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Universitat de València
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STRATEGIC HUMAN RESOURCE MANAGEMENT

TOPIC 3

HUMAN RESOURCE INFORMATION AND MONITORING SYSTEMS

Group: OR
Lecturer: Dr Victor Oltra

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Departament de Direcció d'Empreses. Juan José Renau Piqueras

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TOPIC 3. HUMAN RESOURCE INFORMATION AND MONITORING SYSTEMS

3.1. Human resource information systems
3.2. Human resource audit
3.3. The balanced scorecard
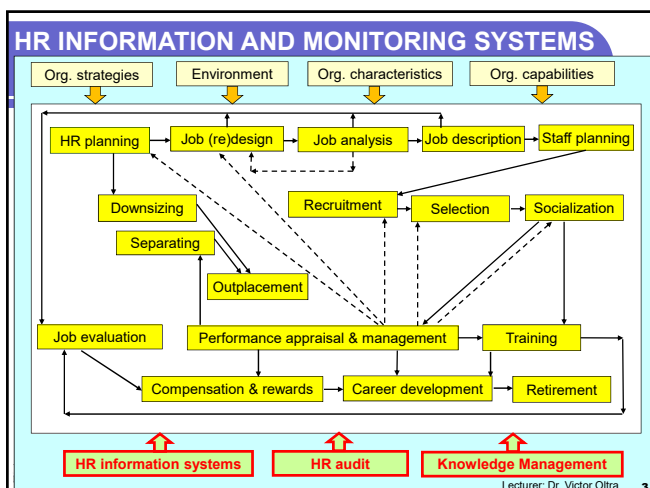3.4. Smart talent management: knowledge management + talent management

References:
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Oltra-Comorera, V. (2006). 'Capítulo 1. La gestión del conocimiento: fundamentos y aspectos básicos.' In Oltra-Comorera, Tormo-Carbó, G. & Tomás-Miquel, J.V. *La gestión del conocimiento en la empresa. Conceptos, modelos y herramientas.* Universitat Politècnica de València - Cuadernos de Investigación en la Ingeniería, Vol. II (pp. 7-62).
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HR INFORMATION AND MONITORING SYSTEMS

Org. strategies | Environment | Org. characteristics | Org. capabilities

HR planning → Job (re)design → Job analysis → Job description → Staff planning
Downsizing | Recruitment | Selection | Socialization
Separating
Outplacement
Job evaluation | Performance appraisal & management | Training
Compensation & rewards → Career development → Retirement

HR information systems | HR audit | Knowledge Management

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3.1. HUMAN RESOURCE INFORMATION SYSTEMS

THE CONCEPT OF A HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

A set of data, tangible and intangible media, and people, that are devoted to collect, store, analyse and distribute relevant information for decision making related to any of the different HRM areas of activity (HR overall strategy, specific HRM activities or practices, HRM support tools, labour administration, etc.).

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3.1. HUMAN RESOURCE INFORMATION SYSTEMS

PURPOSE OF DEVELOPING AN HRIS

- To know the **current situation and future evolution of HR strategy conditioning factors**: environment (esp. HR legal framework), org. strategy, org. characteristics (esp. corporate culture) & org. capabilities (esp. linked to empl. competencies)

- To know the **appropriateness and results of HR decisions made** (e.g., in HR planning or in any kind of HR activities).

- **To identify factors for success and failure** related to different HR actions.

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3.1. HUMAN RESOURCE INFORMATION SYSTEMS

TYPES OF HRIS

- **Informal and unsystematic.** No formal systems for information storage, retrieval and application. Based on human memory and subjective interpretations.

- **Formal and systematic.** Based on formal systems (e.g., databases, regular assessments, etc.) and systematic analyses of hard data.
  - **Static and disaggregated HRIS.** The most common formal HRIS: 'snapshots' of HR-related data, and analysis of evolution of such data.
    - **HR statistics** (e.g., staff, hirings, firings, promotions, training hours, loss of working hours due to sick leave or strikes, etc.)
    - **HR ratios and graphics** (e.g., average staff, turnover, absenteeism, university graduates, graphics with statistics and ratio evolution, etc.)
  - **Dynamic and aggregated HRIS.** Statistics and ratios are analysed jointly and underlying dynamics and causes are investigated (e.g., social balance sheet, social audit, **HR audit**, etc.)

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3.1. HUMAN RESOURCE INFORMATION SYSTEMS

PROCESS OF BUILDING AN HRIS

- Identifying key magnitudes and **information needs**.
- Establishing the key **sources** of information.
- Establishing procedures for **data collection**.
- Establishing procedures for **data analysis**, ratios, graphics, etc.
- Identifying the **potential users** of information of the HRIS.
- Establishing procedures for information **distribution** to users.

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3.2. HUMAN RESOURCE AUDIT

CONCEPT OF HR AUDIT

Periodic review of the effectiveness with which a company uses its human resources (also including an evaluation of the HR department itself, and also of the HRIS).

Key points to consider

- HR audits are conducted periodically.
- HR audits evaluate how effective the firm is at using its human resources (i.e., meeting goals such as increased labour productivity, higher staff commitment towards the organization, improved business performance, etc.).
- HR audits are also an opportunity to evaluate the HR department and the HRIS.

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3.2. HUMAN RESOURCE AUDIT

AIM OF HR AUDITS IS TO ASSESS AND MONITOR:
- **Consistency** among the organization's goals, HR strategy goals, HRM practices, and use of HRM support tools.
- **Effectiveness** of the HRM system and activities.
- **Changes** in the HR strategy conditioning factors.

HR AUDIT GOALS, ACCORDING TO HRM AREA CONSIDERED:
- HR **strategy** goals (e.g., increased commitment and productivity)
- Specific HRM **functions/processes/practices** goals (e.g., success of a recruitment plan, successful implementation of a training programme).
- Specific HRM **support tools'** goals (e.g., successful resolution of a conflict between project team members).
- Specific **labour administration** goals (e.g., successful achievement of an agreement with unions, successful implementation of an OHS plan).

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3.2. HUMAN RESOURCE AUDIT

EVALUATION OF THE HRIS

- **Cost-benefit analysis** of the time and financial investment required.

- **Speed** in the time needed to obtain the necessary information.

- Assessment of the **integration** of the different systems (HR statistics, job descriptions, payroll systems, etc.), to optimize synergies and avoid duplications.

- **Appropriateness and specificity** of information received by recipients, considering their profile and needs.

- **Accuracy, timeliness and currency** of information.

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3.3. THE BALANCED SCORECARD

Adapted from the Balanced Scorecard by Robert S. Kaplan and Dave P. Norton. Harvard Business School Press, 1996.

Source: http://www.managingforimpact.org/tool/balanced-scorecard

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

The emergence and rise of the knowledge-based economy

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

Optimizing knowledge as a strategic asset

- Dominant role of **knowledge economy** and **knowledge work(ers)**.
- Need to **change** (behaviour, culture, methods, etc.) so as to **innovate**.
- **Knowledge as a strategic factor** for businesses… through the organization's ongoing learning processes.
- Need to **unlearn** what is obsolete in order to learn what is needed effectively.
- 'The **ability to learn faster** than your competitors may be the only sustainable **competitive advantage**'.
  Arie de Geus (1988), Former Corporate Planning Director - Royal Dutch Shell Group
- 'Learning is not only about obtaining information. Learning is enhancing our **ability to initiate actions** so that we can achieve a sustained improvement in our performance'.
  Peter Senge (1990), Director of the Center for Organizational Learning, MIT

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

From data to information to knowledge

Data → Information → Knowledge

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

From data to information to knowledge

Data → Information → Knowledge

Process of obtaining information | Process of learning

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

Information vs. knowledge

Information	Knowledge
Gives meaning to data	Gives meaning to information
Input into the learning process	Output of the learning process
Objective & unrelated to action	Subjective & linked to action
Useful to all organizations	Applicable to specific contexts
Basic requirement to compete	Source of competitive advantage

Organizational learning

Process through which **an organization** (made of people, and of groups of people) **creates knowledge** by selecting, contextualizing, interpreting, assimilating and transforming information. Inputted information stems from knowledge previously created through the organization's groups' and individuals' learning processes. Created knowledge is thus **institutionalized and** becomes **embedded into (new) organizational routines**.

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

Knowledge management (KM)

- Set of specific policies, activities, programmes, projects, etc. aimed at **optimizing the usefulness of knowledge as a strategic resource** of the organization. It can include different kinds of initiatives aimed at:
  - ✓ Creating
  - ✓ Locating
  - ✓ Capturing
  - ✓ Organizing
  - ✓ Integrating
  - ✓ Transferring
  - ✓ Sharing
  - ✓ Distributing
  - ✓ Applying

  … knowledge from and between people, and especially within and between teams, functions, departments, units, divisions across the organization and also (if appropriate) with other organizations.

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

Four complementary pillars of an integrated approach to KM

- Information management
- IT tools (databases, business analytics, etc.)

'Hard' aspects

'Soft' aspects

- Favourable atmosphere, people's motivation and involvement, social interaction enhancement, cultural and structural change, etc.
- Use of **human resource practices** that foster knowledge creation and sharing: job analysis & design, talent attraction, recruitment, selection, socialization, training, performance appraisal, compensation & rewards, career development, etc.

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3.4. SMART TALENT MANAGEMENT: KNOWLEDGE MANAGEMENT + TALENT MANAGEMENT

KM + talent management: towards 'smart talent management'

Smart talent/KM strategy (people-based) success factors

- Develop a strong and KM-friendly organizational culture.
- Develop flexible and decentralized structures.
- Align incentive systems with KM needs.
- Promote a climate of trust, with example set by senior management.
- Re-analyse, re-design and re-describe jobs so they include KM-related goals, responsibilities and tasks.
- Develop KM programmes with maximum employee participation (especially in case of so-called 'knowledge workers').
- Carefully choose/develop person/units/teams responsible for leading KM strategies.
- Align the whole HR system with KM needs: recruitment, selection, socialization, appraisal, rewards, careers, HR audit, etc.

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