CAN WEB TOOLS RENDER SUPPORT TO HUMAN RESOURCE MANAGEMENT IN CLUJ COUNTY SMEs?

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ABSTRACT

The paper reports on research done on a group of SMEs from Cluj county related to the use of WEB Tools for interacting with employees. In conducting the research, we departed from traditional HRM practices by treating employees as a non-homogenous group of internal stakeholders. The main research issues addressed are: employees' and company's preferences for specific WEB Tools, and perceived barriers to using them; what companies do to institutionalize those tools, and policies and procedures to govern their use; advantages and disadvantages associated with them; their impact on HRM activities. This work is part of a larger project researching business sustainability. We believe that WEB communication tools have a tremendous potential to change the way people interact and work, thus enabling HRM activities to make enhanced contributions to a company's drive towards sustainability.

KEYWORDS: *WEB Tools, HRM, SME, communication, sustainability*

Introduction

Sustainability interfaces with economics through the social and ecological consequences of economic activity. Sustainability economics represents: "... a broad interpretation of ecological economics where environmental and ecological variables and issues are basic but part of a multidimensional perspective. Social, cultural, health-related and monetary/financial aspects have to be integrated into the analysis"[1].

Globalization's expanding trend at all levels, especially those in the economic environment, is in the middle of its assertion process. New technologies made globalization possible and multinational companies have transformed it into reality. Global markets have been created, which gave the necessary boost to increasing interdependencies and networking.

The Internet has become a transportation means for conversation, and the conversation happens more and more in real time. Blogging, podcasting, RSS, peer-to-peer, wikis, etc., all have become ubiquitous. WEB 2.0 means the evolution from speech to conversation. From a personal tool (WEB 1.0), the WEB has evolved to a platform of collective work (WEB 2.0).

Companies depend a lot on their interactions with everything around them, hence the concept of "stakeholder" is relevant. A stakeholder is a party that affects or can be affected by the actions of a business as a whole. A firm's stakeholders can be divided into two groups: internal stakeholders, who are the employees and the shareholders, and external stakeholders, who are the customers, the suppliers, the financial and governmental

institutions etc. The stakeholders who are relevant to MRU activities are: for internal activities such as training, human resource planning, personnel evidence, the relevant stakeholders are the employees and the managers; for recruiting activities the stakeholders are in the community; for public relations universities are an important stakeholder (as a generator of a recruitment base).

EU Member States traditionally have their own definition of what constitutes a SME, but now the EU has proposed to standardize the concept. Its current definition categorizes companies with fewer than 10 employees as "micro", those with fewer than 50 employees as "small" and those with fewer than 250 employees as "medium" [2]. By contrast, in the United States, when small business is defined by the number of employees, it often refers to those with fewer than 100 employees, while medium-sized businesses often refer to those with fewer than 500 employees.

The lack of information about human resources in SMEs is problematic for theory, research, and practice. Current human resource theory is often developed and tested in large organizations. As a result, not enough is known about the extent to which the theory applies to small entrepreneurial organizations. There are gaps and omissions in the literature. For example: the issue of developing high-potential employees that can perform multiple roles under various stages of organizational growth, matching people to the organizational culture, recruiting practices in SMEs, etc. [3].

SME managers and entrepreneurs do not seem to be concerned with traditional human resource management practices. Concerns are expressed about matching characteristics of the person, other than knowledge, skills, and abilities, to the values and culture of the organization. The literature review shows that human resources strategy theory is extensively covered in SME publications, but entrepreneurs do not give much importance to it [3].

Clearly there is a need for entrepreneurs to become aware of the work in the human resource strategy area. Considering this and starting from the fact that the WEB 2.0 instruments are a must for more effective and efficient interactions with the stakeholders we considered of interest to find out how much the SMEs in Cluj county know about the WEB instruments and if they use them to their advantage.

Romanian SMEs are characterized by the following features: small size and complexity, high typological diversity, low formalization degree, strong interconnection between the formal and informal elements, relative simplicity of procedural and structural organization, high flexibility, strong personalization, high centralization of decision making [4].

Research and the results

The research was conducted by a questionnaire consisting of 23 items, part of them with open answers and others with multiple choice answers, that was administered through an online survey to 1754 SMEs out of a total number of 34.000 SMEs; 265 answers were received. Data management and statistical analysis were performed in Microsoft Office Excel.

After processing the data from the 265 returns the following conclusions resulted:

1. The budget allocated to HRM activities for 2009 is lower than in 2008. 90% of the questioned SMEs that answered had lower budget, 10% had the same budget as in 2008.

2. Most of the WEB Tools (82%) are used on an individual initiative. Only the e-mail (98%) and the Communicator (78%) are used on company initiative. Most WEB Tools are not accepted for use during work hours. They are considered to serve only leisure purposes (figure 1).
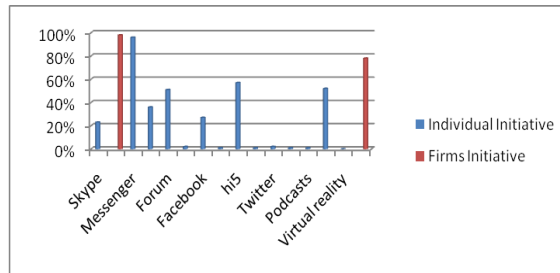
Figure 1 – WEB Tools used on individual or firm's initiative

3. The WEB Tools accepted for use by company policies (e-mail and the Communicator) are used mainly for planning (67%), organizing and communicating educational plans (personnel professional development 72%), personnel recruitment and selection (90%), and general communication with the personnel (99%). The tools used without company permission are Yahoo Messenger or Windows Live Messenger, Facebook, hi5 and YouTube, usually for personal communication, relaxing and socializing.

4. The WEB Tool mostly used by the respondents is e-mail (99%), instant messaging services (95%) and YouTube (90%).

5. Most respondents (93%) reported that IT specialists (97%) and top management (92%) use the above mentioned WEB Tools.
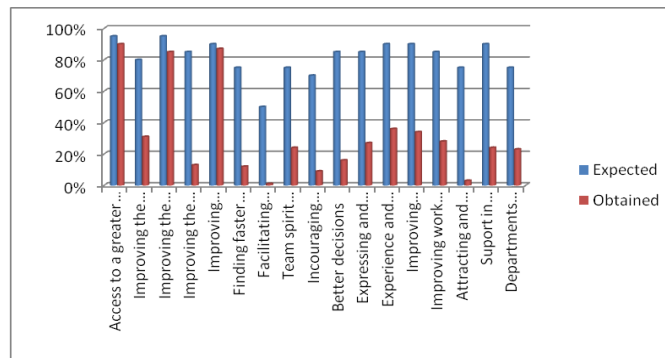

Figure no. 2 – Advantages expected and obtained by the use of WEB Tools

6. Of the advantages respondents expect to obtain (mentioned in the questionnaire), the ones that were actually acquired are: better communication among employees (85%), access to a larger amount of information (90%), better exchange of information (87%) - (figure 2).

7. The disadvantages most respondents reported are: people interact less and less face-to-face (96%), and the growing difficulty of speaking in front of others (89%).

8. The barriers to using the WEB Tools arise mostly from the insufficient knowledge of the advantages related to their use (94%). At the same time, managers are conservative, tend to use traditional tools (e.g., formal memos, meetings to help make decisions) and consider they are good enough for the intended purposes. Some (67%) reported they do not have the necessary time to transition to the use of the new tools and prefer to stay with the known tools. Many (73%) think that they have insufficient knowledge of the risks involved and, therefore, they are unwilling to assume those risks for the moment (figure 3).
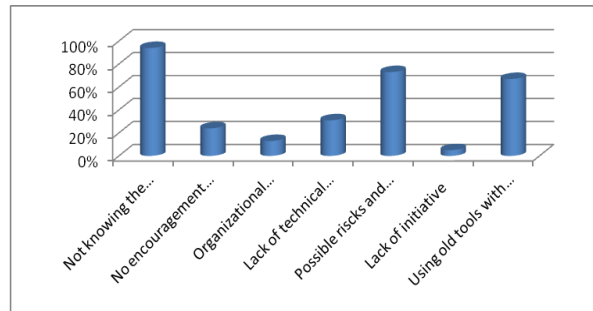
Figure no. 3 – Barriers in using WEB Tools

9. Most SMEs (96%) did not do undertake initiatives to encourage the use of the new WEB Tools.

10. In general there are not policies in place regarding the use of WEB Tools, except the e-mail service for which 25% of the respondents reported they have clear rules and specifications regarding the security.

11. Some respondents (36%) gave up the use of WEB Tools, with the exception of e-mail, because companies do not allow them in the work place.

12. Most respondents (95%) do not believe that the use of those tools could possibly affect the firm's activities.

13. Most respondents (95%) do not consider that their professional or personal development could benefit from using those tools.

14. 81% of the respondents think that WEB 2.0 tools cannot increase the efficiency of HRM activities.

15. 94% of the respondents do not think that WEB Tools could enhance the company's competitiveness, mainly because the advantages are not known.

16. Most respondents (89%) do not think those tools could help weather the current economic crisis.

Conclusions

After analyzing the results, we realized that the SMEs in Cluj county are not completely aware that WEB Tools can help with improving work, communicating and interacting with stakeholders. 62% of respondents did not know who their stakeholders are.

Stakeholder engagement is a critical, yet often overlooked or under-prioritized aspect of many organizations' efforts in pursuit of sustainability. The stakeholders should be accounted for sooner, rather than later in developing an effective strategy. Understanding their expectations and needs can help shape better approaches from early on in the process.

Sustainability has become important to companies of all sizes, but entrepreneurs are not sure how to engage the issue. Companies need an internal champion in aligning the interests of high priority stakeholders with company concerns. Internal mentality change often takes time in order to lead to external stakeholder engagement.

Companies must continually identify and prioritize key stakeholders. Even the most vocal critics must be engaged in trying to find common grounds. They can influence consumers and media perceptions and ultimately sales - positively or negatively.

Most respondents to our questionnaires however were interested in how the WEB Tools could be used to their interest and would like to get information and directions to the use. We trust this is a good starting point for a change.

Recruiting, personnel development, human resource planning, organizing training activities, personnel bookkeeping are MRU activities on which WEB Tools can have a significant impact in SMEs because those tools are easy to use, are suitable for these activities and are free of charge. The great amount of information the HRM area deals with can be very well organized with the help of these tools. The human resource is an internal stakeholder on which the future of the company depends. WEB Tools provide an easy and inexpensive way to discover the needs and expectations of those stakeholders.

At this point in time most SMEs in Cluj county do not consider WEB Tools to be important neither for their development nor for their interactions. They believe it is easier and safer to use traditional tools than to take risks and bet on the favorable effects of the new "revolutionary" tools. However, we have signs that our questionnaire raised some encouraging question marks in the minds of some entrepreneurs and managers of SMEs.

Usually SMEs do not develop strategies, and long-term objectives regarding the HRM activities do not get enough attention. We found that the HRM function tends to be understaffed and insufficiently funded.

The WEB Tools come in very handy, are mainly free of charge and very easy to use. They can help SMEs with improving the prospects for sustainability through better and more complex interactions with the stakeholders. Better relations with the stakeholders bring greater advantages to entrepreneurs by faster and better information and by keeping them in touch with stakeholders' needs and expectations. Staying in touch with the stakeholders can help with foreseeing risks and identifying opportunities.

WEB Tools can be used for a range of HRM purposes, including reaching out for information in the recruitment process, boost learning and knowledge sharing, enhance effective communication with employees, motivating employees, supporting employees with their collaborative efforts, involving employees in the innovation process and in key decision making. By using the new WEB Tools SMEs can adapt easier and sooner to changes, and become better at foreseeing upcoming changes and getting prepared for them.

Thank You Note:

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