

ASSESSMENT OF SUPPORT AND BENEFITS OF HRIS IN MEDIUM-SCALE TEXTILE INDUSTRIES

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ABSTRACT

In the current fast-paced global competitive business environment, the efficient and effective management of human capital is an immense challenge to the human resource departments. Information systems contribute to improve the organizational performance, and enhance the competencies of human resource professionals. This paper aims to assess and establish the support levels and the benefits of the human resource information systems in the medium-scale textile industries. As a core part of the study, the primary data was collected from the selected of respondents of textile companies who are using human resource information systems with the help of a survey questionnaire. The data analysis that was performed using cumulative weighted average technique concludes highly moderate support levels of human resource information systems exists in the medium-scale textile industries and they are able to attain only 2/3 of the benefits. Further the research, based on an evolutionary view of computing growth suggests improvements in the human resource information systems in order to gain the competitive advantage and to maximize the benefits.

Keywords: *Information Technology, Human Resource Information Systems, Human Resource Management, Human Resource Support Levels, Management Information Systems.*

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INTRODUCTION

In this modern era of Information Technology (I.T), human resource management has become an important management discipline at enterprise level. Perpetually, human resource management (HRM) plays a vital role in implementing the strategic business objectives of the organization, and in running the daily operations/functions efficiently and effectively to improve the productivity and proficiency.

As the current business environment grows increasingly intricate because of narrowed opportunities with marginal profits, human capital becomes the only sustainable resource of the competitive advantage for an organization. Firms that are successful at finding, managing, retaining and developing good employees will outperform their competitors, achieve higher financial success and build greater ROI.

Since 1990, the economical rapid change with globalization and technological innovations led for the development of human resource information systems (HRIS) and advanced internet capability facilitates to create a real-time shared data information-based, self-service, and interactive work environment. Information Technology with web-enabled capabilities helps human resource (HR) as it becomes a more horizontal and self-learning organization, by enabling human resource to contribute to the strategic focus of the organization. The strategically focus in human resource significance from the resource-based view of the firm that treats human capital as a strategic asset and a competitive advantage in improving organizational performance.

A Human Resource Information System is a systematic procedure for collecting, storing, maintaining, retrieving, and validating data needed by an organization about its human resources, personnel activities, and organization unit characteristics. According to Hedrickson (2003), human resource management systems can be briefly defined as integrated systems used to gather, store and analyze information regarding an organization's human resources. Tannenbaum (1990) has defined human resource management systems as "one which is used to acquire, store, manipulate, analyze, retrieve and distribute information about an organization's human resources." The study investigates and establishes the support levels and the benefits of the human resource management system (HRIS) in the medium-scale textile industries.

Components of HRIS: HRIS is a set of inter related components working collectively to collect, process and store information to support HR decision making, coordination and control in an organization. HR professional's assignments involve a lot of manual paper work and

consequently, the focus on other core functions of HR decreases. HRIS comes to the rescue of human resource professionals, because it has common shared database, tools to analyze to aid in decision making and many other features such as scanning and matching resumes compatible with requirement of the organization. HRIS empowers the employees to access their personnel records, view the payroll, tax payments and compensational benefits like health coverage, retirement benefits and other perks and incentives. In the literature, Database, Employee Tracking, Benefits Administration, Payroll Administration and Employee Interfaces are deemed to be major components of human resource information systems.

Benefits of HRIS: The researchers have identified the following twelve variables to assess the benefits of HRIS in the medium- scale textile industries.

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|---|--|----|--------------------------|
| 1 | Workforce Planning | 7 | Skills Management |
| 2 | Employee Benefits Administration | 8 | Personnel Administration |
| 3 | Payroll Administration | 9 | Time Management |
| 4 | Recruitment | 10 | Travel Management |
| 5 | Induction, Orientation and On-boarding | 11 | Personnel Cost Planning |
| 6 | Training and Development | 12 | Performance Appraisal |

I.T AS A CATALYST TO HUMAN RESOURCE

Traditionally human resource departments are often treated as *cost-centers*. In recent times, they are transforming themselves from administrative cost-centers to strategic partners in delivering further business value with the help of information technology. Today the heightened demand to support the strategic business objectives with an exceptional focus on shareholder value have headed to transforms in both job content and expectations of human resource professionals. According to Michael J. Kavanagh et al., (2008) “the increased use of technology and the changed focus of the human resource management function as adding value to the organization’s product or service led to the emergence of the HR department as a strategic partner. Strategic human resource management derives its theoretical significance from the resource-based view of the firm that treats human capital as a strategic asset and a competitive advantage in improving organizational performance [Becker & Huselid, 2006]. In the literature, many academicians addressed the growing need to cost justify the human resource function, and according to Cascio (1984),

Few human resources managers—even the most energetic—take the time to analyse the return on the corporation's personnel dollar. We feel we aren't valued in our own organizations, that we can't get the resources we need. We complain that management won't buy our proposals and wonder why our advice is so often ignored until the crisis stage. But the human resources manager seldom stands back to look at the total business and ask: Why am I at the bottom looking up? The answer is painfully apparent. We don't act like business managers—like entrepreneurs whose business happens to be people.

It is evident that information technology will bring down the cost of human resource operations and also helps in efficient decision making process and thus this necessitates human resource departments the need of human resource management systems (HRIS). However, the personnel departments were still slow in adopting computer technology, even though it was inexpensive relative to the power it could deliver for the storage and retrieval of employee information in management information systems (MIS) reports.[Michael et al., 2008] This is the leap of the current study which will assesses the support and benefit levels of the human resource management systems in the medium-scale textile industries.

Contribution To Organisational Performance: The augmented usage of HRIS for the altered focus of the human resource management function as adding value to the organization's product or service leads to the surfacing of the human resource department as a strategic partner. Reasonably industry at-par compensation, employee development programs to maintain and improve the employee skills as well as reward systems and benefits impacts on skills, ability, motivation of the employees which eventually impacts the organizational performance. Wright et al., (1998) estimate that most HR departments spend approximately 65% to 75% on transactional activities, 15% to 30% on traditional activities, and 5% to 15% on transformational activities. One of the major purposes of the design, development, and implementation of an HRIS is to reduce the amount of time HR employees have to spend on transactional activities, allowing the staff to spend more time on traditional and transformational activities. This notion of using technology to improve transactional activities and accomplish them more efficiently and provides one of the primary justifications for a computer-based system.

REVIEW OF LITERATURE

Certainly the emergence of Information Technology, especially internet-enabled technology has affected and enhanced many management areas that include HR management. The decreasing costs of computer technology versus the increasing costs of employee

compensation and benefits made acquisition of computer-based HR systems (HRIS) a necessary business decision. [Michael et al., 2008] Florkowski et al., (2006) in their research paper: 'The diffusion of human-resource information technology innovations in US and non-US firms', evaluated the diffusion of information technologies that are transforming HR service-delivery and revealed that the modest correlation between the number of acquired Information Technologies (IT) and HR-transactions automation supports the general call for more formalized HR-technology strategies at the firm level to coordinate purchasing and implementation decisions.

John Gill et al., (2010) described the HRIS is a computerized system typically comprising a database or inter-related databases that track employees and their employment-specific information. Broderick (1992) states that HRIS can influence effectiveness in four ways: Firstly, with emphasis on increased productivity from the workforce, recruitment, short term working, temporary, and less redundancies. Secondly, it deals with the increasing demands made by legislation, which related to HR practices and the increased need to produce statistics for government. The third factor was the rate of the development of computer technology. The final factor was the increased availability of HRIS at lower costs. The professional body argued that effective HRIS use leads to efficiency.

Hussain ZI (2002) in his article stated that HRIS can help large or small businesses. By organizing the payroll, benefits and employee information among other things, it's imperative to stay current on any changes to this software. Keeping the HR information system secure and compliant with other software should be the most important aspect.

PURPOSE OF THE STUDY

The objective of the research study is to investigate and establish the support levels of the human resource management systems (HRIS) in the medium-scale textile industries. It also evaluates and establishes the overall benefits of the human resource management systems in the same industry.

METHODOLOGY

The present conclusive study is in the specialized area of HRIS with reference to the influence of Management Information Systems (MIS) in the medium-scale textile industries of Hyderabad.

RESEARCH DESIGN

Primary Data : Hyderabad based medium and large scale industries

Secondary Data : Industrial Directory and websites

Sample Universe: Employees of textile companies working in HR management

Sample Frame : HRIS implementing industries in Hyderabad

Research Tool : Five Point Likert Scale Questionnaire

Sample Size : 98

Sampling Technique : Stratified Random Sampling

SAMPLING DESIGN

The study precisely selected the following employees in the pre-defined approximate ratio of 1:3:5 as respondents from the different medium-scale textile industries of Hyderabad.

Table 1: Characteristics of Respondents

Employment Type	No. of Respondents
HR Managers	11
HR Coordinators	33
HR Assistants	54
Total Respondents	98

DATA COLLECTION

A pre-tested, well structured questionnaire is used for the data collection. The questionnaire was distributed to the selected respondents of the medium-scale textile industries and their opinion is recorded on 5-point Likert-scale. Further the collected field survey data was processed and prepared the primary data which is the basis for the further data analysis and conclusion.

ANALYSIS AND INTERPRETATION

One of the important parts of this research study is to assess and establish the support levels of HRIS using the primary data that is pertaining to usage intensity of HRIS alongside demographic factor: Occupation of the respondents. Cumulative weighted average (CWA) technique was used for the data analysis.

HRIS SUPPORT LEVELS

The data pertaining to the support levels of HRIS in the respondents' respective organizations are presented in the table 2 and the same is depicted in the form of bar chart in figure 1.

Table 2: Support Levels of HRIS

Occupation Category	HRIS Components – Ratings (in WA)					
	Database	Employee Tracking	Benefits Administration	Payroll	Employee Interface	Average WA
HR Managers	3.82	2.83	3.22	3.77	2.78	3.28
HR Coordinators	3.77	3.08	2.84	3.62	2.86	3.23
HR Assistants	3.48	2.69	2.60	3.21	2.65	2.93
CWA	3.69	2.87	2.89	3.53	2.76	3.15

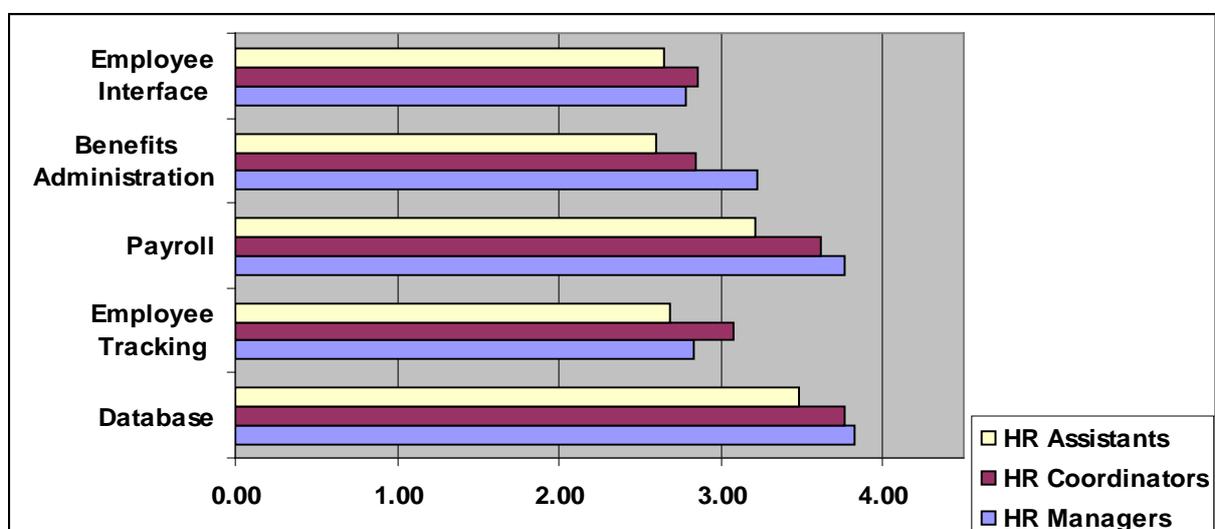
(Source: Field Survey)

WA: Weighted Average (also called Weighted Mean)

Interpretation: From above table, the CWA value of 3.69 offered to *Database* on 5-point mean rating scale confirms that medium-scale textile industries are quite capable of storing, managing and accessing the employee related information with the help database. Similarly the high CWA value of 3.53 offered to *Payroll* on 5-point scale indicates that they are quite competent to maintain and manage the payroll operations with fewer issues with the help of HRIS.

In contrary, the CWA values of less than 3.0 on 5 point scale offered to HRIS components of employee tracking, benefits administration and employee interaction highlights the moderate support levels towards the components. The study recommends improvements in the HRIS system and also repetition of all HRIS training programs, of course, with an added intensity.

Figure 1: Support Levels of HRIS



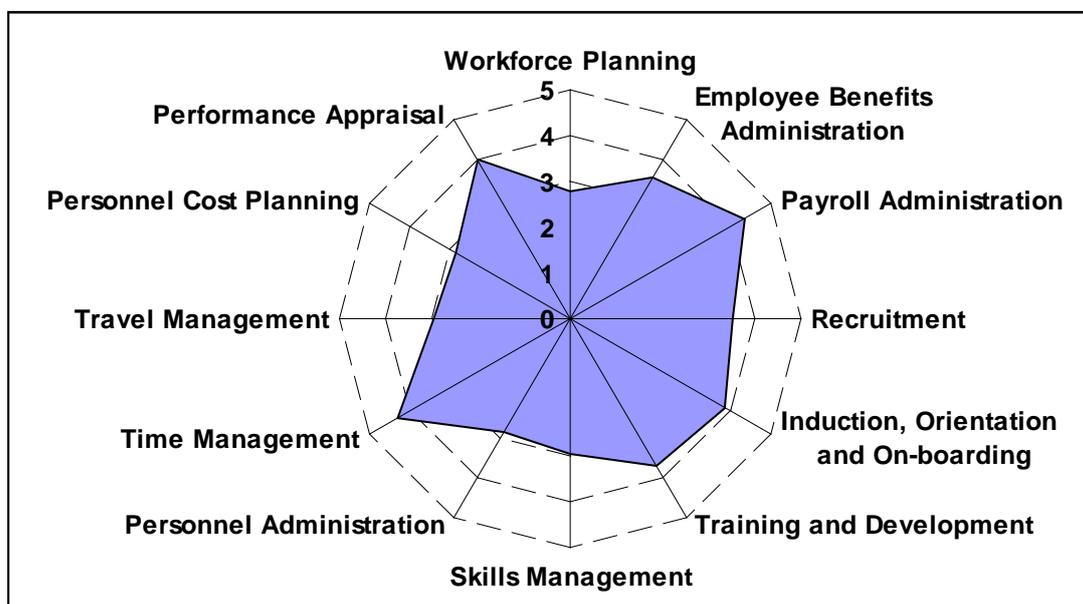
HRIS BENEFITS

The data that was collected through questionnaire in order to assess the benefits of HRIS is processed and presented in the table 3 and the same is depicted in the figure 2.

Table 3: Variables Of HRIS Benefits

Variables	Weighted Average
Workforce Planning	2.78
Employee Benefits Administration	2.97
Payroll Administration	3.93
Recruitment	3.52
Induction, Orientation and On-boarding	3.87
Training and Development	3.73
Skills Management	2.95
Personnel Administration	2.87
Time Management	3.92
Travel Management	2.96
Personnel Cost Planning	2.86
Performance Appraisal	3.98
Average	3.36

Figure 2: Benefits of HRIS



Interpretation: The Table 3 demonstrates the overall benefits attained with the help of HRIS with the CWA value of 3.36 on 5-point mean rating scale, reveals that Hyderabad based medium-scale textile industries are attaining 2/3 of the benefits from HRIS. Precisely, the variables with average score 3.5, Payroll Administration, Recruitment, Induction, Orientation and On-boarding, Training and Development, Time Management and Performance Appraisal are providing relatively high benefits through HRIS. But, the remaining variables with CWA score less than 3.5, Workforce Planning, Employee Benefits Administration, Skills Management, Personnel Administration, Travel Management and Personnel Cost Planning emphasizes the improvements in the HRIS system in order to attain the utmost benefits than present.

RESULTS AND DISCUSSIONS

The support to the HRIS components clearly indicates that medium-scale textile industries are still lagging behind the appropriate, wise and wide usage of information technology. Firms must first recognize the importance of HRIS and then enhance the systems in order to improve the organization performance. The companies are able to attain only 2/3 of the benefits from HRIS and losing the remaining 1/3 of benefits. This evidently indicates that the support levels must be improved in order to realize the full benefits from the HRIS.

CONCLUSION

The study confirms that the support levels of medium-scale textile industries towards the HRIS is highly moderate and suggest improvements in HRIS to effectively and efficiently use the system in order to attain the maximum benefits. The researchers recommend that firms must improve the weak areas of HRIS systems: Employee Tracking, Benefits Administration, Employee Interface and HR departments must have virtuous rapport and communication with other departments especially to overcome the identified interdependent problems such as Workforce Planning, Employee Benefits Administration, Skills Management, Personnel Administration, Travel Management and Personnel Cost Planning.

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