Effectiveness of Human Resource Information System on HR Functions of an Organization

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EFFECTIVENESS OF HUMAN RESOURCE INFORMATION SYSTEM ON HR FUNCTIONS OF AN ORGANIZATION

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ABSTRACT

HRM (Human Resource Management) is particularly imperative in a learning based economy, where thoughts and mastery are extraordinarily esteemed, and an imaginative and inventive workforce is important to meet the difficulties of this new economy. Productive and compelling administration of human capital is progressively a basic and complex procedure. Thus, there has been a significant increment in the quantity of associations assembling, putting away, and examining data with respect to their HRs using a product which is HRIS (Human Resource Management System). The developing significance of HRIS is because of the acknowledgment of HR experts that IT (Information Technology) and IS (Information System) ought to be a piece of HR capacities principally to create and utilize better HRM programs. This appropriation of HRIS by associations consolidated with the expanding modernity of this product, gives the HR work new difficulties which requests the HR experts to partake and contribute completely to their organizations, as genuine key business accomplices/strategic partners. This paper endeavours to recognize the viability and the significance of the utilization of HRIS on the HR elements of an association. It incorporates the top administration, chiefs, and official of HR working in assembling, administration and IT areas. Results give experiences into HRIS practice, its belongings and viability and demonstrate that HRIS is of direct importance & confirms fulfilment of the HR capacity. Furthermore it furnishes HR experts with chances to upgrade their commitment to the vital heading of the firm.

Keywords: Human Resource Information Systems, Technology, HR Functions, HR activities

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INTRODUCTION

In the recent decades global economy has grown by leaps and bounds and it can be aptly said that a major contributor to this progress are the corporates growing at a pace like never before. With globalization, organizations grew significantly in size spanning over different continents. This sudden increase in staffing proved to be a challenge for the HR departments still using paper based databases. Vast amount of information regarding employees needed to be processed and interpreted at a much faster rate to help organizations take strategic decisions in line with their business objectives. The need for a computer based central information system was felt to cater to the new and complex needs of the human resource management. This saw the birth of HRIS – Human Resource Information Systems.

OBJECTIVES

(1) To understand the role of technology in HR functions of the organization.
(2) To study HRIS as a tool supporting HR activities.
(3) To explore the role of HRIS in enhancing HR operations.

LITERATURE REVIEW

HRIS has been discussed and debated by many academics [see Hyde and Shafritz, 1977; Ball 2001; Thite, 2009] however according to Kavanagh (1990) HRIS can be defined as a system which is used to acquire, store, manipulate, retrieve and distribute information pertaining to an organization's human resources. An HRIS is not just a computer hardware and associated software. Although an HRIS does include hardware and software but it also includes people, forms policies, procedures and data. The recent inclination to adopt technology to efficiently manage HR along with the availability of appropriate software poses the HR function with many challenges.

The strategic relevance of HRM in organizational plans and models provides us with a deep foray into one of the primary success factors that effectively underlines the achievement of managerial and leadership objectives. This insight, drives the current inquiry into one of the main levers of modern HRM identified as - Human Resource Information System. The use of Human Resource Information Systems (HRIS) has been claimed as an opening for human HR professionals to become strategic associates with top management. The thought primarily has been that HRIS would make it possible for the HR function to become more streamlined and efficient to lend better information for the process of decision-making but the question remains whether HRIS has delivered on its promise or not. In its most basic form HRIS is often regarded as a service provided to an organization in the form of information (Tannenbaum, 1990). Lengnick-Hall and Moritz (2003) have postulated that HRIS will be implemented at a three tier level: publishing of the information; automation of the transactions; and finally, a change in the way HRM is conducted in any organization by transforming HR into a strategic partner along with the line business. In their opinion, the evolution of HR, as progressed by HRIS comes from information to automation and from automation to transformation. In 1992, concluded that the prospective benefits of HRIS are - quick information processing, increased information accuracy, improved program development and planning, and lastly enhanced employee communications. The existing research, has tended to focus either on the techniques in which HRISs have the ability to produce data that might inform an organisation’s approach to the efficient
management of its human capital (i.e., talent) [Gueutal, 2003; Lengnick-Hall and Moritz, 2003] or, on
the talent which is required to effectively manage and deliver HR services via an HRIS [Bassi and
McMurrer, 2007; Pilbeam, and Corbridge 2006]. Our model is drawn from over a decade of HRIS
studies, organizational learning and general systems theory, HRD research. In order to clearly
understand the type of applications available to HRIS users, it is suggested to consider the upgrading
nature of HRIS applications. Ngai and Wat (2006) observed that organizations need to be convinced
about the benefits of HRIS for the company before they implement such a system, hence, an analysis of
the potential advantages of technology in HR Management is important both for HR practitioners and
academics in this area. Examination of the study suggests that the effect of technology in HRM falls
into following areas---The impact on the efficiency of the release of HR processes and the impact on
role of HR function itself.

DISCUSSION

HRIS provides information and guidelines for the operation of HR functions, HRM is still a caretaker
of employee records; however the existence of an HRIS makes this information readily available and
useful for managerial decision making. The system is able to produce more effective and faster
outcome than that can be done on papers. HRIS can acquire and track almost any type of data. Some of
the effects of HRIS are that it has brought about an improvement in the overall HR functions of the
organization and not only in administration work. HRIS can be one of the powerful levels of change for
the HR Department in any organization.

This paper reviews contribution of HRIS to HR operations, employees take on implementation of
HRIS, simplifying manpower planning in the service sector, role of HRIS in making quality HR
decisions and increasing business competitiveness by dynamic information management. These have
been discussed in detail below –

a) Impact of HRIS on HR Operations: HRIS in the previous decade has markedly increased the
HR capacity. Giving the fundamental backing for mostly regulatory exercises, e.g. payroll and
attendance administration first and foremost, HRIS at present improves a significant number of the
enlistment capacity’s sub procedures, for example, long and short term candidate attraction,
pre-screening, and handling of applications or the contracting and getting of new contracts. Considering
the online occupation commercials on corporate sites and web work sheets, online CV databases,
diverse types of electronic applications, candidate administration frameworks, corporate aptitude
databases, and upheld work processes for the contracting stage are just couple of illustrations of the
different courses by which HRIS right now gives the essential establishment to the recruitment process
(Keim and Weitzel, 2009). Nandi (2014) states that HRIS not only helps in capitalizing on administrative
cost savings but also helps in leveraging strategic advantage, faster gathering of information, processing it
and sharing the information. Concentrating on the HR planning process it is simpler to decide workforce
gaps, the amount and nature of the work power and to arrange future workforce requisites with the
assistance of HR learning administration frameworks (Dessler, 2005). HRIS can give the important
backing to the long range arranging with data for work power arranging and supply and request
conjecture; staffing with data on equivalent job, partitions and candidate capabilities; and improvement
with data on preparing programs, pay estimates, pay spending plans and work/representative relations
with data on contract transactions and worker help programs (Shibly, 2011). Another vital component is
the part of risk and security administration which can be inferred by HRIS by considering private and
exceptionally delicate individual information and multiplatform security viewpoints which are the
most essential variables that should be considered (Karakanian, 2014).
b) Employee Point of View: The study as per International Journal of Economics and Management Sciences finds out that the HR professionals from the financial sector do not think there has been any significant process improvement by using the current HRIS, while HR professionals from business process outsourcing sector and information technology sector think otherwise. It is the need of the hour that all the sector's should be at par and share important inputs regarding the implementation and utilization of HRIS, so as to ease each other in making important progress in better management of human resource management activities.

c) Impact of HRIS on Service Sector: HR’s are imperative resource for any association and particularly for the Service Sector where representatives can be alluded as the mix of all 4Ms of Management, that is Man, Machinery, Material and Management. Because of this extraordinary significance of HR in the administration part, all the HR capacities must be taken great consideration of. To use the worker's productivity and viability without bounds it is imperative to oversee them legitimately. Some of the time the worker could be the basic element for the association yet not doing great in his present position or part in the organization. Likewise both, surplus and lack of representatives influences the associations. HRIS helps the association to overcome from such difficulties by plotting the quantity of workers, and additionally their set of working responsibilities. Not just this, execution examination being the top spurring elements in the associations should be overseen legitimately and HRIS helps for the same by breaking down the worker's dedication to his work and his consistency in the association. In this dynamic situation, the significance of HRIS can't be dismissed.

d) Manager's Point of View: At the point when the framework is not performing admirably or a glitch happens, all the pertinent HR divisions are influenced and will endure accordingly. Along these lines, an association must be greatly mindful while picking a HRIS to guarantee that it emphatically affects on different other HR functions. HRIS prompts more productive solutions on settling on choices in HR. The HRIS empowers the association to accomplish enhanced proficiency and quality in HR choice making and enhance worker and administrative profitability and adequacy (Dresser and Associates, 2013). Khera and Gulati (2012) keep up that while HRIS helps in the vital exercises of HR chiefs, it is overwhelming in distinguishing possessed and vacant positions in an association adequately and precisely and in this manner, helps with arranging the association's HR both subjectively and quantitatively. The last advantage was additionally accentuated by Dessler (2005). Essentially, Shiri (2012) found that HRIS delivers more viable and speedier results, has realized a change in the general HR works and has helped with adjusting HR practices to the authoritative system, recognizing change zones and keeping in front of current practices in this way improving the proficiency of the HR capacity. With time, organizations are adopting new methods for competency mapping. HRIS helps in competency mapping as stated by Chouhan and Singh (2015). Tools like SPSS are used nowadays to study linkages between technology inclusion and performance improvement of individuals in an organization.

e) Importance of HR in Business Competitiveness: Survival and achievement in current quick paced globalized economy expanding relies upon competitiveness i.e. capacity to compete. It is multidimensional idea. It has become the name of the game today to portray financial quality of a nation or industry or firm as for its rivals in the worldwide business sector economy in which merchandise, administrations, individuals, aptitudes and thoughts move freely across geographical borders. Information management and HRIS specifically, have now become a basic component in making business aggressive and effective. Companies now progressively understand the upside of having frameworks that catch, investigate and cover the host of human asset viewpoints that are basic to maintain a business. Human asset administration comprise of the exercises, approaches and
rehearses included in getting, creating, using, assessing, keeping up and holding the fitting number and ability blend of workers to finish the associations destinations. HRIS is a key administration apparatus utilized for comprehension the examples for human asset strategies, activities and representative practices and additionally to identify holes in human asset frameworks and the viability of human asset frameworks. HRIS is a product bundle that gives a complete administration framework to human resource activities in organizations.

RECOMMENDATIONS

Expansion of compliance and reporting requirements – In today's competitive environment organizations will increasingly need to modify their HRIS in order to remain compliant with legal requirements. The pending changes in tax laws, financial reports, and health care all suggest that compliance and reporting demands will increase. For example, the new corporate social responsibility act will significantly increase the amount of corporate reporting required by the central government. It is hard to imagine organizations without strong HRIS effectively easily navigating this new environment.

More renting, less buying of services – Recently, the use of hosted approaches, in which organizations rent services and software specialist from vendors, is on the rise. The greater penetration of the Internet and internet-based systems has empowered organizations to think of approaches such as cloud computing and software-as-a-service (SaaS). These approaches can provide many benefits, especially for smaller organizations that would like to access the capabilities of a complex HR system but are not able to afford a large system. Cloud computing and SaaS are likely to grow in market share and this will provide increased flexibility to organizations' HRIS strategies.

Greater use of business intelligence - (B.I) and dashboards - One of the main challenges for HR professionals is to turn HR data into a format that managers can use to measure HR's contributions to organizational profitability. To handle this problem, organizations will have a start using more sophisticated business intelligence applications to analyze and process the vast amount of data available through HRIS. HR dashboards, which present high-level, real-time and graphically formatted data to the managers, will become an integral part of the human capital management. Also, firms will have to adopt more advanced web-based workforce analytic tools that will push data farther out to managers. This in turn will enable managers to efficiently use the organization's personnel policies and practices to make better employee-related decisions.

Increasing HR data transparency, increasing privacy concerns - As mentioned above, HRIS can make increasing amounts of HR data more easily accessible to employees, along with more transparent policies and procedures. But with greater transparency comes also greater concerns regarding privacy. News reports of data compromises and identity theft surface almost on a daily basis and few entities manage more personal information than employers do. As employers make data easier to access, the risks of jeopardizing employees' privacy also increase. Managing this particular risk is becoming even more and more complex as HR applications often serve as link to systems outside the organization.

Increasing system quality - The use of HRIS in organizations has numerous advantages for the managers especially in decision making processes. In this research, the HRIS perception and the HRIS satisfaction of HR employees were also reviewed. According to the review, positive and high order linkage were found among all dimensions of HRIS and system quality, the information quality and the perceived ease of use which jointly contribute towards HRIS success.
Enabling communication and collaboration - HRIS is a tool for effective communication and collaboration. E-mail, messaging, electronic workgroups, virtual teams, discussion lists, videoconferencing and teleworking have changed the nature of workplace communication and collaboration. These allow workplace interactions for employees even when they are not physically present in the workplace.

Knowledge Management: It is a systematic process which involves acquiring, creating, capturing, synthesizing, learning, and using insights, information, and experiences to enhance the decision making process. Knowledge management system is a natural extension of HRIS and HR development activities and incorporation of HRIS will help the organization in better management of organizational knowledge.

CONCLUSION

Information Technology enhances Human Resources role. Now more people are involved with strategic jobs. The findings are consistent with the organizations' increased reliance on the use of Human Resource Information System in support of strategic Human Resource tasks. Thus it enables HR managers to become strategic. As there is no significant variation in the usage of HRIS between small/medium and large organisations, the study suggest that all organizations can reap great benefits from HRIS in strategic tasks and thereby help HR managers to become strategic players. However, to reap the full benefits of HRIS implementation, HR executives must combine the best of HR technology along with effective HR management processes, and also they must be ready to manage the challenges created.

LIMITATION

The scope of this paper is focused on more conventional operations of HR and contemporary practices like Data Analytics and role of HRIS in talent acquisition has been left for further study.

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# MDP Calendar (2015-16)

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