# Chapter 8 E-HRM's Impact on an Environmental Scanning Process: How Can Technology Support the Selection of Information?

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#### **ABSTRACT**

This paper examines HR Management issues in Environmental Scanning (ES) process. Although literature claims that selecting information in this kind of processes is central, the authors are using the concept of "intelligent filters" (Simon,1983) to understand how human attention can be managed for selecting strategic information in a complex environment. The author examines HR executives and the way they deal with issues related to ES and focuses on an empirical study in a big technological firm, where the use of an internal reporting and communication system (the weekly) was studied. This author finds that this particular system can be considered as an "intelligent filter", requiring both human and technological resources. Finally, suggestions that the system is used by HR executives in order to organize communication and coordination in an ES process but also to increase the participation and involvement of all employees in such a process are made.

#### INTRODUCTION

Constant development of Information Technologies (IT) and globalization are the main factors that give an international aspect to competition. Today's firms must deal with a complex perceived

environment where unpredictability rhymes with uncertainty.

Environmental Scanning, as a practice of information management, falls under the general prospect to help managers acting and deciding in this complex context. In a more specific way, this practice tends to increase the reactivity and the competitiveness of companies, helping them

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to adapt more easily to a changing and dubious environment.

An Environmental scanning system involves the participation of various actors and a multitude of interactions inside and outside of the organization. HR managers are highly concerned here. They have a deep impact on how employees' competencies and talents are managed. Today's HR Managers must deal with a knowledge based economy (Foray, 2000) where immaterial capital is more and more central for management, some authors are talking about the "war of talents" that is going on (Michaels et al., 2001). Moreover HR Managers are the ones who have to handle the issues related to the motivational/organizational aspects of an ES System, answering questions such as: how employees do collaborate/cooperate in those systems? How to enhance their participation to an ES System and how can they be involved? Etc.

Many aspects must therefore be taken into account and ES Systems appear to be complex. Hence, modelling those systems seems to be problematic and its impact on performance has been widely discussed (Thiétart, 1990; Lesca, 1994; Amabile, 1997). The first part of our chapter will try to clear up the environmental scanning concept and to understand its impact on HR Managers.

In the second part, we will focus on a specific phase of the environmental scanning process: the selection of information by HR executives. Indeed, many authors (Marchionini, 1995; Lesca, 1996; Blanco, 2002; Lafaye, 2004) stress the fact that the selection of information phase often appears as complicated to managers. In fact, managers, with their naturally limited capacities of attention must deal with a mass of information that can be fragmentary, disparate and even contradictory (Reix, 2002). We'll try to understand how HR executives can « manage » those attention capacities using «intelligent filters» (Simon, 1983) in an environmental scanning context.

The third part of our work concerns a practical illustration of what can be seen as intelligent filters in an organization we studied. We'll examine a specific reporting tool (called the weekly), to understand how HR strategic information seekers – in a general way – can use this in an ES context.

# **Environmental Scanning** (ES) and HR Management

More than twenty years ago, authors were claiming that scanning an enterprise environment is necessary (Martinet, 1984; Porter, 1985; Thiétart, 1984; Ansoff, 1989). Using different nominations such as environmental scanning, business intelligence or strategic intelligence/watch, today's literature highlights the importance of watching the firm's environment (Kalika, 1991; Lesca et al., 1997; Choo, 2001). At the same time, the relationship between performance and environmental scanning has been widely discussed and reconsidered (Marmuse, 1992; Amabile, 1999; Reix, 2002). Indeed, it seems difficult to determine in advance whether the information selected in an environmental scanning process will be useful or not. We believe that the exact impact of these activities on organizational? Performance is still to be discovered.

Many research studies on environmental scanning explore the effect of situational dimensions, organizational strategies, information needs, and personal traits on scanning behaviour (Choo, 2001). Thus, the environmental scanning often relates to strategic questions such as the axes of development for a firm (Gondran, 2001); it also concerns information about the business activities and strategies pursued by competitors. It can be seen as a dynamic process (Thiétart, 1990) which consists in

The acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action (Choo, 2001).

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