Chapter II
HR Portal:
A Tool for Contingent and Individualized HRM

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ABSTRACT

Intellectual capital is today considered a key issue in analyzing the critical determinants of company performance. Companies design more and more human resource (HR) strategies when creating and developing intellectual capital. HR portals are applications that enable single personalized access points designed for specific user profiles and organizational positions. Our clarifications and recommendations highlight that HR portal implementation and use can be contingent if the HR function offers a specific set of HR applications to single employees based on differentiation strategies. HR portal implementation and use can also be individualized if the HR function offers a set of alternatives where the single employee can choose a personal HR configuration that is still aligned with the strategy and based on the differentiation of the workforce. Our contribution intends to underline the role of HR portals as a tool for the pursuit of a mature differentiation strategy of the workforce, where the technologies can increase the opportunities for negotiating and exchanging preferences and expectations between employees and the HR function.

INTRODUCTION

Recent studies have ascertained the positive relationship between HR strategy and organizational performances, such as individual performance and turnover (Arthur, 1994), market-based performance (Huselid, 1995), return on investment (ROI) (Delery & Doty, 1996), employee retention and firm productivity (Guthrie, 2001). Other authors have discussed how intellectual capital, which has been described as the sum of all knowledge firms utilize (Nahapiet & Goshal, 1998; Subramanian & Youndt, 2005) can be explained in terms of organizational performance, and more
generally, competitive advantage. Furthermore, Youndt, Subramanian and Snell (2004) found that organizational performance can be enhanced by HR configurations, facilitating the development of intellectual capital. Despite the numerous studies on the theme, it is still not clear how the variables of HR configurations and intellectual capital interact. There is a gap in literature with regards to the current debate focusing on the development of some Information Technology (IT) tools that are intensely changing the HR function role (Lepak & Snell, 1998) and the contemporary organizations’ way of doing business. Investigations and arguments are however intensifying, as the implementation of HR portals, state of the art IT applications which support HR practices, provide many relevant benefits to the creation and development of intellectual capital.

Objective of this study, aside from filling in some of those intermediate gaps, is to integrate HR strategy theories and configurations, intellectual capital, and information systems and explore the concept of HR portal alignment and personalized HR configuration as key variables for future HR strategies.

**Proposition 1:** the HR portal configuration, if aligned with the HR strategy, will increase employee contributions to intellectual capital creation and development.

**Proposition 2:** the HR portal configuration, if offering a range of alternatives through which employees create a personalized HR configurations, will increase employees contribution to intellectual capital creation and development.

The first section of this article discusses the theoretical background of the manuscript, linking strategic human resource management and information system theories. Thereafter, the interpretation of the contingent and personalized HRM strategies through the design of HR portals is presented. Implications for theory and practice are discussed in the final section.
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