

HRIS: An evolution with HR functions

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Abstract: HRM (human resource management) is very important in a knowledge based economy, where human ideas and expertise are greatly valued, and a creative and innovative workforce is necessary to meet the challenges of this new and developing economy. Efficient and effective management of human resources is an imperative and complex process. As a result, there has been considerable increase in the number of organization gathering, storing and analyzing information regarding their HRs through the use of software which is HRIS (human resource information system). Human Resource Information system is not a new concept but it is recuperating day by day with the dynamic business environment. A human Resource Information system (HRIS) plays an important role in a company's HR functions. The growing need of HRIS is due to recognition of HR practitioners that information technology and information system should be part of human resource functions. This paper start with some review history and fundamental with future scope of HRIS. Which are based on my knowledge about the subject from literature review, case studies, research papers, articles and books.

Keywords: Human Resource Information Systems (HRIS), Information technology companies, Uses of HRIS, HR functions.

Statement of the Problem

Human Resource Information Systems plays very important role in company's HR functions. We all live, work and play in the information age. HRIS plays very important role in human resource planning (HRP) which is a very crucial activity in the organization. If there is ineffective HRP in the organization then it can create very dangerous situation for the organization. HRIS plays very important role in proper planning of human resources. HRIS is very helpful in storing lots of data. For these reasons present study is conducted to find out contribution of HRIS in various HR functions.

INTRODUCTION

"A human Resource Information System (HRIS) is software containing a database that allows the entering, storage and manipulation of data regarding employees of a company. It allows for global visualization and access of important employees information".

Human Resource Information System (HRIS) is a concept which utilizes the development of

Information Technology (IT) for effective management of the human resources (HR) functions and applications. HRIS enables systematic procedure for collecting, storing, maintaining and recovering data required by the organizations for their human resources, personnel activities and organizational characteristics. It acquires stores, manipulates, analyzes, retrieves and distributes information about organization human resources.

HRIS helps organizations in managing all HR functions. IT helps in recording and analyzing employees and organizational information and documents, such as employee's handbooks, emergency evacuations and safety procedures. It helps organizations to keep an accurate, complete and updated database that can be retrieved from reports and manuals.



HR functions increasingly started to deploy human resource information systems in their daily work. The function within HR areas intended to support the “planning administration, decision making, and control activities of human resource management. Now days along with adaptation of more complex HR practices focused on a company’s overall performance goal, HRIS correspondingly evolved into more sophisticated information expert’s systems featuring analytical tools to support decision making in managing human capital.

The nature of HRIS varies among organizations in relation to their size. In small organizations, it tends to be informal whereas in large organizations, it is more formal and coordinated.

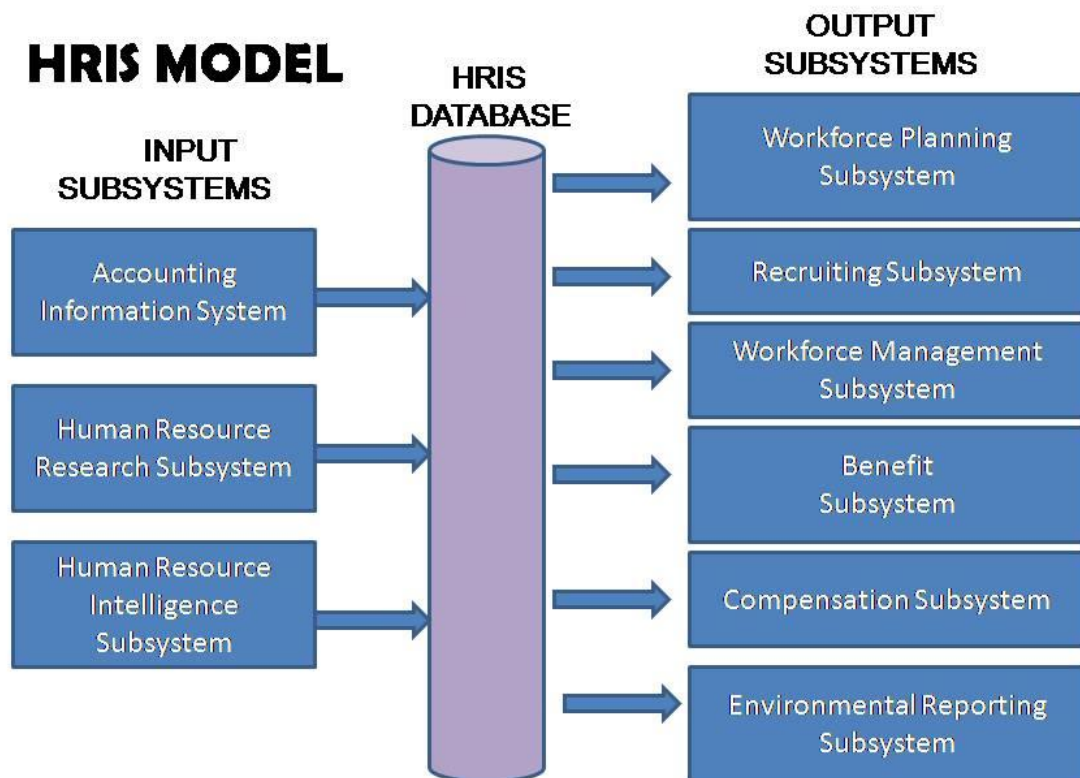
HRIS is a blessed thing in modern era. HRIS is the summation of HR functions with IT. It simply helps in finding easiest way of performing HR functions. HRIS has immense full in applying personnel administration, Salary, all type of records like attendance, inventory, medical etc. performance appraisal, T&D, HR planning staffing & Recruitment processing, negotiation and every concept of HR are now used in knowledge based economies in which more innovative ideas and innovative resources is needed to fulfill all the challenges. Thus, in brief HRIS is very worth full in collecting, storing and evaluative information. HRIS is helpful in fulfilling demands of the HR professionals and helpful in making strategy for every function of HR. In brief HRIS helpful in maintaining all functions of HR:-

- 1) Performance Evaluation
- (2) Recruitment
- (3) Personal Self Service
- (4) Leave and Absence
- (5) Payroll
- (6) People Administration
- (7) Compensation & Benefits
- (8) Training & Development

HR professionals began to see the possibility of new applications for the computer. The idea was to integrate many of the different HR functions. The result was the third generation of the computerized HRIS, a feature-rich, broad-based, and self-contained HRIS. The third generation took systems far beyond being mere data repositories and created tools with which HR professionals could do much more (Lloyd, Byars, Leslie, & Rue, 2004). It has the potential to assist the HR function in developing business strategy, and thus enhancing organization performance (Barney & Wright, 1998; Broderick & Boudreau, 1992; Gueutal, 2003; Lawler, Levenson, & Boudreau, 2004; Lengnick-Hall & Moritz, 2003).

There are three major functional components of HRIS:

- Input Subsystem: In Input subsystem there are three main subsystems which are data processing, human resource research and human resource intelligence.
- HRIS database: In HRIS database all the data and information can be stored in computer storage. The software such as Database management system (DBMS) can help to perform the maintenance processes.
- Output subsystem: The Output subsystem contain all the output related to HR consists of Workforce planning subsystem, recruiting subsystem, workforce management subsystem, benefits subsystem, compensation subsystem, environmental reporting subsystem.



Accounting Information Subsystem: This subsystem includes two main types of data: Personnel – name, birth date, sex, marital status, education, skills etc. and Accounting – It includes hourly rate or monthly salary, taxes insurance deductions etc.

Human Resource Research Subsystem: This research can generate new data for database and it can use existing database contents. E.g.: Job analysis and evaluation, Succession studies and Grievance studies etc.

Human Resource Intelligence Subsystem: HR has the responsibility for interacting with the environmental elements of any functional area.

Government – current on legislation, file reports.

Suppliers – employment services, labor unions, local community.

Competitors – sources of employees.

Work Force Planning Subsystem: This subsystem enables manager to identify future personnel needs, salary forecasting, job analysis/ evaluation.

Recruiting Subsystem: In this subsystem manager will identify the recruiting process that will be used in the organization.

Work Force Management Subsystem: This subsystem includes performance appraisal, training ensuring that headcount does not exceed budgeted limits, relocation and skill/competency.

Benefit Subsystem: It includes benefits statements, flexible benefits, stock purchase, claims processing.

Compensation Subsystem: They include payroll, executive compensation, Bonus incentives, Attendances.

Environmental Reporting Subsystem: It includes reporting firm's personnel policies and practices to the government, Union increases, Health records, Toxic substances and Grievances.

Rationale of the Study

Human resources are asset of any organization and specifically the IT organizations where employees act as the talent warehouse. Due to the importance of human resources, human resource information system is also in limelight. To utilize the employee's efficiency it is imperative to have full description about the employee as well as the job for which he is available. The functions like collecting, storing, maintaining and recovering data is very important for the growth of the organization and doing all the work manually is not possible so the use of HRIS is very effective. This research work focuses on HR functions by using HRIS. The literature review highlighted the HR functions by using HRIS.

LITERATURE REVIEW

The review of the literature is the basis of the research. It gives research work and investigator an understanding of the previous works that has been done and develop his insight. It serves as a foundation upon which all future work will be built. The following are some of the results and viewpoints of other scholars related to this study.

Kavanagh et al. (1990) presented their concept of development of HRIS. He introduces the historical era in HR from the pre World War II era to the 1980s and how that era has affected the development of HRIS. There are various expectations of how HRIS should have affected an organizations HR activities and business planning. An organization was considered efficient if it had technology and IS to support HR activities.

Tevavichulada (1997) in his research discussed that initially HRIS was just a caretaker of employees as it stores and administers data of line department but now HRIS is not just limited to storing but it also include manpower planning, manpower demand and supply forecasting, job description for both jobs and applicants, recruitment and selection, training and development, negotiation and grievance management etc.

Kirstie S. Ball (2001) explained the dearth of research in HRIS in their work by quoting that the gigantic information system related literature including its implementation, use and impact clarifies that it is healthy researched area but its implementation with human resource is a

deserted. Initially personnel systems were developed to stockpile the records and reports allied with personnel administration, but with time call for efficacy increases and thus computer-based HRIS are developed.

Kenneth et. al. (2002) in his research paper has stressed upon various administrative advantages of HRIS that include employee self service, interactive voice response, information gathering, processing and sharing.

Newell et. al. (2007) in his research find out that knowledge and behavior of project leadership influenced project team trust and social capital development and stressed on the exploitation of this knowledge in the global HR information system. Project leaders relate this knowledge in three areas to develop trust inside the project team (external leadership, internal leadership and hybrid leadership), which is a crucial prerequisite for the improvement and exploitation of social capital. Tripathy et. al. (2009) analyzed the HRIS of NALCO in his study. The author exhibits that the present HRIS of NALCO has improved the overall pace and competence of HR functions, but still needs reengineering. The study supports that HRIS is used for administrative purpose and not analytical purpose. To gain cost effectiveness in-house development of HRIS is decided but it was very time consuming process. In addition to this there are some other drawbacks that have to be surmounted to make the HRIS of NALCO more proficient.

Bhavsar (2011) in his research discuss various advantages, applications and importance of HRIS. He highlighted that “today’s HRIS has got the potential to be an enterprise wide decision support system that helps achieve both strategic and operational objectives”.

Singh et. al. (2011) in his research find out that HRIS has wide scope in banks in developing countries. The HRIS system is applied in personnel administration, salary administration, leave/absence recording, skill inventory, training and development, HR planning, recruitment, career planning, negotiations etc.

Shiri (2012) suggested that HRIS system is able to produce more effective and faster outcomes than that can be done on papers. HRIS can track any kind of data and bring overall improvement not just in HR functions but all administration work. HRIS system helps in HR practices with organizational strategies and identifies improvement areas.

Shaikh (2012) developed three models in his research paper for HRIS designing namely basic HRIS design model, HRIS hexagonal and HRIS phase’s model. The author emphasized on the payback of HRIS engineering and execution for all levels and domains of businesses; in the form of profitable strategic HR and related business plans and decision, to forecast and to control HR process inside and outside of business organization using HR-databases or HR-Knowledge base’s, which includes information related to human resource maintained and processed by HRIS.

Gulati (2012) in their research paper have stressed upon Impact of HRIS on Human Resource Planning and the advantages of HRIS with special reference of IT companies.

Kundu (2012) in his study find out that HRIS is most frequently used for maintaining employee records and payroll activities. The most important application of HRIS is in the “technical and strategic HRM” and “Performance and reward management”. Although operating HRIS applications like employee record and pay roll still remains the most popular applications but still there is increase in use of HRIS in sophisticated activities and decision making.

Arora (2013) in her research find out that it is important for organization to manage its human resources and for that they need HRIS system. Managers in organizations prefer using HRIS system because it provides accurate information and secrecy of the data is also maintained.

CONCLUSION

Human resources are most important assets for IT organizations as it is the only face where if an organization lacks they have to recompense in form of their competitiveness. By implementing HRIS, IT organizations can grow better. HRIS helps the organizations in planning their human resources both quantitatively and qualitatively. HRIS provides information and guidelines for the operations of HR functions, HRM is a caretaker of employee records, and however the existence of an HRIS makes this information readily available and useful for managerial decision making. The system can produce more effective and faster outcomes than that can be done on papers. HRIS can acquire and track almost all any kind of data. Some of the effects of HRIS are that it has brought about an improvement in the overall HR functions of the organization not only in administrative work. HRIS can be one of the powerful levels of change for the HR department in any organization. HRIS also helps in reducing various costs like lab our costs, recruitment cost etc as it is computerized system. HRIS exerts outstanding strategic activities by HR managers. These activities include training and development management, succession planning, applicant tracking in recruitment and selection and manpower planning, personnel information and identification, salary planning, absenteeism analysis, turnover analysis and work scheduling. It is concluded that HRIS is a excellent tool for human resources.

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