

E-procurement, E-human Resource and E-finance

E-procurement and E-human Resource Management

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LEARNING OBJECTIVES

In this session we will discuss how the internet is changing the conduct of a number of business functions. These functions include procurement, and human resources.

At the end of this session, students should be able to:

1. Explain e-procurement; and explain how e-procurement differs from traditional methods of procurement in organizations.
2. Explain e-human resource management; and Understand how the internet is changing the recruiting and management of employees.

E-procurement



E-procurement Defined

Every business in one way or another needs and uses some raw materials in order to produce its products and/or services. In order to secure such raw materials, it prospects for, and finally chooses supplier(s) for those materials. Choosing a supplier and finally receiving the raw materials could be referred to as procurement.



E-procurement is the use of information technologies to facilitate business-to-business (B2B) purchase transactions for materials and services.

E-procurement and Traditional Procurement

Traditional purchasing processes are characterised by long purchasing cycle time;

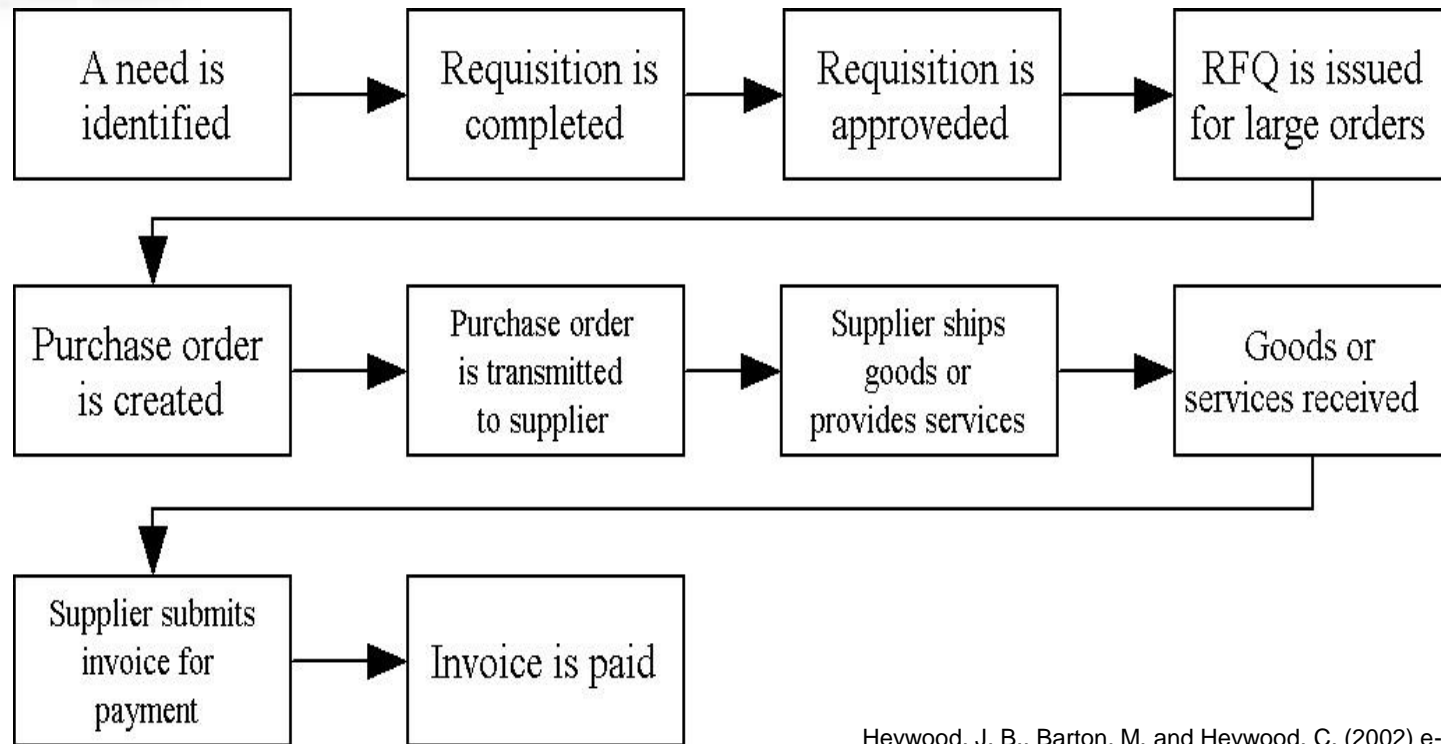
- a) the end-users identifying their need,
- b) filling paper requisition forms,
- c) which are sent to an approver,
- d) then to the buyer to make purchase orders and transmitted to suppliers.
- e) After items are delivered, orders are checked with invoice and receipts before payment is made.



time consuming mostly **manual** process is also coupled with **inefficiencies in processing orders, keeping records and increasing difficulty in monitoring purchases**, as such purchasing becomes very **costly**

E-procurement and Traditional Procurement

Information obtained from this traditional process can be considered to be less timely, less accurate and relatively incomplete.

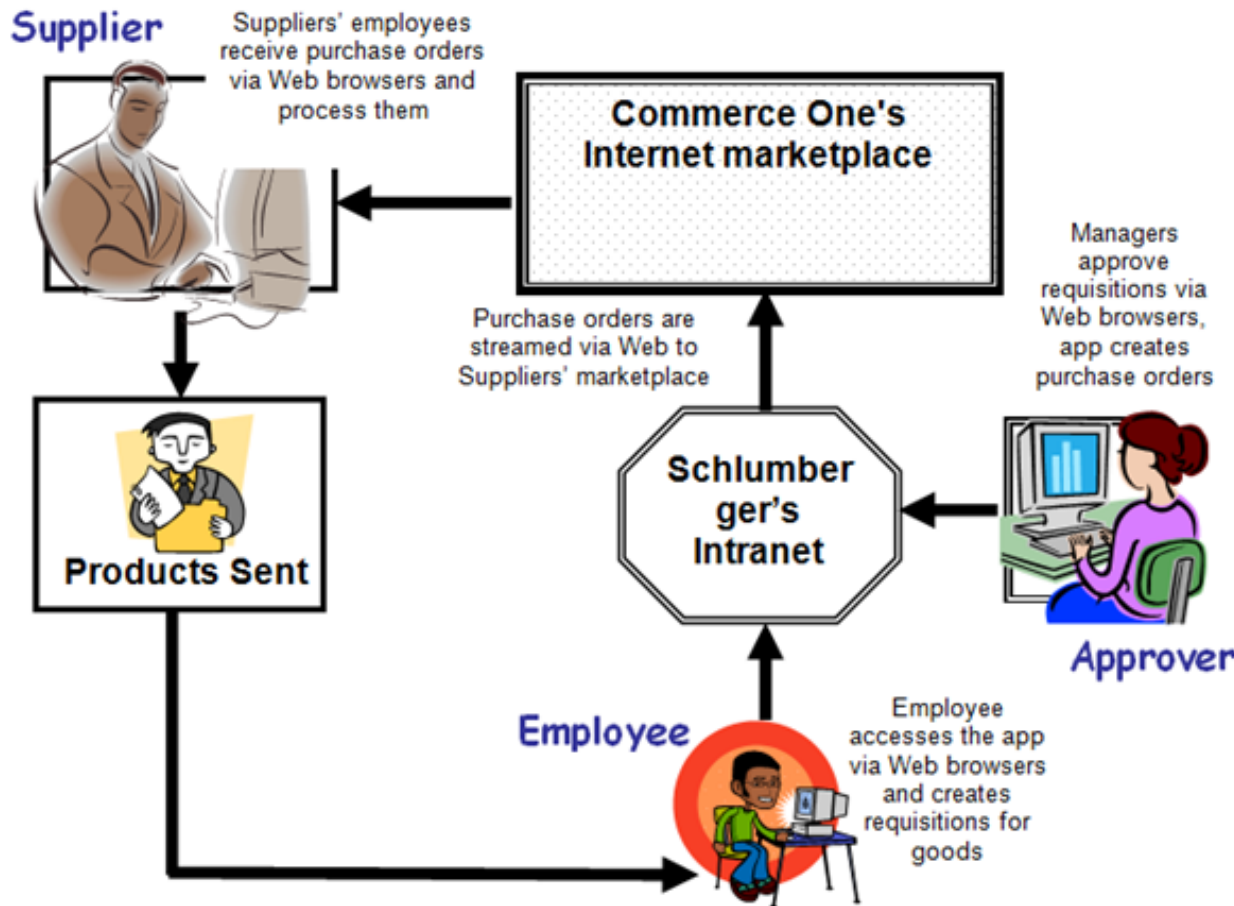


Heywood, J. B., Barton, M. and Heywood, C. (2002) e-Procurement: Managing Successful e-Procurement Implementation, Pearson Educated Limited, Financial Times, Prentice Hall, Great Britain.

Source : Heywood et al. (2002)

E-procurement - Difference

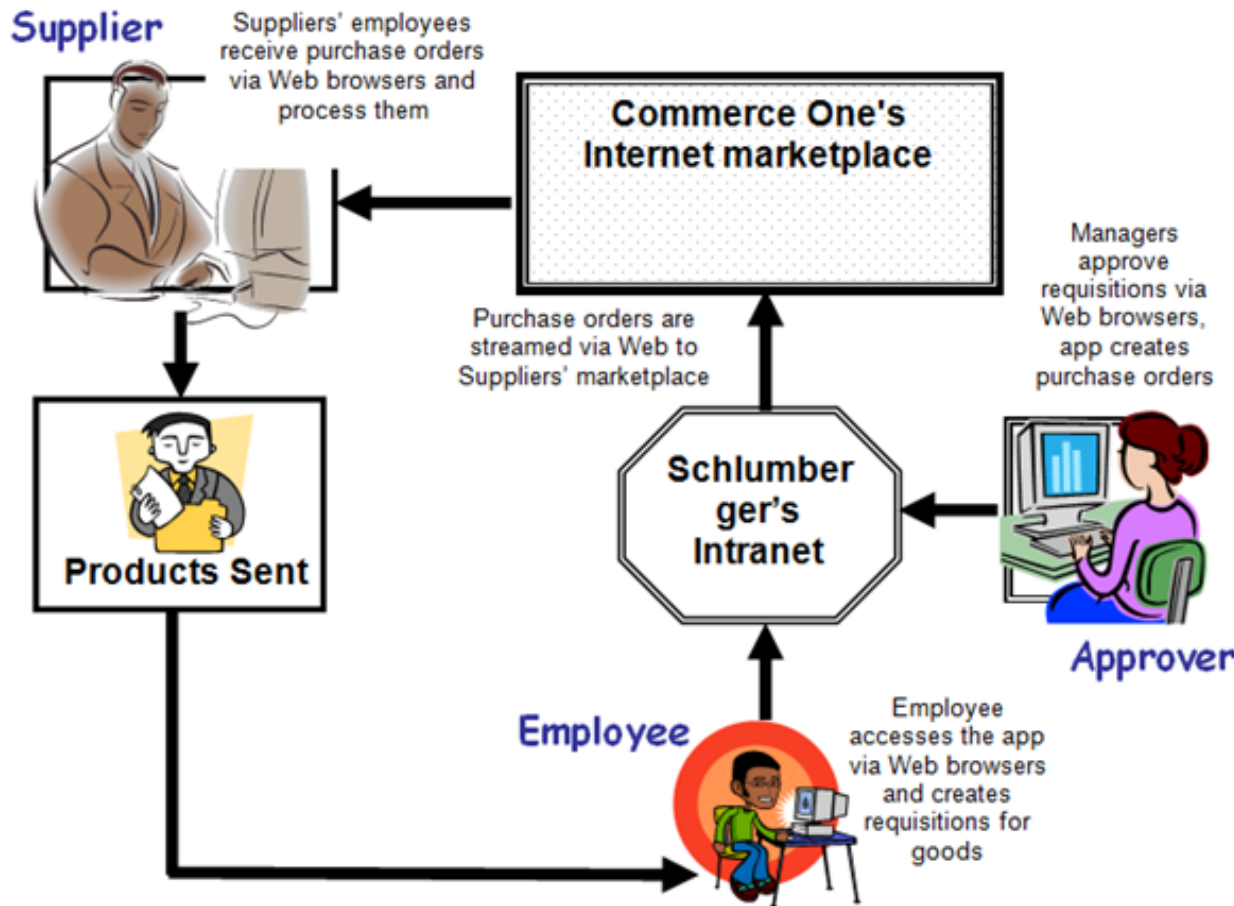
E-procurement at Schlumberger



The system is in two parts. The internal part runs on the Schlumberger intranet. It enables employees to act as purchasing agents, ordering directly via desktop computers from simplified catalogue of office supplies and technical equipment.

E-procurement - Difference

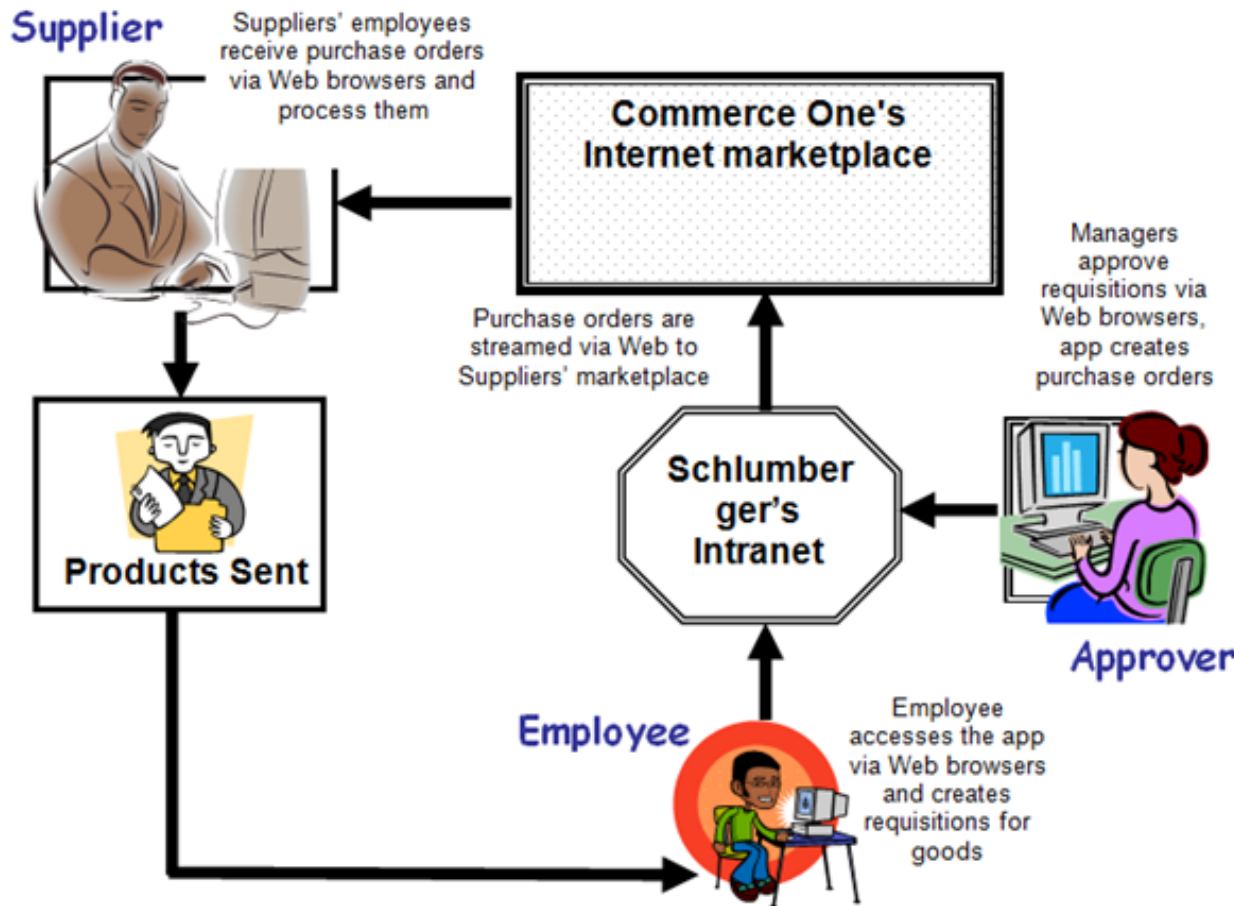
E-procurement at Schlumberger



Once they select the items, the system automatically issues a requisition that is electronically routed to the approver for approval, and turns it into a purchase order. To deliver purchase orders to suppliers, the system uses MarketSite, Commerce One's Internet marketplace.

E-procurement - Difference

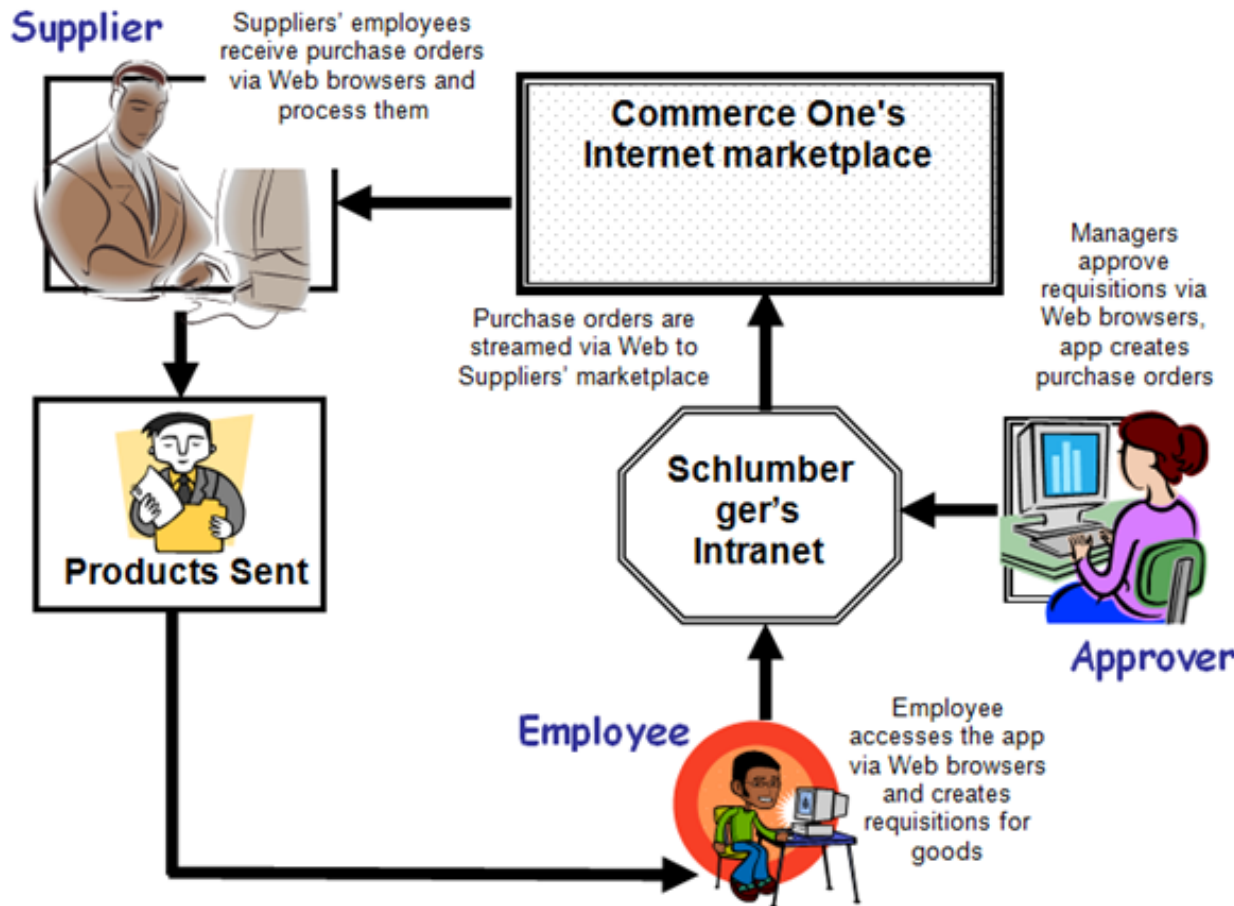
E-procurement at Schlumberger



MarketSite enables the organization to connect with hundreds of suppliers using a single open system. Though suppliers' post their overall product catalogue on Marketsite, each buyer can customize the catalogue of products and prices it sees.

E-procurement - Difference

E-procurement at Schlumberger



As such what employees see on their desktops is a subset of that product set, with prices negotiated before-hand with the supplier.

Suppliers can then respond to purchase orders quickly, get products delivered on time and of right quality and quantity.

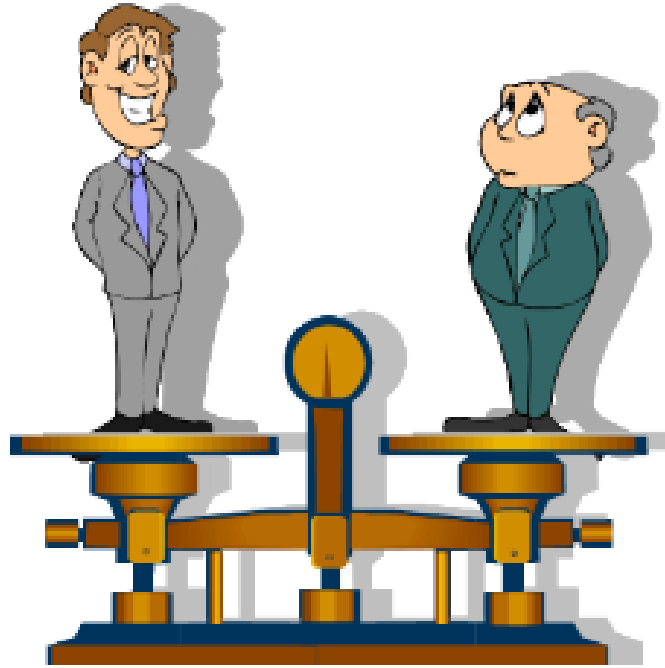
E-procurement systems

E-procurement systems are expected to:

1. Allow users to search for products, place and track orders, receive and pay for purchases.
 2. Allow suppliers to provide catalogues of their products or gather information from various supplier websites
 3. Host online bidding events where interested buyers send an offer to a chosen supplier who may keep reducing the bids to win the contract.
 4. Allow buyers to analyse supplier markets and the suppliers. It could also have tools for searching, rating and scoring suppliers, bidding and evaluating.
- Generally it is to help buyers make buying decisions.



E-procurement systems



Supplier

- Wants to sell commodity
- Does not want to divulge excessive information

Buyer

- Wants to buy commodity
- Wants lots of data to assess risks

E-procurement - Benefits

Reducing costs

E-procurement can reduce costs associated with paperwork, rework and errors. Since human intervention in the generation of documentation (requests for information (RFI), requests for proposal (RFP) and requests for quotation (RFQ)) is reduced, errors are also reduced. The tracking ability of E-procurement allows managers to confirm pricing, cutting down on unnecessary purchases/costs.

Visibility of spend

E-procurement systems also have a feature to perform centralized tracking of transactions. This feature enables detailed and accurate reporting to be made on requisitions, items purchased, orders processes and payments made. There is little room to breach contracts agreed on with an organization's suppliers.



E-procurement - Benefits

Productivity

E-procurement also saves buyer time because it reduces or even eliminates phone calls and trips away from the office, since all purchases are made online right from their desk. The people in that department thus have enough time to concentrate on strategic sourcing, managing and improving supplier relationships. With instant order placement, shipping time is also reduced.



Decision-making

e-Procurement helps with decision-making by keeping important and relevant information neatly organized showing their respective time and dates. Tracking information in terms of who sent what to whom, becomes quite easy. Keeping track of all bids means having information which an organization could rely on to make better pricing decisions.

E-procurement - Benefits

Improved Controls

Compliance to policy is improved as users can quickly locate products and services from preferred suppliers and are unable to create informed purchases. Compliance ensures a reduction in "rogue buying"; buying either substandard goods or goods from outside the approved list of suppliers.



Seller Benefit

Suppliers have the ability to be more proactive in the way that they do business. They can access the stock systems of buying companies in order to see the renewal dates of contracts so they may prepare new or renewal contracts. This would be an improvement over the mere display of their products in a catalogue and waiting for buying firms to approach them.

E-procurement - Challenges

In developing countries - legislation delays, poor change management and socio-cultural barriers.

Poor change management occurs from lack of stakeholder involvement, lack of support from senior management, or even lack of organizational support. Most transitional economies are struck with problems of unemployment and since e-procurement decentralises all purchasing activities, *the threat of redundancy, redeployment or loss of power is likely to lead to resistance* to the implementation of the system.

Legislation delays arise when there is a need for new legislation and rules to support this form of procurement. Most transitional economies lack these laws; hence there is reduction of interest of organizations to participate in it. *Legality of Electronic Documents and Legality of Electronic Transactions*

E-procurement - Challenges

Ghana's Electronic Transactions Act 772 (2008) seeks to provide for and **facilitate electronic communications and related transactions in the public interest**, and to **remove and prevent barriers to electronic communications and transactions**; **promote legal certainty and confidence and provide legal safe environment for the conduct of transactions** with public and private bodies, institutions and citizens.

The Act covers electronic records, digital signature, electronic signatures, consumer protection, cyber offences etc.



E-procurement - Challenges

Ghana's Electronic Transactions Act 772 (2008)

Obtaining electronic payment medium falsely

119. A person who makes or causes to be made either directly or indirectly, a false representation to procure the issue of an electronic payment medium personally or to another person commits an offence and is liable on summary conviction to a fine of not more than five thousand penalty units or to a term of imprisonment of not more than ten years or to both.

General provision for cyber offences

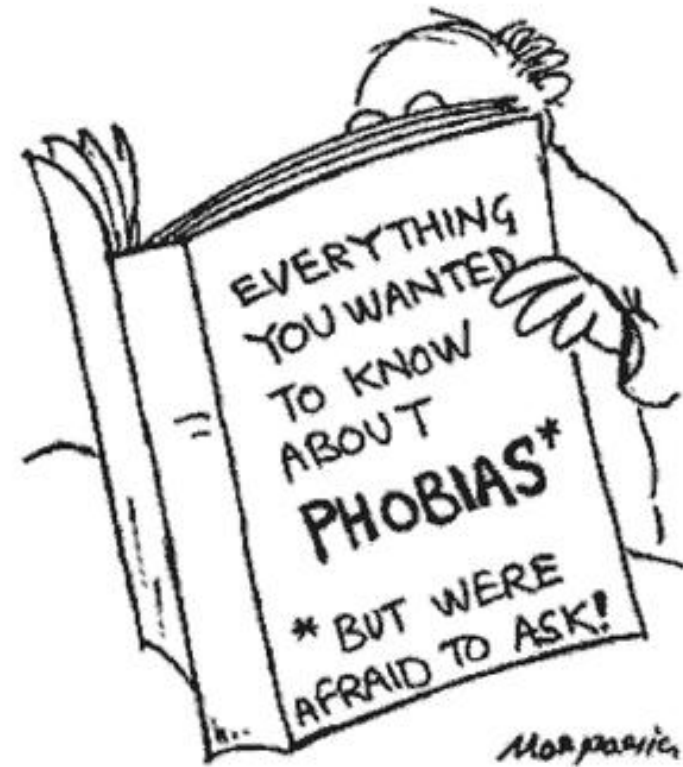
123. Except as provided for in this Act, any offence under a law which is committed in whole or in part by use of an electronic medium or in electronic form is deemed to have been committed under that Act and the provisions of that Act shall apply.



E-procurement - Challenges

Socio-cultural barriers to e-buying include *language preferences, income and literacy levels, attitudes toward distance buying, methods of payment*. High existence of these barriers could lead to poor adoption of the system.

For instance consumers in Mexico and Egypt are generally accustomed to touching merchandise before buying. Other issues relating methods of payment are prominent where credit card usage is low and the tradition of cash payment exists, like Egypt and Ghana.



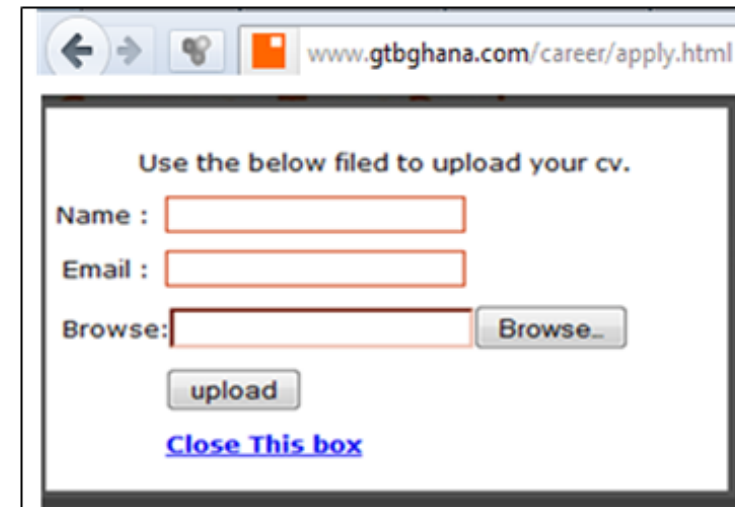
E-human resource management

The logo for eHR, where the lowercase 'e' is in a blue script font and the uppercase 'HR' is in a bold, blue, sans-serif font.

E-HRM Defined

- E-HRM means that ITs, especially computer network and the Internet, are used to help manage human resource management practices and provide HRM services.
- Services include HR planning, recruitment and selection, performance appraisal, communication, rewards and benefits, and training and development.

GT Bank Curriculum Vitae Upload Webpage



The screenshot shows a web browser window with the address bar displaying "www.gtbankghana.com/career/apply.html". The main content area contains the following text and form elements:

Use the below filed to upload your cv.

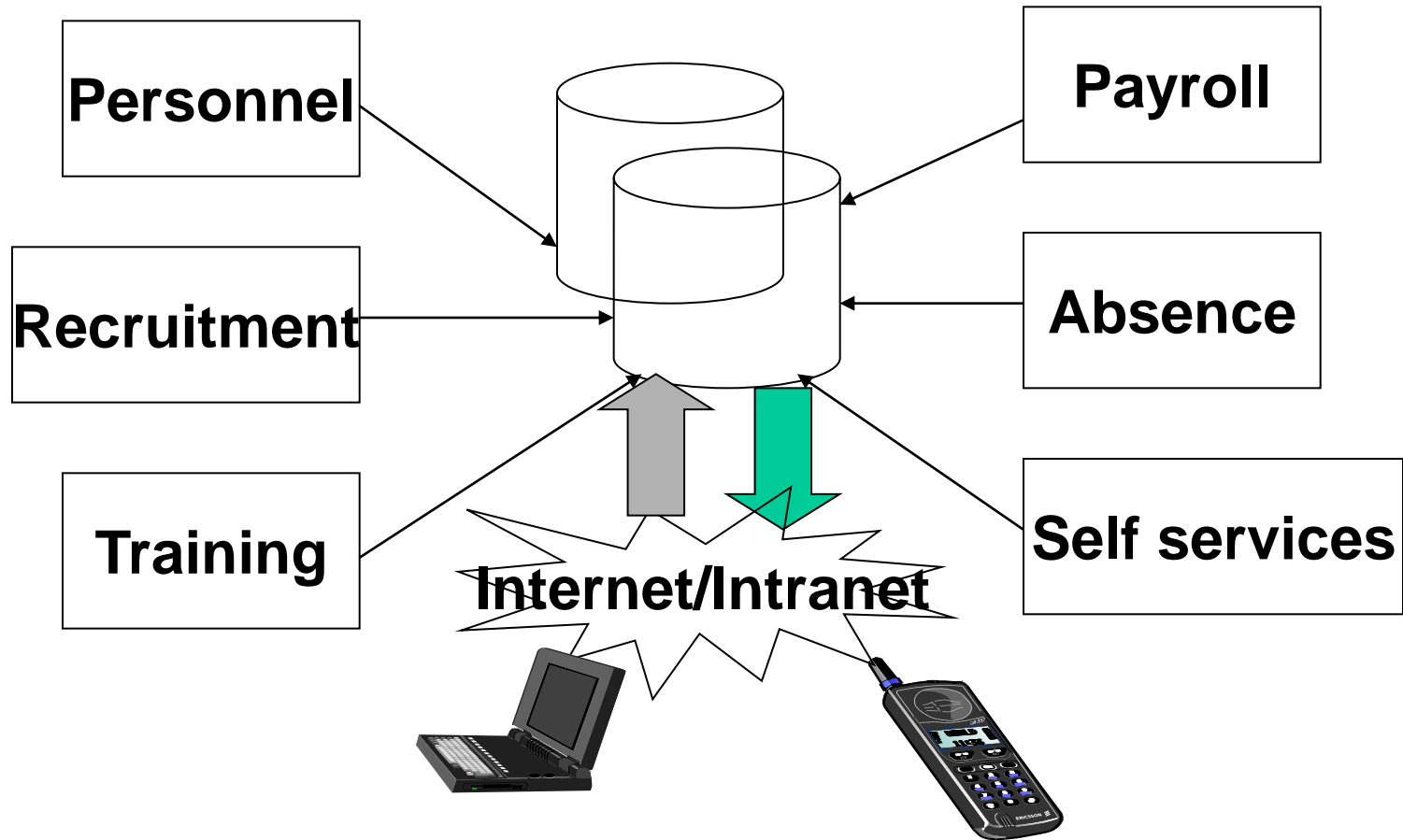
Name :

Email :

Browse:

[Close This box](#)

E-HRM Defined



E-procurement, E-human Resource and E-finance

Where does the “e” play the role?



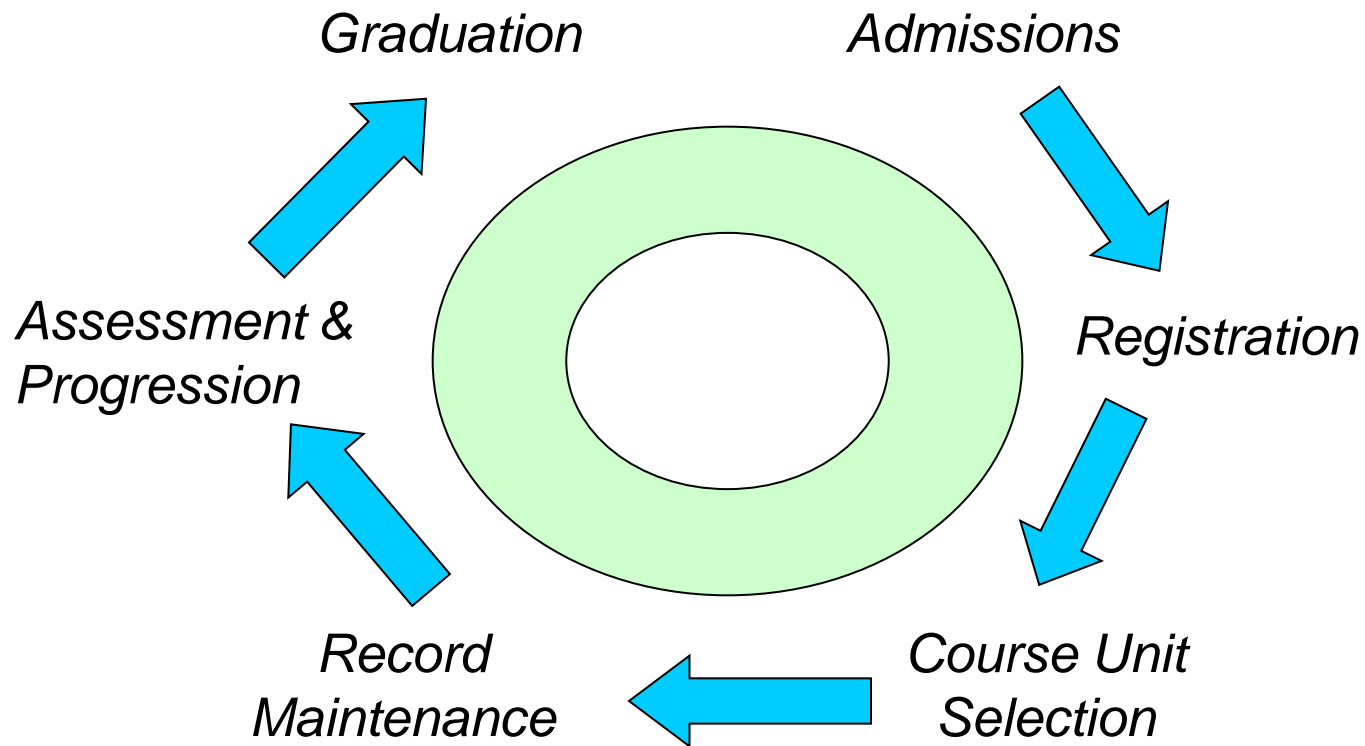
HRM PRACTICES	IMPLICATIONS OF E-HRM
Analysis and design of work	Employees in geographically dispersed locations can work together in virtual teams using video, e-mail, and the Internet.
Recruiting	Post job openings online; candidates can apply for jobs online.
Training	Online learning can bring training to employees anywhere, anytime.
Selection	Online simulations, including tests, videos, and e-mail, can measure job candidates' ability to deal with real-life business challenges.
Compensation and benefits	Employees can review salary and bonus information and seek information about and enroll in benefit plans.

“e” plays a role throughout the HRM process

Applicant and student self-service

E-Human Resource Management System in a University

Self-service applies to the student life-cycle



Applicants can do on-line:

1. Track progress of application
2. View outstanding supporting information
3. Accept or decline an offer



Students can do on-line:

1. Carry out academic and financial registration
2. Check selection against programme rules
3. Choose course units
4. Send email to their tutor/supervisor
5. Update their addresses, phone numbers, private email addresses, and emergency contacts
6. View an unofficial transcript, or request an official transcript
7. View details of degree ceremony, confirm attendance, and request tickets
8. View details of assignments
9. View details of financial awards
10. View grades
11. View milestones
12. View their own weekly timetable



E-HRM APPLICATIONS

- **e-Recruitment** – use of the Internet to [attract](#) potential applicants (prospects) who have the [KSAOs](#) needed to meet the requirements of organizational roles. [KSAOs](#) - knowledge, skills, abilities, and other attributes.
 - Company Websites;
 - Internet Posting Boards;
 - Internet Advertising
 - Proactive Candidate Searches
- **e-Selection** – use of web related technologies to support strategies for [assessing](#) the degree to which applicants have criterion levels of KSAOs.
 - Online Interviews and Simulations
 - Ability tests, Personality Measures
 - Resume Submission, Resume Scanning and Resume Feedback

e-Recruiting Strategy

- **Company Web Pages**

- Many firms take it as their first step of posting job openings on their corporate website. It allows "free" advertising with few restrictions.

- **Job Posting Boards**

- There are a plethora of job-boards available that allow firms to post jobs for a minimal fee and look for applicants free of charge. Google Base; Craigslist;

- **Internet Advertising**

- Internet advertising is a way to buy "eyes" with well placed banner ads.

- **Proactive Candidate Searches**

- Can be "manual" or "automated" with web-spiders.

E-procurement, E-human Resource and E-finance



Welcome to
GTBank Ghana



Guaranty Trust Bank (Ghana) Ltd

Home

About GTBank

Services

Products

Careers

Contact us

You are here: [Home](#) > [Careers](#) > Corporate Culture



Our Culture

In true Guaranty Trust tradition, Guaranty Trust Bank (Ghana) Limited maintains a culture of excellence. We go to great lengths to ensure that we meet our customers' needs and exceed their expectations. Our core values are hinged upon:

- Professionalism;
- Integrity and ethics; and
- Superior service delivery.

We maintain an informal but competitive environment where people call each other by first names from entry level through to the Managing Director- no "Sirs or Madams". This informal culture is not common practice in Ghana, but true to our convictions, the non-regimented open environment brings out the best productive output in our people.

The Bank also has an open door policy. This reinforces the informal atmosphere and breeds a feeling of equality. Everyone is accessible and approachable, working in open offices alongside their colleagues. In addition, we have a flat organizational structure that engenders effective communication and prompt decision-making.

The work environment is built saliently on our Orange Rules, and a thirst for excellence in everything we do. Quality is an integral part of the Bank and its improvement is not just in the hands of a few but in the hands of every member of staff. Delivering quality is the way we know how to sustain our competitive advantage.

Advantages of e-Recruiting

- **Efficiency in Cost and Time**
 - eliminating cost of middlemen and reducing the recruiting cycle.
- **Excellent Reach**
 - expansion of employers' access to almost all segments of the labour market, even executives.
- **Better Targeting**
 - ability to gather more and better data for more accurate identification of the best applicants.
- **Better Employee Branding**
 - most applicants will view an organization's web site prior to application or interviewing.
- **Centralized and Standardized Record Keeping**
 - ease of tracking, storing and analyzing applicant data. Ease for generating reports
- **More Applicants – Qualified Candidates – Powerful Tracking – Better Hires**

Buckley, Minette, Joy & Michaels (2004)

Drawbacks of e-Recruiting

- **Volume**

- The time and effort it takes to sort out target resumes is big. It needs large capability for the storage of acquired information. E-recruiting systems need highly effective screening mechanisms to make the work easier.

- **Quality**

- Although increased reach may increase the likelihood of contacting high quality candidates, the overall quality of the applicant pool may be low.

- **HR Skill Sets**

- HR professionals are scrambling to acquire or upgrade their skills to deal with marketing, technology issues and justifying the investment to e-recruiting.

Stone, D.L., Stone-Romero, E.F., Lukaszewski, K. (2006). Factors affecting the acceptance and effectiveness of electronic human resource systems, *Human Resource Management Review*, 16, 229–244

Privacy and e-Recruiting

- Privacy on the Internet has been a big concern
 - You upload your personal data to the recruitment website
 - Your personal webpage is scanned by job recruiters
- The EU Directive on Data Privacy effected on October 25, 1998. It has far-reaching effects on business practices including e-recruiting.
- **Take Article 8** of The Directive as an example. It stipulates generally to prohibit the processing of personal data revealing the following:
 - Racial or ethnic origin
 - Political opinions
 - Religious or philosophical beliefs
 - Trade-union membership
 - Health or sex life
 - Criminal convictions
- The Directive is mainly about how an employer to protect its employees' data privacy, though it also has items about information made public by the individual

Effective Recruiting Websites

1. Both the **content and style** of organizational websites are important for organizational attraction
2. The 3 most important elements of effective website design are navigation, download time, and availability of desired information
 - A site map is particularly useful
3. The 3 most important topics for a company website to cover are: a clear business description, information about each office location, and specifics about job positions
 - Employers should position their site as a resource that students will return to repeatedly during their job searches.

E-HRM APPLICATIONS

- **e-Performance** – aim is to **control** Employee Behaviour, ensuring its alignment with organizational goals.
 - Establishing Performance Standards
 - Assessing Employee Performance And Providing Feedback
 - Taking Remedial Action To Avoid Failure
 - Design And Complete Appraisal Forms
- **e-Compensation** – are used for such purposes as **developing and implementing pay systems**, providing benefits, and evaluating the effectiveness of compensation systems (Dulebohn & Marler, 2005; Stone et al., 2003).
 - Job Analysis - identify important job characteristics
 - Job Evaluation
 - determining the relative worth and compensable factors
 - translating job evaluation points into a pay structure

Stone, D.L., Stone-Romero, E.F., Lukaszewski, K. (2006). Factors affecting the acceptance and effectiveness of electronic human resource systems, *Human Resource Management Review*, 16, 229–244

Readings

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