interpreted. However, the aim of this study was to gain deeper understanding of the phenomenon of e-HRM in the case company.

Piekkari et al. (2009) argue that in case studies it is quite common not to make too broad generalizations of the results of the study. The purpose of this study was not to attempt to generate a generalizable theory, but rather to examine the phenomenon of implementing e-HRM in this one case company. Because the environment in which the study was conducted is unique to Company X, the context has an effect on the empirical findings and generalizations should be considered with caution.

In addition to the organizational context, also the personal characteristics of the respondents affect the results of the interviews. As the main objective of this study was to explore the interpretations that individual employees have on the implementation of e-HRM, the data is illustrative from the subjective perspective of the respondents. It is also notable that the line managers had yet not received any formal information about the e-HRM, whereas HR professionals had some knowledge about it and the top management was fully aware of the implementation process. However, as there was a very limited amount, if any, of previous research available of the perceptions of different stakeholders on e-HRM, this research provides interesting insights to the current theoretical knowledge of the issue.

Even though there are some limitations, the study can be considered as valid and reliable which was confirmed earlier in this chapter.

7.3. Proposals for future research

This study is a single case study investigating the perceptions different stakeholders have on the implementation of e-HRM in a stage where it is being implemented. It would be of great interest to study how these perceptions are in line with the perceptions when the system is in use. This could be done by making a longitudinal study of a similar situation where the different stakeholders could be interviewed during the phase of implementation and after the system is in use.

It would also be compelling be to analyze if the perceived benefits realizes or not. This could also be done by making a longitudinal study of a similar situation; analyzing whether the motives for implementation become desired consequences.

Research could be more precise as the whole implementation process is quite complex. One could focus on various factors such as communication, change management, strategic benefits and how different stakeholders will become committed to e-HRM. The impacts e-HRM could also be researched more specifically; by concentrating on the organization, HR, line managers or even employees.

As this study focuses on one single case company a comparative research with several case companies could enable a possibility to better generalize the results, even though that is not the purpose of a qualitative study.

7.4. Practical implications

The motives behind implementing e-HRM in the case company seemed to be rationally considered. It seemed that the top management understands the full potential lying in e-HRM, and the aim is to achieve both the operational and strategic benefits.

However, well considered motives and goals are not enough for a successful implementation of e-HRM, which in this case means a situation where the strategic potential of e-HRM would realize. For the strategic potential to realize e-HRM must provide accurate data on the human resources in all the subsidiaries. In order to get the data accurate, everyone is needed; employees should check their own personal data; line managers their teams' data and so forth.

The ideal situation would be that everyone in the organization would become as excited as the top management of e-HRM. For this to happen, the change management process plays a major role and it should be paid attention to.

The change management and training of the system should be foremost transparent. Some of the interviewees suggested that it would be important to explain the *reasons* behind the implementation decision. Another thing that came up in the interviews was proper amount of training for all end users. However, as it came up in the interviews that explaining *why* from the top management perspective is not enough as not all understand the concept of strategic benefits of e-HRM. The strategic benefits could be "operationalized" for the line managers and operational HR, by telling how e-HRM impacts their work and roles and how they contribute to achieving the business targets. In addition to transparency, the communication needs to go top down. The operational HR needs to be convinced of the benefits before they can act as change agents for convincing and training the line managers.

When the system goes live the focus needs to be on *the people* in the organization as everyone will have a responsibility in updating the information and in making sure that the information is accurate. Only when that is ensured, the data can be utilized for strategic purposes.

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APPENDIX

Appendix 1. Interview template for case company interviews.

Interview template for case company interviews:

Section 1. **Basic Information**
Age, job tasks, years in case company

Section 2. **Motives for introducing e-HRM**
1. How do you see current status of HR in the company?
2. How would you describe the structure of HR? How do you see the HRM strategy realizing?
3. In your opinion, how is the HRM service delivered? What do expect from it?
4. What are the main problems related to HRM?
5. What HR systems do you use currently? For what purposes?
6. Why do think e-HRM is to be implemented?

Section 3. **Consequences of e-HRM**
7. What advantages/disadvantages do you see in the implementation of such system?
8. How do you think e-HRM will impact
    - Costs on different organizational levels
    - HR service
    - HR image
    - Other functional consequences?
9. Can e-HRM have a negative impact for the organization?
10. How do you think e-HRM impacts your work? HR's work?
11. What possible problems can occur during the implementation and when the system is in use?
12. What aspects should be carefully considered when implementing e-HRM?
13. What is your attitude towards e-HRM? Why?
14. In your opinion, how could all employees throughout the organization make committed to e-HRM?

Section 4. **Strategic potential**
15. What does "strategy" mean to you in this company=

16. How would you explain the strategic role of HR?

17. How do you see e-HRM supporting the business strategy?

18. Do you think that e-HRM has an impact on HR's strategic role? How?