

Human Resource Management 2023

Strategic Information System

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An approach to execute basic strategies

Basic Strategies in the Business Use of Information Technology
Lower Costs <ul style="list-style-type: none">• Use IT to substantially reduce the cost of business processes.• Use IT to lower the costs of customers or suppliers.
Differentiate <ul style="list-style-type: none">• Develop new IT features to differentiate products and services.• Use IT features to reduce the differentiation advantages of competitors.• Use IT features to focus products and services at selected market niches.
Innovate <ul style="list-style-type: none">• Create new products and services that include IT components.• Develop unique new markets or market niches with the help of IT.• Make radical changes to business processes with IT that dramatically cut costs, improve quality, efficiency, or customer service, or shorten time to market.
Promote Growth <ul style="list-style-type: none">• Use IT to manage regional and global business expansion.• Use IT to diversify and integrate into other products and services.
Develop Alliances <ul style="list-style-type: none">• Use IT to create virtual organizations of business partners.• Develop interenterprise information systems linked by the Internet and extranets to support strategic business relationships with customers, suppliers, subcontractors, and others.

Other compete strategies

- **Enclose client and suppliers**
 - – prevent them from diverting to challengers
- **Build in shifting expenses**
 - – generate clients and suppliers to be reliant with innovative IS uses
- **Straight up obstruction to entry**
 - – Deter or lagged other organizations from get in the market
- – In entering, organizations need to boost the technology or investment

construct strategic IT capacities

- – gaining benefit of strategic chances when they go up
 - – increasing efficiency of business procedure
 - Leverage Investment in IT
 - cultivate goods and services that would be impossible without a firm IT capacity
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Strategic application of IT

- **An organization that prioritized strategic business application of IT would use it to get a vying differentiation**

Outcomes

- Services
- Capacities

hsbc

- What do they have?
 - How have they done it?
 - What makes them competitive
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Case Study: HSBC Business and Personal Banking

- The Internet briskly advanced huge-scale storage and analysis of data
 - goods could be connected and acquired at client sites
 - Connectivity is low-cost
 - unprecedented chance for strategic link and returns
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Case Study: HSBC

- HSBC saw new opportunities for strategic relationships and returns
 - Devoted money for a remote monitoring and diagnostics
 - Increased profitability
 - Developed customer dependency
 - Has developed customer relationship for longer period
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References

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- Hendrickson, A. R. 2003. Human Resource Information Systems: Backbone Technology of
- Contemporary Human Resources. *Journal of Labor Research*, 24(3): 381-394.