

Using the HR Intranet: An Exploratory Analysis of its Impact on Managerial Satisfaction with the HR Function

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Abstract

Category:

Research paper

Purpose:

This paper explores the impact of the use of the Human Resources (HR) Intranet at managerial levels in terms of internal customer satisfaction with the HR function.

Design/Methodology/Approach

Using role theory to underpin the research, this study examines both the changing role of managers as well as managers' expectations of the HR function as an internal service provider and HR's use of Intranet applications to provide these services. The current literature encompassing ICT, marketing and HR is reviewed and used as a guide for the design of the single case pilot study.

Findings

Overall, the results indicate that managers who perceive their expectations as being met, express satisfaction with the HR Intranet and record increased satisfaction with the HR function. However, differences of perceptions emerge concerning this satisfaction between HR managers (i.e. suppliers) and other managers (i.e. customers). The findings also indicate that the effectiveness of communication concerning information about new technology (including that of training, marketing, user involvement and feedback) influences managers' perceptions of satisfaction with both the HR Intranet and the HR function.

Research Limitations/Implications

These findings suggest that the Intranet can play a powerful part in helping HR to build a closer and more satisfactory relationship with its customers in order to achieve mutual organisational benefit. However, this preliminary study also emphasises the need for further research on the impact and effectiveness of the HR Intranet.

Originality/Value

This paper begins the process of filling a substantial gap in the literature and provides a framework from which further research can be continued.

Keywords:

HR function; Intranet; Internet; satisfaction; role theory; expectations; internal customers and suppliers.

INTRODUCTION

The role of managers in the workplace has changed substantially in recent years, partly as a result of market developments, but also due to new technologies used by the organisations in which they work. As a result, internal service providers, such as the Human Resource (HR) function, have been forced to re-examine their own role in the light of a dramatic increase of organisational demands on them (Gloet and Berrell, 2003). Certain writers consider these demands to be contradictory as the requirement is to be simultaneously strategic, flexible, efficient, cost-effective and customer-oriented (Lepak and Snell, 1998). In addition, due to the differing roles of managers, who form one category of HR's internal customer base, it has been increasingly recognised that HR needs to improve its customer orientation (Mabey *et al*, 1998; Bacon, 1999; Huselid and Becker, 1999; Kakabadse and Kakabadse, 2002) so as to identify internal customers' consequential changing expectations (Floyd and Lane, 2000). Within such a context, it is generally accepted that the more strategic the approach to human resource management (HRM), the greater the contribution of HRM to organisational performance as HRM is considered to powerfully impact on the policies, practices and systems that influence employees' behaviour, attitude and performance (Gloet and Berrell, 2003). For example, one aspect of this shifting role-and-expectation equation has been the increased responsibility of managers for activities previously carried out by the HR function (McGovern *et al*, 1997). Such development highlights the need to provide support in areas such as training, information and documentation according to the individual needs of the managers concerned to achieve the objectives of all parties. Thus, the more aligned HRM strategies are with the business, the greater the contribution to quality practices and overall organisational performance (Gloet and Berrell, 2003), highlighted as being driven by both customer requirements and increasing intensity of competition (Redman and Mathews, 1998).

Changes in the sophistication and availability of information technologies (IT) are also gaining increasing momentum. Whilst research on the impact of IT often suggests contradictory organisational consequences and user satisfaction outcomes (Robey and Boudreau, 1999), there is general agreement that its impact on the way we work is enormous and far-reaching. For instance, technology is accelerating the pace of work as customers expect faster responses (Cooper, 1999). Scope has also increased as Internet technology enables thousands of individual computer networks all over the world to be linked, encompassing a range of capabilities not possible with previous business processes. Yet, whilst much has been written on the impact of the use of Internet technology on businesses' external relationships, little has been said since Legge (1989) about its influence on the relationship between internal service-providing functions and their customers. Legge (1989), in particular, contemplated whether the HRM function should play a more proactive role in relation to new technologies.

New technologies, such as the Internet, enable internal service providers, such as HR, to supply their services to their internal customers with a capability and degree of interaction not previously possible (Alleyne, 2003). Thus, there is little constraint on time, place or service provider availability. The potential for customisation and flexibility allows managers to control the information and services they receive. The

technology also enables the HR function to closely develop relationships with its constituencies (Tsui, 1987) and provides opportunities for greater effectiveness and satisfaction of both parties. However, whilst internal customer satisfaction and user satisfaction is identified as important to both external customer satisfaction (Bowen and Schneider, 1988; Heskett *et al*, 1994) and IS success respectively (Ives and Olson, 1984; DeLone and McLean, 1992), the HR function has lagged behind other internal functions in its adoption of IS/IT innovations (Dunivan, 1991; Martinsons, 1997). The HR function has not been proactive in its use of Internet technology in order to provide integrated services or to communicate more effectively with its customers to elicit and fulfil their changing expectations (Elliott and Tevavichulada, 1999).

With such perspectives in mind, the aim of this paper is to present findings from an exploratory case study examining the impact and usage of Internet technologies for HR applications within the organisation, the HR Intranet, on managers' satisfaction with the HR function (Alleyne, 2003). Using role theory to underpin the research, the managerial role expectations of both the HR function as an internal service provider and its use of HR Intranet applications (HRIA) has been investigated. The research examined whether a relationship existed between managers' expectations, their perceived realisation and satisfaction with both HR Intranet applications (i.e. on-line applications, for example, timesheets, holiday and sickness tracking, company news, and forthcoming events, and administration documents, such as employment policies, on-line training and vacancies) and the HR function. As a result of this inquiry, this paper sets the agenda for further research into key issues concerning the relationships identified in this study.

MANAGERIAL ROLE EXPECTATIONS

Managerial role expectations can be understood within the framework of role theory (Harris, 2004). Katz and Kahn's (1978) study of roles explains how each focal unit, whether individual or group, generates or accommodates certain role expectations that, in turn, influence behaviour within the organisation. Role relationships are therefore postulated as being at the core of organisational effectiveness and the key to effective role behaviour through "learning the expectations of others, accepting them, and fulfilling them" (Katz and Kahn, 1978: 188).

Fondas and Stewart (1990:17), however, argue that earlier research does not recognise that "jobholders may not simply be reactive to expectations but may proactively change and/or create expectations and therefore the social environment". In their extension of Katz and Kahn's (1978) theoretical model of factors involved in role formation, they suggest that the addition of 'expectation enactment' moves the relationship from a passive to an active one, with the jobholder being an active contributor in defining role expectations and behaviour. Rodham (2000:72) also argues, "many approaches to the study of roles have focused upon behaviour without setting it in the context of the role demands and expectations". The suggestion is that role behaviour is closely bound to a matrix of social relations. At the same time, the uses made of technology by an individual are integral to a role analytic framework since work roles are made up of a composite of tasks and skills that increasingly include the ability to effectively operate a range of different technologies which, in turn, impact on the nature of the surrounding inter-relationships. Thus, behaviourally based role theory offers the researcher a set of interrelated concepts by which to explain links between adjacent levels of analysis (Barley, 1990).

Role theory and its focus on expectations can usefully be extended to other fields of interest, most pertinently, marketing and IT. For example, in marketing literature, elements of role theory have been incorporated into existing service management approaches and utilised to examine both internal and external customer satisfaction (Soloman *et al*, 1985; Rodham, 2000), with expectation as a key variable found to affect satisfaction (Yi, 1990). Supported by his research findings, Webb (2000) proposes a model that relates customer knowledge represented by 'experience' (from direct involvement with the service provider) and 'familiarity' (exposure to vicarious information about the service provider) to customer expectations.

In effect, role theory, which can usefully be applied across all organisational functions, provides a strong and appropriate theoretical base to explore the relationship between a service provider, their use of technology to discharge service(s) and the effect on customers in terms of realising, or not, service receiver expectations and resulting satisfaction.

INTERNAL CUSTOMER AND USER SATISFACTION

Internal marketing is defined as "the application of marketing, human resource management, and allied theories, techniques, and principles to motivate, mobilise, co-opt, and manage employees at all levels to continuously improve the way they serve external customers and each other" (Benoy, 1996:57). The field of internal marketing

is growing increasingly important since research has repeatedly shown that satisfying the needs and expectations of the internal customer will lead to positive external market outcomes (Bowen and Schneider, 1988; Heskett *et al*, 1994; Bowen, 1996). A further relevant development, which research findings have also supported, has been the recognition of the impact of marketing communication (Spreng *et al*, 1996) and its effect on both the formation of expectations as well as the resulting satisfaction achieved (Brooks *et al*, 1999).

As with the IT literature on satisfaction (Baroudi *et al*, 1986; Doll and Torkzadeh, 1989; McKeen *et al*, 1994), the internal marketing literature regards customer involvement as an important part of the satisfaction outcome. Brooks *et al* (1999) argue that both role identification and service involvement by the customer will affect their expectations, with those being most involved likely to experience the greater satisfaction.

Three key areas emerge from the literature that can be used to assess internal customer satisfaction with the Intranet services provided by the HR function. The first concerns the technology itself and encompasses, among other factors, speed of transaction processing, security, training, user involvement, ease of use and specific Internet technology research (DeLone and McLean, 1992; Phelps and Mok, 1999). The second, information content or quality (IQ), viewed as fitness for use by consumers (Wang, 1998), is also identified as an antecedent for user satisfaction and key factors such as usefulness, reliability and completeness, have been identified from various studies (DeLone and McLean, 1992; Wang and Strong, 1996). The third key area, from the internal marketing literature, identifies appropriate factors associated with service quality, which have been adapted for use when investigating satisfaction with a specific technology (Hallowell *et al*, 1996; Brooks *et al*, 1999). They include speed of user interface response, applications on-line help facility and applications task completion success rate (Brooks *et al*, 1999).

HUMAN RESOURCE MANAGEMENT (HRM)

As a support function that provides services to its internal customers, the HR literature is increasingly recognising the importance of service quality that leads to internal customer satisfaction (Bowen, 1996) which, in turn, nurtures further organisational benefits (Bowen and Schneider, 1988; Heskett *et al*, 1994). This focus on the internal market requires the HR function to make two basic shifts in orientation. The first is from a production to a service orientation in which HR becomes committed to internal customer satisfaction (Bowen and Greiner, 1986). The second is to balance a 'technical merit' perspective with a 'user reaction' one. This would mean that HRM adds internal customer satisfaction as a contribution to the list of criteria it uses to assess the effectiveness of HRM practices (Bowen, 1996).

The voice of those at the receiving end is considered to have been under-represented in the HRM literature, yet this is critical when considering that individuals are the primary recipients and the 'consumers' of the various initiatives offered under the HRM banner (Clark *et al*, 1998). One of the characteristic features of the HR literature is the pivotal role ascribed to line managers as a delivery point for a variety of HR policies and practices (McGovern *et al*, 1997). However, research has found

that line managers were not adequately consulted about the devolution of responsibilities and were, as a result, unclear about their roles (Bevan and Heyday, 1994). Tensions have been identified as existing between line managers and the HR function because of devolution. Research also shows that line managers have demonstrated frustration at being unable to devote sufficient time to HR activities because of the dominance of 'harder' priorities (Cunningham and Hyman, 1999).

Further, the HR function faces changing expectations that come from many different clients or constituencies (Tsui, 1987). Understandably, the needs of various line managers are not the same, particularly when contrasting the needs of board members against the demands of supervisors of rank-and-file workers, but all require specific attention (Kakabadse and Kakabadse, 2001). It has been argued that HR needs to take a proactive communication role within the organisation to "establish and nurture productive relationships" (Yate, 1992: 98) and harness the proven effect of communication on satisfaction, performance and profits (Heintzman *et al*, 1993). Thus, the emerging recommendation is that HR managers should look for ways to improve communication with other managers and to use new technologies such as the Intranet as a support tool, on the basis that the "management and manipulation of information is becoming an increasingly important dimension of work" (Bruce and Blackburn, 1992: 101). In keeping with this line of thought, Bruce (1997) suggests that much of the information that HR managers and employees share will be exchanged electronically. He further recommends that "scholars must explore how managers and workers perceive technological communication and what they want from it" (Bruce, 1997: 428).

IT has clearly been identified as having an important role to play in HR applications (Snell *et al*, 1995; Groe *et al*, 1996). Yet, within the HR literature, which is still debating what HR's role should be (Conner and Ulrich, 1996), with still differences of opinion to reconcile, little understanding or consideration of the impact that new technologies such as the Intranet can make on HR is exhibited (Lepak and Snell, 1998). To date, much of the HRM research regarding the use of both IT and the Internet, for example, focuses on HR professionals rather than the customers of their services (Elliott and Tevavichulada, 1999). Moreover, the literature also suggests that there is a need for an informed understanding of developments in human resource strategy (Morris and Wood, 1991; Boxhall, 1993; McCarthy, 1994) in order to address the HR customer satisfaction issues (Redman and Mathews, 1998). For example, McCarthy (1994: 321) argues that like other frontiers of knowledge, HRM "cries out for a case study approach". This notion is further supported by Boxhall's (1993: 653) view that the HRM field needs "less representative but more intense case study methods". In turn, Redman and Mathews (1998: 75) conclude that HRM "research strategies that incorporate well designed and intense case study research will be particularly valuable".

METHODOLOGY

Considerate of the case based argument (Redman and Mathews, 1998) and since the research undertaken is of an exploratory nature, a case study approach was adopted in this study (Yin, 1994) with the additional objective of setting an agenda for subsequent research. Along the lines of the argument championed by McCarthy

(1994), Boxhall (1993) and Redman and Mathews (1998), the researchers did not construct specific hypotheses or propositions for the exploratory study, but instead preferred to identify issues for further study from qualitative data and obtain a picture of the way expectations and satisfaction were perceived by the managers who participated. In turn, these findings can be used for more detailed investigation in order to develop propositions that can be tested to enable the exploration of differences in context to constants in process and outcome (Cavaye, 1996).

The company selected for this study was the Customer Services division of a large subsidiary of a major transnational telecommunications organisation that had developed and implemented a corporate wide HR Intranet. The population studied consisted of two categories: HR managers and HR customers. The sample for both categories consisted of individuals at middle and senior management levels and either reported to a Customer Services Board Director, or were one level removed from a directorial report. HR participants were selected according to their support role as customer service managers as well as HR Intranet involvement, whilst HRM customers were randomly selected and invited to participate. Seven HR managers and seven HR customers agreed to participate in this exploratory study.

DATA COLLECTION METHOD

Study data drawn from a single organisation study (Yin, 1994) was used to provide descriptive analysis (Kidder, 1982) and established consideration for subsequent exploratory inductive/deductive interpretations of theory prepositions (Strauss and Corbin, 1998). The data was gathered during late 2002 - early 2003, principally adopting semi-structured interviews. Whilst their general protocol was determined in advance, the questions were supplemented during each interview encounter in order to probe emergent themes and to expand upon explanations (Harris and Sutton, 1986). The interviews were supported by extensive document compilation as well as observation of the HR Intranet in operation in order to improve data triangulation (Kakabadse and Kakabadse, 2002). All interviews were conducted on a non-attributable, face to face basis.

DATA ANALYSIS METHOD

The findings reported in this paper are drawn from an abstraction of the data using QSR NVIVO 1.1 software (Stutton and Callahan, 1987). The data was analysed using a qualitative analysis method of categorisation and sub-categorisation. The majority of categories were identified from the literature, such as user involvement (Baroudi *et al*, 1986; Doll and Torkzadeh, 1989, McKeen *et al*, 1994). Others not identified in the literature were produced from primary data using a grounded approach (Glaser and Strauss, 1967; Strauss and Corbin, 1998), highlighting specific uses of the HR Intranet by customers such as legal applications or specific outsourced HR issues. To improve reliability, participants checked their interview transcripts for accuracy, whilst, post interview, two academic colleagues checked for congruence of results concerning the coding of interview transcripts (Reason, 2000).

FINDINGS

In examining HR Intranet usage on internal customer satisfaction with the HR function, attention was given to HR customers' expectations, the changing role of managers, the nature of managers' satisfaction with HR Intranet design and application and the HR function as well as participants' suggestions on how to improve the service provided by HR particularly through the Intranet. Perceptions of HR suppliers and HR customers concerning Intranet usage, expectations and elements of satisfaction with HR are presented in Table 1. Considering that the study is qualitative and the sample too small to pursue statistical significance, the summary of results in Table 1 below is presented as a form of data reduction for illustrative purposes. The main themes and critical sub-themes (i.e. analytical categories) are expanded upon, illustrated with selected quotes from interview, to highlight the contextual dynamics between HR Intranet adoption and customer satisfaction with the HR function.

Table 1: Summary of findings

Themes/Categories	Positive response (%)	Negative response (%)	No clear opinion/undecided (%)
<i>Customer Expectations</i> HR Intranet meeting customer expectations <ul style="list-style-type: none"> • HR Customers • HR Suppliers 	 83 55	 17 20	 0 15
<i>Managers' Satisfaction</i> Managers' satisfaction with HR Intranet <ul style="list-style-type: none"> • HR Customers • HR Suppliers 	 83 100	 17 0	 0 0
<i>The Nature of Managers' Satisfaction</i> Satisfaction with HR Intranet Training to meet managers' changing role <ul style="list-style-type: none"> • HR Customers • HR Suppliers Customers involved in planning HR Intranet <ul style="list-style-type: none"> • HR Customers • HR Suppliers Satisfaction with communication (e.g. Marketing of HR Intranet) <ul style="list-style-type: none"> • HR Customers • HR Suppliers HR feedback on HR Intranet (i.e. regarding quality of technology, quality	 17 33 0 50 17 50	 67 33 100 50 83 33	 17 34 0 0 0 17

of information and quality of service of HR Intranet applications)			
• HR Customers	17	83	0
• HR Suppliers	67	33	0
<i>Impact of HR Intranet on HR Function</i>			
HR Intranet satisfaction effect on HR Function			
• HR Customers	83	0	17
• HR Suppliers	50	17	33
<i>Future Improvement of HR Intranet</i>			
Improve technical aspects of HR Intranet (e.g. reliability, functionality)			
• HR Customers	60	15	25
• HR Suppliers	70	20	10

HR Customer Expectations

Probing into expectations and satisfaction found that when managers' expectations with the HR Intranet were met, managers were satisfied both with overall HR Intranet application and with the HR function. The inverse was also found to exist. Where expectations of the HR Intranet were not achieved, this led to dissatisfaction with HR Intranet application in general and the HR function.

'I don't know what my expectations with HR were, but using their website they deliver everything I need.'

HR Customer 4

'General guidance is not specific nor sufficiently satisfactory – not customised enough or interactive to enable me to query the specifics of an issue... Gone through all the pages on sick absence but nothing on what the next stages are.'

HR Customer 3

Concerning customer expectations, a more negative view emerged from HR suppliers who reported lower confidence in the HR Intranet meeting customer requirements.

'Don't know the benefits of it. See it as just another xyz of money spent by the HR function.'

HR Supplier 2

Managers' Satisfaction

Satisfaction with the HR Intranet usage was expressed by the majority of HR customers, which included HR managers themselves.

'Fact is that it's a prime source of information and because it's available... I find out as much as possible before making the phone call, then the phone call is of higher quality.'

HR Customer 1

'Very much, in particular dealing with industrial relations and meeting with Unions as well as giving high level advice to the functional managers. I use the HR Intranet a lot.'

HR Supplier 5

Nature of Managers' Satisfaction

Two noticeable findings centred on the nature of the managers' satisfaction, namely, the perceived level of HR Intranet support for the changing role of managers, and managers involvement in the planning, marketing and feedback regarding quality of technology, quality of information and quality of service, of the HR Intranet applications.

1 Supporting the Changing Role of Managers

The roles of most of the managers in the study were reported as having changed substantially in response to developments in the company itself and to their own customers' expectations. The extensive downsizing that had taken place meant a wider job related remit for many, higher productivity requirements and considerable staffing variations. Line managers reported that they had greater 'people type' responsibilities largely due to the greater devolution of different HR activities. As well as the increased pressure this had brought, concerns were expressed over role ambiguity and an increased need for HR support and training to enable managers to perform these new activities satisfactorily.

'Over the years a lot of things have come back to us. Not a bad idea but we haven't been given the background support or training to enable us to do it.'

HR Customer 2

'I can find things (on the HR Intranet) but usually after a long search. One of the problems is a different document for different units - company policy not HR's fault.'

HR Customer 4

2 Managers' Involvement

Participants' responses concerning quality of technology, quality of information and quality of service of the HR Intranet applications, found that satisfaction (or no satisfaction) appeared to be considered only if one or more aspects were perceived to be either particularly outstanding or poor. On this basis, for some, satisfaction was

declared only because there had been no negative experience to indicate otherwise. The most vivid responses, however, came from extremes of experience.

'To be honest I hadn't really thought about it... I suppose I'm satisfied with how accurate the information is (on the HR Intranet) – I haven't had anything which indicates it isn't.'

HR Customer 6

'Overall, I'm satisfied but nothing more. HR Intranet provides something that wasn't there before.'

HR Customer 5

'Good dissemination of info, but too much. Thing I like about it, good information about rules and regulations, good from that point of view.'

HR Customer 1

'The problem with the Intranet is that the only relevant piece is the piece they're looking for. Depends how far they have to wade through, even finding a document, then need to find a paragraph. Mildly dissatisfied.'

HR Supplier 4

'Yeah, fairly reliable. Satisfied. I suppose there's a trust there.'

HR Customer 1

'I haven't found anything with a glaring error. Satisfied.'

HR Customer 3

Other aspects emerged which confirmed the differing perceptions of service provision between the HR customer and supplier. The responses brought to light a number of areas that could be grouped together as 'communication'. In contrast to the comments of overall satisfaction, customers indicated that,

- no training had been given on the HR Intranet applications;
'Never had any. Totally dissatisfied. Might know how to use it if someone had trained me.'

HR Customer 7

- there had been little or no customer involvement in the adoption and development of the HR Intranet;
'Customers were involved in some aspects but we then couldn't deliver because of funding problems. Got feedback about next stages of enablement but this folded because of the lack of funding.'

HR Supplier 2

- HR had not asked customers for any feedback on their usage or satisfaction with the Intranet;
'Not a bad idea to have your opinion heard but haven't been given the background support or interest to enable us to do it.'

HR Customer 4

- marketing of the HR Intranet had either been non-existent or poor;
'Well, I think it could be one area where they have sold themselves short. More people would use it, if properly communicated about what was on it.'

HR Customer 6

- no customisation of the Intranet for different groups or individuals;
'No, there's not anything that comes to mind that's tailored to my needs. But if I knew it was available I'd use it.'

HR Customer 1

- no alternative provision of information allowing opting out of the HR Intranet system;

'HR does not any longer provide hard copy of HR manuals and if one rings and asks them a question, instead of receiving the requested information, one gets a reply that the information is on the Net. Use of the Net is forced on managers, irrelevant of individuals' preferred working style. Non-technophiles are marginalized.'

HR Customer 3

In contrast, the HR Managers interviewed generally felt that the above aspects had been adequately covered.

'We did loads... can't recall all the detail but internal newspapers, specific e-mail drops to target communities, Web news bulletins.'

HR Supplier 2

The more positively oriented assumptions made by HR managers concerning HR Intranet communication and service provision, were reported as evident to HR's internal customers.

'I think that if HR has missed a trick, it's probably this - HR can be a source of information. Ring and ask them and they say it's on the Net. They just assume everyone's happy about going to the Net but they haven't positioned themselves to show this as a positive aspect of their role.'

HR Customer 1

HR Intranet Impact on the HR Function

A minority opinion held by customer managers considered HR as offering a 'hygiene factor' service, for example, being concerned that salaries are paid on time. Seemingly sensitive to such a view, HR managers perceived both the expectations of their customers concerning HR's use of the Intranet to provide HR services, and the resulting customer satisfaction, as being low.

In contrast, the majority of customers felt that their (high) expectations were met and they increasingly thought that their relationship with HR had improved and, as a result, indicated they were satisfied with HR's contribution.

'I would say that I don't think it's had a derogatory effect on HR. I think it's changed it but not for the worse.'

HR Supplier 2

'All the dealings I've had with HR, directly and through the Intranet, have been excellent. More so recently. My job's evolved and I'm looking for more from HR. Very supportive, straight and tell it directly.'

HR Customer 1

'We work very closely with an immediate HR colleague... Before the HR Intranet, I would never have thought about them, now more available and managers more focused on help they can give.'

HR Customer 7

Improving the HR Intranet

Despite the fact that the majority of managers indicated they were generally satisfied with the HR Intranet, each one, when questioned, raised issues with one or more aspects of the Intranet and made suggestions for improvement. Although it was established that HR had not sought their opinions concerning the HR Intranet, neither had any manager volunteered information to the HR department. The suggestions related mainly to important facets of the line manager's own role and interests and included a spectrum of activities still wholly or partly being carried out manually as well as improvements to aspects fully provided through the Internet.

'I think it's got to work and be reliable. More systems testing and involvement before launch. Failure will mean more cynicism for the next project. Have to make sure it's fit for the purpose.....'

HR Supplier 5

'Haven't thought about them. Maybe a number of flow charts for generic aspects, e.g. late for work, etc.'

HR Customer 3

DISCUSSION

The dynamic nature of organisational relationships is recognised in the literature as having a profound impact on task and organisational outcomes due to the continual and ever evolving interaction between differing parties (Fondas and Stewart, 1994). Examination in this study of the changing managerial role and its relationship with the HR function highlights the effect of managers' expectations of HR through the use of Intranet technology to provide HR services. Managers' satisfaction with the HR Intranet is shown to influence their view of the HR function. Thus, managers who felt their expectations were met were satisfied with the HR Intranet and said that its use had either increased their satisfaction with the HR function or had no effect on their

original perspective. Conversely, the manager whose expectations had not been met expressed dissatisfaction with the HR Intranet and felt that it decreased his satisfaction with the HR function. In the marketing literature this confirmation/disconfirmation of expectations has been identified as a key variable affecting customer satisfaction (Yi, 1990), which has not been sufficiently applied to the HR field in respect of its provision of services using new technology.

Managers' expectations were found to be influenced by different factors. Devolution of HR activities along with company downsizing and restructuring, which had expanded their role, meant that their expectations of HR had changed and, in turn, reflected their different priorities. Consequently, individual activities assumed greater or lesser importance in determining expectations and strengthened the perception of satisfaction or dissatisfaction. The challenge for HR is to adopt a proactive 'technology push' stance and to develop flexible systems which are customised and interactive despite the fact that customers may not, as yet, realise the benefits of such capabilities.

The study results revealed that even customers who were overall satisfied with the HR Intranet, held concerns with specific aspects of the service and, when asked, 11 out of 14 of the managers contributed suggestions for improvements. HR customers identified many areas where communication was lacking, a finding supported by other HR studies which highlight communication as key (Bruce, 1997). According to the survey participants, user involvement (in HR intranet development and applications testing), highlighted by many researchers as important to satisfaction, did not take place (Baroudi *et al.*, 1986; Doll and Torkzadeh, 1989; McKeen *et al.*, 1994). This aspect should be investigated further.

Similarly, both customers and HR managers identified that no training had been given on the Intranet, but rather there was an HR expectation of user trial and error. Again, the literature identifies the importance of IT training (Cragg and King, 1993), an area that HR appears to have missed as a valuable opportunity for communicating with users. Other areas where communication was lacking included the perception by the customers of little, if any, marketing either to 'sell' the services and enhance the role capabilities of managers, or to keep them fully informed about developments and plans for the HR Intranet. In view of the admission of no segmentation of customers' needs or any customisation, there appear to be considerable opportunities to improve user satisfaction. Further, the low confidence of HR managers that HR customers' Intranet expectations were not being met appear to arise due to lack of sufficient feedback, a finding which prompts an additional area for further investigation.

The findings reveal that many aspects identified as satisfactory only appeared to be so because managers had not experienced any negative factors. It is not unreasonable to assume that it may only require one item to go wrong to change an individual's perception of satisfaction. The degree and underlying strength of satisfaction should be investigated further.

Customers also maintained that, except for one individual at local level, HR failed to request feedback on use/satisfaction with the system, a factor considerably recognised in the literature as necessary for HR to improve its customer orientation (Mabey *et al.*,

1998), commit to internal customer satisfaction (Bowen and Greiner, 1986) and listen to “keep HRM saturated with information on internal customers’ perceptions and expectations” (Bowen, 1996: 35). In reality, there are many aspects of communication (training, involvement, feedback, marketing, as well as managing expectations) where opportunities for two-way customer/supplier dialogue can be neglected. Although the literature strongly suggests that these various aspects are important to customer satisfaction (Bacon, 1999), the findings from this exploratory study were mixed, highlighting additional questions that need to be further explored. On this basis, the following questions are identified as worthy of further examination.

- Where human resource Intranet application (HRIA) training is provided and perceived by managers as satisfactory, will this increase managerial satisfaction with the HR function?
- Where customer involvement in the adoption/development of the HRIA is perceived by managers to be satisfactory, will this increase managerial satisfaction with the HR function?
- Where the opportunities for customer feedback about the use of the HRIA and appropriate action taken is perceived by managers to be satisfactory, will this increase managerial satisfaction with the HR function?
- Where the internal marketing of the HRIA is perceived by managers to be satisfactory, will this increase managerial satisfaction with the HR function?

STUDY LIMITATIONS AND IMPLICATIONS

Information and communication technology (ICT) is posited in the literature as a key factor to have a profound effect on the HR function but, to date, there has been minimal theoretical development and empirical research undertaken in this area. Where studies have been carried out, it is usually from the perspective of HR ICT proficiency. The study reported in this paper attempts to be ground breaking through investigating multiple perceptions of an ICT support tool, a focus that has been identified as an area lacking in the HR arena (McGovern *et al*, 1997; Kettinger and Lee, 1994). Through providing understanding of the expectations and perceptions of HR customers, the study also offers insight on how the use of the HR Intranet can impact on managers' satisfaction with the HR function. Emphasised is that, in installing and developing technology, customers’ expectations and priorities concerning type and quality of service need to be taken into account.

Despite identifying opportunities for further research, this exploratory study has its limitations. Because of its exploratory nature, this inquiry did not examine issues of individual style or personal orientation (extroversion/introversion; optimism/pessimism) impact on HR customer expectations and satisfaction. Equally, the nature of previous customer experience(s) with the HR function was only remarked upon and more research is needed in order to determine specific causal linkages. As this study investigated expectations and satisfaction at the managerial level, exploration of the HR customer relationship also needs to be pursued at the strategic, operative and supervisory levels in order to identify similarities and

differences in patterns of responses. Additionally, the single case approach limits findings, possibly to the point of being unique to the enterprise under scrutiny, thus emphasising even more the need for a broader survey in order to emerge with greater generalisability of findings.

CONCLUSION

Overall, the findings emphasise that the influence of customers' increased expectations impacts on the changing role of HR (Conner and Ulrich, 1996) and the influence that the use of Intranet technology for HR applications has an effect on the perceived satisfaction with the HR function (Huselid and Becker, 1999). Emphasised are the possibilities that effective and proactive use of IT can have on HR (Snell *et al*, 1995; Groe *et al*, 1996). On this basis, this study is a first step towards understanding the dynamic nature of the HR customer/supplier role relationship and the impact that the use of new technology can have on this relationship. It is postulated that these results are useful in setting an agenda for future research.

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