

hr SPECTRUM

Cornell Center for Advanced Human Resource Studies

Research Highlight

The Impact of eHR on Professional Competence in HRM: Implications for the Development of HR Professionals

Control. Alt. Delete. To many, it is the first option when the computer goes haywire. However, the reality is that the HR profession has been fundamentally impacted by the increasing presence of technology in business, and the competencies needed by HR professionals have changed as a result.

In a working paper authored by Bradford S. Bell, Sae-Won Lee and Sarah K. Yeung, this competency impact is explored. Their research, based on

interviews with 19 Fortune 500 companies, indicates that in many businesses, eHR (technology-based HR systems) is a key driver in the transformation of HR. Furthermore, those changes are reshaping the competencies that define success for HR professionals.

It's no secret that the HR profession has seen cost efficiencies as a result of eHR. One study revealed

that self-service technologies could reduce HR transaction costs by up to 75%. The advantage extends beyond the economics though. As technology

free HR from some of its administrative tasks, there is a greater opportunity for HR professionals to become more strategic.

So what is the impact of this technology on the competencies HR professionals need to be successful? The research explored three key competencies: knowledge of the business, delivery of HR

practices, change management and technology expertise.

Knowledge of the business refers to the extent to which the HR professional understands the financial, strategic and technological capabilities of an organization. This includes the ability to align HR strategy and business strategy and to consult and communicate effectively with line business leaders.

Delivery of HR practices is not just about state-of-the-art programs, but ones that add value to the business.

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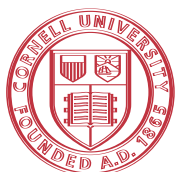
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Delivery of HR practices is not just about state-of-the-art programs, but ones that add value to the business. The HR professional's effectiveness in this competence has a significant impact on credibility for the individual and function.

HR professionals who are competent in change management, are able to increase the businesses' capacity for change. They can diagnose and solve problems, create meaning, build relationships, explain a vision, help leaders set an agenda and implement goals. In today's fast-paced environment, this is critical.

Finally, technology expertise represents both a growing body of knowledge and an increasingly



Cornell University

Up Close with ...

Eva Sage-Gavin of Gap Inc.

The retail name is as comfortable as a pair of your favorite jeans: The Gap. It's been around since 1969, and all of those boomers who shopped there as teens, still shop there for themselves, their kids and babies. What's it like to be part of a company whose brand name fills the closets of so many? We find out from Eva Sage-Gavin, Executive Vice President of Human Resources and Communications, who's been with the retailer since 2003. "It's an honor for me to be the Chief People Officer at Gap Inc., a company that has been a part of so many people's lives over the past 36 years," says Eva.

When she joined Gap Inc., Eva had held top HR jobs for Sun Microsystems and Disney Consumer Products, a division of The Walt Disney Company. In addition, she had served in various senior HR leadership positions for The PepsiCo Corporation, including its Taco Bell division, and for Xerox Corporation.

Gap Inc., which includes The Gap, Old Navy, Banana Republic and Forth & Towne, is the largest specialty retailer in the world. Gap Inc. has provided Eva a passionate outlet for some very creative HR work which reflects the innovative culture of the company itself.

Eva's responsibilities include not just the standard HR fare but also the communications function, both internal and external. "It is a privilege to have HR and communications, especially since Gap Inc. is known as such a creative company." With the extensive work Gap Inc. does around culture, it makes sense to have



Eva Sage-Gavin

HR and communications closely linked by being led by the same person.

"We are constantly trying to reinvent ourselves to stay competitive. After all, the price of entry in this business is a sewing machine. So we ask ourselves, 'How do we honor our legacy and culture but at the same time share it around the world in a common language, in an innovative, visual and creative way?'"

For instance, Eva remarks that there was not a strong culture globally across all of Gap Inc. when she joined. "So we interviewed employees and asked them what values and behaviors they cared about. We also developed one clear purpose for all of Gap Inc.—We're passionate that you be you. We make it easy for you to express your personal style throughout your life." This resulted in a core set of values and behaviors that all 153,000 employees relate to and understand. This is just an example of the creative HR work that Eva leads.

Eva closes by remarking that it's been 26 years since she finished her degree at Cornell. One thing that's been invaluable to her? Staying close to the customer. "The single most enlightening job that prepared me for leadership very early in my career was as line role as a Systems Sales Rep. It exposed me directly to the business and what customers expect." No doubt with Gap's global presence in the specialty retail market, Eva will continue to have opportunities to develop creative and innovative HR solutions, and stay close to those customers who shop Gap Inc. brands all their lives. **hr**

Gap Inc. joined CAHRS in 2003, the 'UP Close with...' profiles feature interviews with leaders of CAHRS sponsors.

HR Company Profile

American Water

It covers the earth. It comprises about 70% of our bodies. It's essential to life, and its purification, distribution and management are the passions of Jim Mulski and the team at American Water. American Water is the nation's largest private water company and Jim is the Senior Vice President of Human Resources. His company provides water, wastewater and other related services to over 18 million people in 29 states, Puerto Rico and Canada.

Based in Voorhees, New Jersey, American Water has revenues of \$2.2 billion, and is parent to various subsidiaries engaged in providing water-related services. It owns and/or operates over 350 water and wastewater systems across North America, and has partnered with many municipalities to maintain and operate their systems.

In his position, Jim leads HR and ensures his team supports and implements strategies that are aligned with the business. "American Water itself is organized geographically on the regulated side of the business; additionally, we have a number of commercial business units that are unregulated. Our HR generalists are aligned to support our regional and commercial presidents."

Like many other organizations, those businesses are supported by a team of corporate functional specialists in compensation and benefits, organizational development, systems, processes, staffing and diversity. "Our goal is to have both strong functional alignment and strong business alignment," says Jim.


What are the priorities of an HR team within a company committed to providing what is arguably an essential resource? There are several key strategic areas for HR. First, is to become "one company," says Jim. "We need to become an integrated function with common processes and practices across the company."

Another focus is developing increased leadership capabilities to better execute our strategies. Along with that is a focus on employee engagement. "As I visit our sites, one thing is clear. We are not utilizing the full potential of our employees and involving them in continuous improvement. The opportunity for all of our associates to help improve the business is untapped."

Additionally, HR is working to improve its own processes. "Take staffing for example. We have not had a consistent way to measure our effectiveness in talent acquisition," remarks Jim. That is changing.

What about the bigger picture? "Our role as a strategic partner has been a mixed bag due to the company's change in ownership, governance and leadership. On the plus side, HR has been influential and has spearheaded significant change within our business model, structure and leadership. On the down side, our HR infrastructure needs work—particularly since American Water will be undergoing an ownership transition." Here we are focusing on the "basics" of HR—governance, policies, processes and practices, and therein is the next significant focus for HR at American Water. "HR is playing a significant role in the ownership and governance changes that are on the horizon."

And when that is complete? "Focusing on the future and helping build the new American Water business model, strategy, culture and leadership capability."

Jim joined American Water in September of 2005 and has found the work fascinating. "In many ways, it feels like a start up." Prior to joining American Water, he was VP of HR and Communications for the Fluid Power Group of the Eaton Corporation. It's clear though, that he is now fully immersed in an industry that literally impacts life. 

American Water joined CAHRS in 2006 the 'HR Company Profile ...' feature a Corporate HR view of new CAHRS sponsors.

Announcing International HR News

Sponsorship Exclusive

Announcing our new CAHRS SPONSORSHIP EXCLUSIVE International HR News - Human Resources news from around the world

CAHRS has begun to provide real-time news articles from around the world related to the HR industry. On our new web page you will find articles sorted by continents, and day/time, which provide a link to the active news story. These pages will be updated on an hourly basis and are provided to you as an overall view of news items happening in their associated global locations. Articles are displayed only for 30 days and are not kept on file.

The CAHRS web page displays news via selected keywords, and also arranged by continent and country.

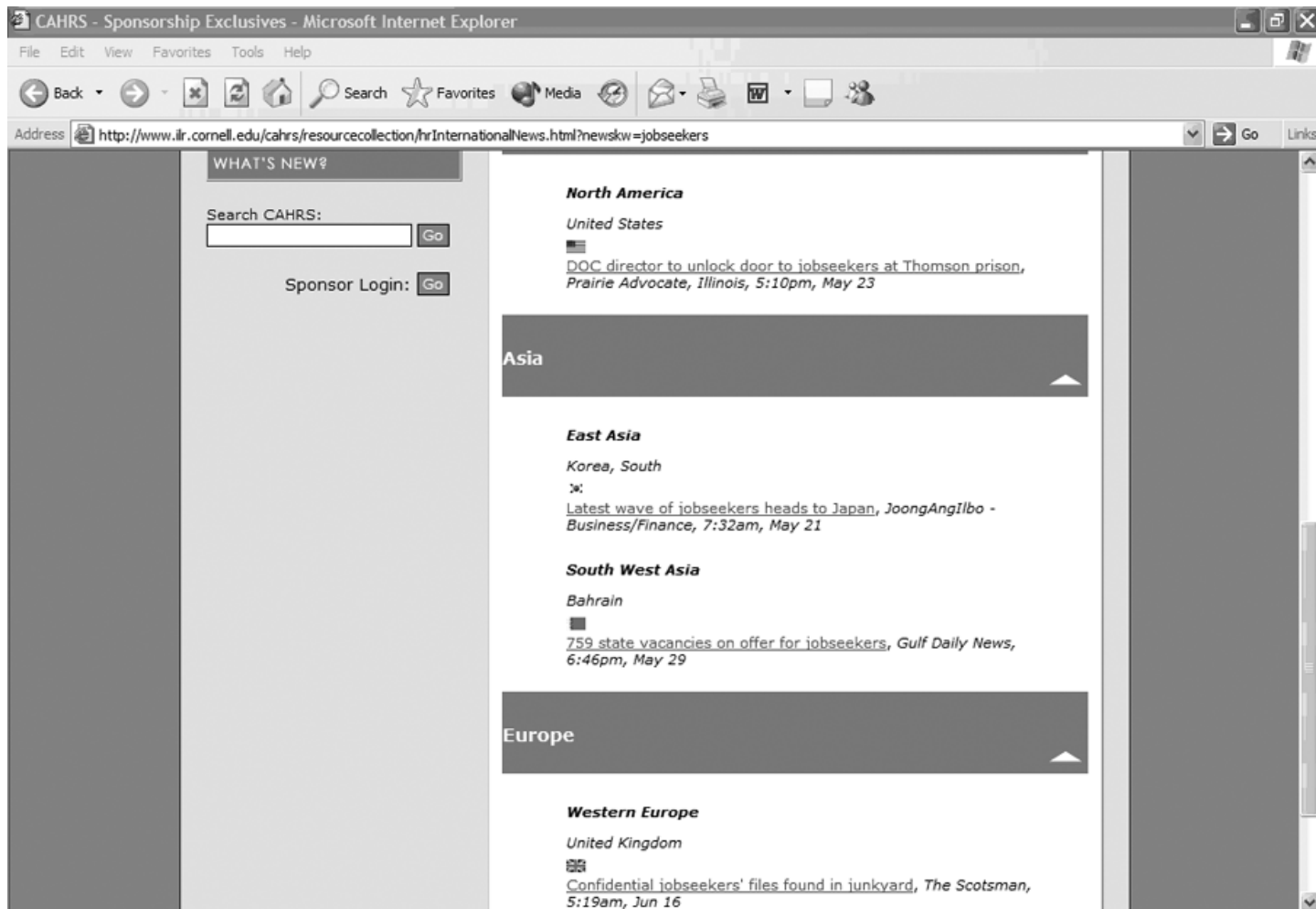
The keywords are a selected group of search terms that are widely used throughout the world in the field of HR. We are always interested in updating the search terms, so if you don't see a keyword for a specific area you believe should be in our regular set of words, please contact us. The full range of our key terms is included in this hrSPECTRUM mailing and available to view online.

Access to these activities and events is limited to CAHRS Sponsors. To access the Sponsorship Exclusive opportunities you must have your CAHRS Sponsor ID and PASSWORD. If you do not have access, please contact Victoria Kelly at 607-255-5347 to obtain this information.

- International News*

Display HR news stories from the last 30 days that match selected keywords:

News from: [Africa](#) | [Americas](#) | [Asia](#) | [Europe](#) | [Oceania](#)



Field Study in Strategic HR

International Experience

In a first for HR in the ILR School, eight graduate students in the course “Field Study in Strategic HR” and members of Cornell’s CAHRS, touched down on European soil on the 18th of March to experience first hand how the human resource function impacts business on the other side of the Atlantic Ocean. The trip, which was focused in Amsterdam and Brussels, brought students together with peers from a Dutch HR program and provided a glimpse of the uniqueness of doing business in Europe.

In preparation for the trip, the class led by PhD. student and former General Electric International HR leader John Haggerty, along with Professor Pat Wright—grounded itself in the European HR model as described by European industrial relations thought leader Professor Jaap Paauwe. Paauwe, on the Faculty of Social and Behavioural Sciences and Chairman of the Department of HR for Tilburg University, has a model that strongly considers the institutional context of a firm in addition to the competitive environment, and defines performance on multiple levels, such as fairness, viability, legitimacy, and profitability.

Furthermore, before the trip, each student gave a presentation of labor issues in a group of countries. Guest speakers ranged from European labor and history experts, to HR practitioners from CAHRS sponsor companies such as Shell and General Electric. However, the dialogue and theory of the classroom only crystallized when they arrived in Europe and experienced it in practice.


Once in Europe, the Cornell contingent was joined by eight Dutch students from Tilburg University’s Human Resource Studies department, two of their professors (including Paauwe) and a small group of IBM executives. During the week-long program the group visited three Dutch companies—ABN AMRO (Europe’s 10th largest bank), Heineken, and Royal Dutch Shell—and two U.S. multinationals—General Electric and IBM. In addition to the corporate exposure, the group spent a day with



“Field Study in Strategic HR” students and members of CAHRS, along with eight Dutch students and two professors from Tilburg University’s HR Studies department, after touring a major Heineken brewery.

European Union representatives and had the opportunity to get a better sense of the labor market for HR professionals through a meeting with Hansar International, a leading European search firm.

Amidst much dialogue and healthy debate, four major themes stood out: 1) the complexity of the institutional environment facing employers; 2) the differences in doing business throughout continental Europe; 3) the talent pipeline challenges facing European companies; and 4) the current limitations of the EU. These issues were evident in the course of corporate interactions throughout the week, and were raised informally through the interaction with the Dutch students. The unique perspectives of each group forced the other to reconsider their own viewpoints, and the learning from that process was the lasting memory of the trip.

ILR is planning its second field study course for Spring 2007. It will provide students with in-depth classroom instruction on Strategic HRM, with special attention paid to the most recent EU member states. Students will study the development of selected European businesses, the history, role and current efforts of the European Union in the workplace, and local cultural nuances as they affect the world of work. 

If you are interested in sponsoring upcoming courses please contact, Dr. Pamela Stepp, CAHRS Executive Director, 607-254-4829, or via email pls8@cornell.edu.

SHELL HR Strategic Business Partner Programme

Custom Executive Education

Last month from May 14-19, CAHRS teamed up with INSEAD to deliver the third installment of a customized executive education program for Royal Dutch Shell.

CAHRS has been running this program for senior HR leaders at Shell since 2003, but this is the first time it has been held at their Corporate Learning Center in The Woodlands, Texas. Previously they have been held

at their headquarters in The Hague, Netherlands. Patrick Wright, Director of CAHRS, and Scott Snell, Director of ILR Executive Education, led the program that focuses on business issues such as value creation, strategic capability, decision-making, and leadership dilemmas.

This part of the program had nineteen participants including several senior business leaders from Shell. John Hofmeister, President of Shell Oil, brought a unique perspective to the group in that he was Director of HR for Shell prior to assuming his role as President. He challenged the group to establish themselves as “business people first, and HR people second.” He noted that professional skills are important, but they are



Shell Programme participants: Cary Wilkins, Harvey Warren, Rob Wood, Mike Rowe, and Richard Roberts working on business issues and HR.

magnified when grounded in decisions that influence the success of the business.

To reinforce learning, the program included both web-enabled and residence instruction. Participants worked in teams throughout the week to apply frameworks and tools from the program to real-life strategic business challenges they identified. Then, at the end of the program, each participant devised an action plan for how they would tackle the business challenge. The entire group will re-convene in July via web-conference to share progress reports, seek advice, and reinforce HR functional excellence. **hr**

If you are interested in a custom Executive Education Program for your company, please contact John Haggerty, Managing Director of ILR Executive Education, at 607-255-6075 or via e-mail jjh56@cornell.edu.

ROOM STILL AVAILABLE**ILR Orientation and CAHRS Executive Roundtables**

August 22, 2006 Ithaca, NY

This season gives top CAHRS executives the opportunity to meet with first and second-year graduate students and seniors from Cornell University's School of Industrial and Labor Relations. This is one of the unique and valuable aspects of the CAHRS partnership: opportunity to interact with future HR professionals at Cornell, and to shape their educational and career choices. The past ILR-Graduate Orientations have offered our CAHRS executives and the students an opportunity to exchange questions and ideas about the field, to talk about HR, the most important issues facing individual companies, and the skills needed by future HR professionals.

Due to space limitations and the popularity of this event, there are limited spaces available. If you are interested in getting involved, please contact our office as soon as possible.

A G E N D A

- 12:00-1:00** **Lunch** in the Rowe Room, Statler Hotel, for CAHRS' sponsor contacts participating in the round tables.
- 1:15-5:30** **Roundtable sessions** - Statler Hotel Ballroom. Refreshments will be served.
- 5:30-6:30** **Reception** - Statler Hotel Ballroom Foyer. Refreshments will be served.

Following the roundtable sessions, there is a reception where students and executives are able to converse in a more informal setting. Several of the executives will set out information on their company, and students will leave resumes for the executives to look over.

Company Representatives Attending the 2006 CAHRS Executive Roundtables

Representative	Title	Company
Peter Fasolo	Vice President, Global Talent Management	Johnson & Johnson
Beth Flynn	Vice President, Human Resources	General Mills
Steve Hardardt	Organizational Effectiveness Leader	Johns Manville
Lynn Minella	Vice President, Human Resources	Air Products and Chemicals
Kevin McManus	Vice President, Human Resources	Bristol-Myers Squibb
Jim Mulski	Corporate Vice President, Human Resources	American Water
Bill Panetta	Director, HR Leadership Development	United Technologies
Scott Pitasky	General Manager, Talent Acquisition and Engagement	Microsoft
Bill Rosner	Senior Vice President and Chief Human Resources Officer	PNC Financial Services Group
Corey Seitz	Head Talent Management	Novartis
Phil Webber	Vice President, Human Resources	IBM

Hotel Information

A block of rooms have been reserved at the Statler Hotel. To reserve a room at the Statler Hotel please call 1-800-541-2501 and mention ILR CAHRS Roundtable Sessions '06 for our specific block of rooms. The rooms will be reserved until July 25, 2006 and then any unused portions will be released to the general public.

Please note that this agenda is subject to change.

Visit our webpage frequently for updates where more information and logistics can be found at www.ilr.cornell.edu/cahrs/Roundtables2006.html

Inquiries, please contact: Jo Hagin, Program Coordinator
Cornell University, CAHRS 187 Ives Hall Ithaca, NY 14853-3901 USA
Phone: 607-255-9358; Fax: 607-255-4953 Email: jap7@cornell.edu

The Impact of eHR on Professional Competence in HRM

Continued from Page One

necessary competency within HR. Professionals need to be able to use technology to deliver services, they must be proficient in HR systems and able to teach others how to use them, manage technology vendors and ensure flawless delivery of technology services. Lastly, they need to be able to use technology to capture critical data and transform it into valuable information for the business (employee surveys, for example).


As interviews were conducted and these critical competencies were explored in light of eHR, the key role technology plays became clear. The companies consistently observed that eHR has placed a greater emphasis on HR serving as a business partner and using that partnership to create strategic business solutions.

In addition to in-depth knowledge of the business, delivery of HR practices has become more important. As technology allows HR to focus more on service delivery, it becomes more critical to possess a higher level of expertise within a specific functional area (staffing, training, performance management and so forth).

Regarding change management, surprising little impact was reported. It appears from the study that eHR helps HR cope with change but does not alter the importance of HR professionals being effective change managers. Likewise, the link between eHR and technological competence was not a predominant one, probably because so much technology work for HR systems is outsourced to a company's IT function.

In summary, eHR requires HR professionals to have a greater understanding of the business and a capacity to consult and work more closely with leaders to solve business problems. Additionally, HR systems seem to place a premium on specialization and expertise in the delivery of HR functions.

To ensure HR teams are prepared for their ever-changing demands and the increasing influence of technology on their function, several developmental recommendations arise: help HR professionals develop both broad and deep skills through active learning on real problems; provide on-the-job learning through rotational development; and facilitate learning from mistakes through post-event debriefs.

The researchers conclude that “now more than ever” HR professionals are required to adapt HR practices to changing business conditions. This strategic competence requires both knowledge of HR delivery and the business itself. By taking advantage of specific and purposeful development opportunities, HR professionals will be able to successfully fulfill their increasingly complex roles. 

For more information regarding this research please contact Bradford Bell via email: bb92@cornell.edu, or Tel: (607)254-8054. This article references research from the CAHRS Working Paper #06-03, which can be found on our web site: www.ilr.cornell.edu/cahrs/paper.html.



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*Dr. Patrick Wright, Director
Dr. Pamela Stepp, Executive Director*

In The News



Ron Ehrenberg

Ron Ehrenberg Elected to Cornell University's Board of Trustees - Ronald G. Ehrenberg, Irving M. Ives Professor of Industrial and Labor Relations and Economics and a Stephen H. Weiss Presidential Fellow, has been elected as Faculty Trustee on the Cornell University Board of Trustees. He is also Director of the Cornell Higher Education Research Institute. Professor Ehrenberg will serve a four-year term on Cornell's Board of Trustees beginning July 1, 2006. He is the first faculty member from ILR to serve as Faculty Trustee since Jennie Farley (1988-92). From July 1, 1995 to June 30, 1998 he served as Cornell's Vice President for Academic Programs, Planning and Budgeting. As Vice President for Academic Programs, Planning and Budgeting, Ehrenberg had a variety of responsibilities. He supervised the office of Institutional Planning and Research, the office of Statutory College Affairs, the office of Space Planning & Utilization, and the office of Academic Programs and Special Projects. He integrated academic planning across the colleges in Ithaca (with an emphasis on strengthening Cornell's social sciences) and between the Ithaca and Medical College campuses. Ehrenberg received a B.A. in mathematics from Harpur College (SUNY Binghamton) in 1966 and a Ph.D. in economics from Northwestern University in 1970. A member of the Cornell faculty for 32 years, he has authored or co-authored over 120 papers and 20 books. He was the founding editor of *Research in Labor Economics*, and has served as co-editor of the *Journal of Human Resources*.



Paul Sparrow

Visiting Fellow Profile Paul Sparrow, England - Paul is a Professor of International Human Resource Management and Director, Executive Education at Manchester Business School. He has worked as a Research and Senior Research Fellow at Aston and Warwick Universities, Principal Consultant at PA Consulting Group, Reader then Professor at Sheffield University, and returned to Manchester Business School in 2001 to take up the Ford Chair. He has consulted with major multinationals, public sector organizations and inter-governmental agencies and is Expert Advisory Panel member to the UK Governments Sector Skills Development Agency. His main teaching is on Executive Programmes and MBA. He has been involved with the U.S. Academy of Management since 1999 and has presented five refereed papers and contributed to many pre-conference events for the Human Resource Management Division since this date. He has published over 100 journal articles and book chapters and has written and edited a number of books, including: *European Human Resource Management in Transition*; *International HRM*; *Globalizing Human Resource Management*; *Designing and Achieving Competency*; *The Competent Organization: a Psychological Analysis of the Strategic Management Process*; *Human Resource Management: The New Agenda*; *The New Workplace*; and *The Employment Relationship: Key Challenges for HR*. He was Editor of the *Journal of Occupational and Organisational Psychology* 1998-2003 and has been on several Editorial Boards. Paul will be at ILR through June 2006.



Li Lilin

Visiting Fellow Profile Li Lilin, China - Li Lilin is a lecturer at the School of Labor Relations & Human Resources, Renmin University of China. She is one of the first few persons to do research in the field of industrial relations in China. She translated *Labor-Management Relations* written by Daniel Quinn Mills. She is planning to translate the well-known book written by John T. Dunlop, *Industrial Relations Systems*. Her current research focuses on comparative study of industrial relations. Li Lilin is visiting til August 2006.

CAHRS EVENTS CALENDAR

2006 - 2007

- CAHRS Spring Sponsor Meeting May 10 - 11, 2006 Ithaca, NY
The Talent Management Challenge
- CAHRS Spring International Sponsor Meeting June 27 - 28, 2006 Amsterdam, The Netherlands
The Talent Management Challenge
- ILR Orientation and CAHRS Executive Roundtables August 22, 2006 Ithaca, NY
- CAHRS Fall Sponsor Meeting October 23 - 24, 2006 Ithaca, NY
Global HR Best Practices: Maximizing Innovation, (Please note new date)
Effectiveness and Efficiency in HR
- CAHRS Spring Sponsor Meeting May 9 - 10, 2007 Ithaca NY
- ILR Orientation and CAHRS Executive Roundtables August 21, 2007 Ithaca NY
- CAHRS Fall Sponsor Meeting November 14 - 15, 2007 Ithaca NY

ILR Executive Education & Events

- The Cornell Industry Consortium: May 7 - 12, 2006 Ithaca, NY
Critical Strategies in Employee Relations
- Shell Custom Program: Strategic Business Partners May 14 - 19, 2006 The Woodlands, TX
- ILR International Programs Annual Training May 31 - June 4, 2006 Ithaca NY
Seminar On Global Labor Standards And Monitoring
- SKGroup Custom Program August 23 - 31, 2006 Ithaca, NY
- HR Strategy September 27 - 29, 2006 Ithaca, NY
- Shell Custom Program: Strategic Business Partners October 8 - 13, 2006 The Hague, The Netherlands
- Talent Management October 12 - 13, 2006 New York, NY
- HR Managing for Impact November 9 - 10, 2006 Arlington, VA
- HR Managing for Impact April 12 - 13, 2007, New York, NY
- HR Strategy September 23 - 28, 2007 Ithaca, NY

For more information, contact Jo Hagin at 607/255-9358 or email: jap7@cornell.edu, or visit our website at:
www.ilr.cornell.edu/cahrs/Calendar.html