SYSTEMS WILL CONTINUE TO TAKE OVER TRANSACTIONAL HR ROLES

The spread and usage of technology across companies worldwide have benefitted industrialization and the pressures towards efficient production ensure that the most effective ways of tackling common tasks are adopted worldwide. Transactional HR roles such as accounts clerk in the payable and receivable roles, sales ledger and credit control will be taken over by accounting software. Such accounting software which is application-based such as SQL, UBS, and many others help to record and process your business related transactions above that include sales, purchases, and payments to suppliers and receipts from customers. A good accounting system should also function as an accounting information system as well as a management information system.

Let us take for an example, in vehicle manufacturing, suppliers of steel, tyres, paint and upholstery are necessary, each of which in turn has its own technology and experts. The industrial structure becomes transformed from small craft units showing little technical specialization to a complex structure of large specialized units operating in an interdependent multi-organizational system. This system in turn leads to a particular division of labour: there will be less use for someone who can make sheet steel and rubber tyres reinforced glass, increased skill in only one of those tasks being preferred. Production controllers, systems analysts, cost accountants and other staff specialists will be needed instead of traditional transactional roles.

The pervasive influence of technology size, dependence and so on does not mean that all organizations are inevitably becoming the same in structure. What it means is that organizations are influenced in the same way by changes in the systems. Of course, there will always be characteristic differences in management between, for example, large and small enterprises, government organizations and family businesses, high tech manufacturing and retailing where human resources and experts have different levels of skills and knowledge. The attribute of systems development and investments in technology development in both tangible and intangible resources such as technology parameters and knowledge in handing certain activities and resources are clearly the tendencies.

Even within the purchasing and marketing network, systems are developed optimally to function as bonds between the companies creating mutuality and commitment. This concerns production, logistics and also, to a great extent, innovative and development activities which would bring about the notion of organizational niche. It is defined as the set of environmental conditions within which a population can grow or at least sustain its numbers of growth rate. Thus, these organizations become dynamic and competitive and in relation to these two factors, systems dependence is the tendency to sustain rather than any transactional roles which have declined over the recent years.

Planning and budgeting is generally functionally based, individual functions typically proposing plans and budgets for their own operations, and it is likely to be detailed, for the organization will need considerable information in order to coordinate the activities of the different functions. Moreover, there will be a high degree of central involvement in planning, central staffs reviewing proposals, pointing out inconsistencies across functions, and perhaps altering plans in the light of their more holistic perspective. Subsequently, during implementation, management control and performance measures will tend to emphasize performance against functional plans: developing products on time, manufacturing planned volumes, achieving sales targets and the planned products. They will also emphasize cost control and functional efficiency: accomplishing development projects within budget, manufacturing to budgeted unit costs, achieving budgeted productivity levels in the sales function and so forth.

It may be tempting to imagine an organization with heavy reliance on transactional roles to have undesirable effects on their systems of control and profit orientation. In today’s operations, sales and profit targets are more important than return on investment ratios. Variances from budget are routinely monitored to identify problems and opportunities as compared to cumbersome traditional transactional roles whereby all these transactional roles could be easily done over the systems software installed. All these have potentially significant implications for management accounting and control. Human resources are diverted instead to more value-creating activities and sources of competitive advantage of innovation. This is a significant departure from traditional financially orientated practices where continuous improvements in operations as a system developed, are seen to be critical to survival in all competitive settings and performance indicators. Systems will continue to effectively take over transactional roles of HR whereby human resources would concentrate on alignment strategies and management communications on strategically important operational matters and even new ventures management.