

"Management Of Human Capital" By HRIS

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Abstract: The domain of human resources management has evolved over the last two decades and the foraying in of technology has reshaped the domain considerably. The evolution of technology has encouraged organizations to use human resource information systems (HRIS). Human Resource Information System is a form of HR software that combines a number of systems and processes to ensure the easy management of a business's employees and data. The objective of this paper is to examine the impact of Human resource information system (HRIS) on Human Resource Management Strategies. The idea has been that HRIS would allow for the HR function to become more efficient and to provide better information for decision-making. Human Resource Information Systems provide a means of acquiring, storing, analyzing and distributing information to various stakeholders. In this paper research study was undertaken through secondary data. The sources of data are various Research journals and online resources. The paper describes that HRIS can reduce the amount of paperwork and manual record keeping. It retrieves information quickly and accurately. This research paper helps to know about how HRIS help the organization to enhance the efficiency of work. It was therefore concluded that Organizations should integrate HRIS with other organizational systems to facilitate speedily sharing of information and decision making.

Keywords: Human Resource management, Human Resource Information System, Technology

I. INTRODUCTION

There are more than 140 human resources information systems being offered by more than 100 vendors in Canada and the United States. A recent survey indicated that overall costs of system implementation ranged from US\$1000 to US\$12 million. With the increasing effect of globalization and technology, organizations have started to use information systems and HRIS is one of the system which is used in the management of human resources. Human Resources Information System is a system that lets you keep track of all your employees and information about them. It is usually done in a database or, more often, in a series of inter-related databases. A HRIS generally should provide the capability to more effectively plan, control and manage HR costs; achieve improved efficiency and quality in HR decision making; and improve employee and managerial productivity and effectiveness. The use of Human Resource Information Systems (HRIS) has been advocated as an opportunity for human resource (HR) professionals to become strategic partners with top management. HRIS facilitates applicant

tracking, interviewing and confirmation process. Apart from this, the workforce administration strategies can be streamlined and it can generate various cost advantages to the organizations by streamlining various functional operations. In this paper benefits of HRIS, its contributions to organizations and the challenges associated with its usage are discussed.

II. EVOLUTION OF HRM AND HRIS

Historical data reveals that the evolution of HRIS can be traced back in 1950's and 1960's when the first automated systems (payroll system) was introduced (Martin sons 1997). Kavanagh Et al. (1990) shared their insights on historical evolution of HRIS by introducing the historical eras in human resource from the pre World War II period to the 1980s and how the evolving HR practices had its effect on the HRIS. With the increasing importance of IT applications in HR, the functioning of HR department has been undergoing a radical change from mere administrative and support functions to a more active participant in the strategic decisions of the

organizations. During 1990's extensive studies were undertaken on the advantages of the introducing HRIS in the organization and its influence on the overall human resource strategies and business planning. Human Resource Information System is fast evolving and the application of information technology has revolutionized the way in which organizations operate.

STAGES IN THE EVOLUTION OF HR TECHNOLOGY

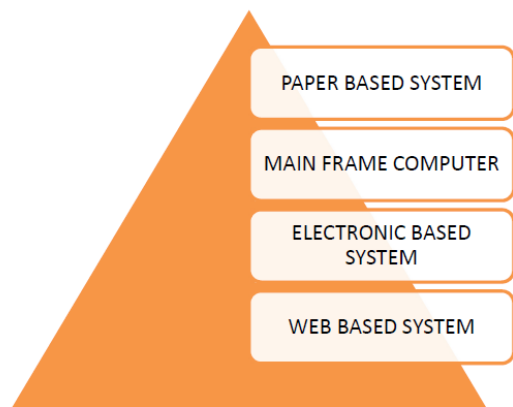


Figure1: Depicting evolution of HR technology

STAGE 1: PAPER-BASED SYSTEMS

Initially HR systems were “paper-based.” These systems operated independently and did not integrate with any other business-related functions. Features were added as needed. Data were typically stored on mainframe computers, the reporting was very rudimentary, and HR was the sole custodian of the data. It was common for managers during this period to send employees to HR to get their all their “personnel” questions answered.

STAGE 2: MAIN FRAME COMPUTER TECHNOLOGY

In the next stage, there was a migration of the information resident in these paper-based systems to PCs and local area network (LAN) systems. These HR databases were able to produce reports that simply listed “tombstone” data. Advances in database technology included payroll and some very basic versions of employee tracking. The HR data were typically stored on a client server—a network architecture in which each computer on the network is either a client or a server. Servers are powerful computers dedicated to managing disk drives (file servers), printers (print servers), or network traffic (network servers). Clients are PCs or other workstations on which users, such as HR professionals, run software applications.

STAGE 3: ELECTRONIC DATABASE SYSTEMS

The next stage began with the emergence of relational database technology. A relational database means that a piece of data can be stored in more than one file, each one containing different types of data. The different files can be linked so that information from the separate files can be used

together. A relational database allows databases to be established in several different locations and the information linked. This technology provided organizations with the ability to develop more complex reports that integrated several data elements. For example a report could be generated from different databases that included name, address, and salary and benefit information. In addition, other functional areas could share information from these databases. For example, if the company decided it wanted to send out a mass mailing to employees to introduce a new product or organizational change, it would access the data from the HR system.

STAGE 4: WEB-BASED TECHNOLOGY

At the present time, many companies have started to embrace HR technology. The benefits of automation are becoming widely known to HR and other areas of the business. The focus has shifted to automating as many transactions as possible to achieve effectiveness and efficiencies. Call centers and interactive voice response systems are widely used by organizations. An interactive voice response (IVR) system is a telephone technology in which a touch-tone phone is used to interact with a database to acquire information from it or enter data into it.¹⁰ For example, employees can call in to report their attendance by entering a specific code. Web-based applications use a Web browser as a user interface (called the “front-end”). Users can access the applications from any computer connected to the Internet via a secure, password-protected login page and from that point forward all the data are encrypted.

For the most part, the HR department continues to be the owner and custodian of HR information but others have begun to recognize the value of this information to the business. The reports that HR is able to produce have become more sophisticated. At this point, the majority of systems are still not Web-based, but some leading-edge organizations have embraced this technology.

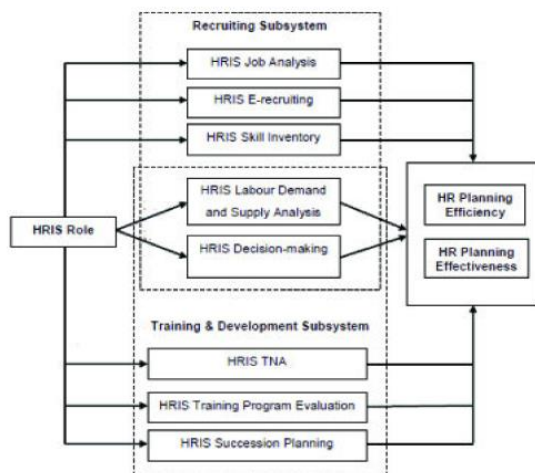
III. DEFINITION OF HRIS

According to Hedrickson, 2003, “HRIS can be briefly defined as integrated systems used to gather, store and analyze information regarding an organization’s human resources.”

According to Tannenbaum 1990, “HRIS ,One which is used to acquire, store, manipulate, analyze, retrieve and distribute information about an organization’s human resources.”

CONTEXTUAL FRAMEWORK OF HRIS

Following diagram depicts contribution of HRIS to HR process or precisely HR planning through the two systems: HRIS recruiting and HRIS training and development. HRIS recruiting subsystem represents the functionalities of HRIS job analysis, e-recruiting and skill inventory.



Source: Wickramaratna, 2011

Figure 2: Contextual Framework of HRIS

KEY FUNCTIONS OF AN HRIS

The HRIS is made up of a number of subsystems, and data can be stored, maintained, and generated from the system. These data can be used to create information that will serve different purposes for many different stakeholders.

The HRIS can do the following:

- ✓ Create and maintain employee records
- ✓ Ensure legal compliance
- ✓ Enable managers to forecast and plan future HR requirements
- ✓ Provide information to managers and HR so they can manage knowledge and manage talent (career and succession planning)
- ✓ Provide information to enable HR plans and activities to align more effectively with the organization's strategic plan
- ✓ Assist managers with decision making by providing relevant data so they can make more effective and informed decisions

OBJECTIVES OF THE STUDY

- ✓ To know about human resource information system and how computerized HRIS is more effective than manual system.
- ✓ Benefits of Human Resource Information System and its limitations.

IV. LITERATURE REVIEW

Alfarsi (2006) describe the impact of the human resources management functions in achieving organizational change at The Sultanate of Oman central ministries. The study found that there are positive results for these posts on achieving organizational change. The study recommended activating human resources management and increase depending on them.

(Beadles, Lowery & Johns, 2005) mentioned in their study that various authors have advocated that the use of a Human Resource Information System (HRIS) should lead to valuable outcomes for the organization. Decreased costs, improved communication, and decreases in time spent on mundane activities should create an environment where in the Human Resources (HR) department would play a more strategic role in the organization.

(Kundu& Kadian, 2012) intend to assess the applications of HRIS in human resource management (HRM) in companies operating in India. Primary data based on 544 respondents and 18 applications of HRIS in HRM were analyzed. Five factors from factor analysis were further analyzed. Respondents perceived "technical and strategic HRM" and "performance and reward management" as the most important factors for HRIS applications. The most frequent application of HRIS in organizations operating in India was found to be in "employee record", followed by "pay roll."

(Khera& Gulati, 2012) explained in their study that Human resource information system (HRIS) is not new concept but it is recuperating day by day with changing environment. Its major role is in human resource planning (HRP) which itself a crucial activity in any organization. Ineffective HRP can lead to extra or fewer numbers of employees than needed. Both over and under number of employees can create crappy situations. HRIS helps in proper planning of human resources.

(Obeidat, 2012) concluded that Human resource information system functions were found to have a relationship with HRM functionalities. More specifically, it was found that strategic integration, forecasting and planning, human resources analysis, and communication and integration have no relationship with human resource functionalities. Whereas, it was found that performance development, knowledge management, and records and compliance as dimensions of human resources information systems have a relationship with human resources functionalities.

V. RESEARCH METHODOLOGY

A qualitative research conducted consulting number of corporate portals, articles and reports with the objective to study the transformation of HR practices through Human Resource Information System. It studies how HRIS helps the organization in better management of Human Capital.

EVALUATION AND DEVELOPMENT OF HRIS

In the early development of human resource management, information systems, although often accurate and comprehensive, were mainly used for administrative and operational purposes. During the next twenty years (1960 to 1980) HR was integrated into the core business mission and, at the same time period, governmental and regulatory reporting requirements for employees also increased significantly. Personal computers have made HRIS available and affordable for any sized firm. HRIS has evolved from simple record-keeping to complex analytical tools to assist management decision making. Then according to globalization and

technological change computerize HRIS was developed in it system seeks to merge the activities associated with human resource management (HRM) and information technology (IT) into one common database through the use of enterprise resource planning (ERP) software. HRIS is considered as a systematic procedure for collecting, storing, maintaining, and recovering data required by an organization about their human resources, personnel activities and organizational characteristics.

VI. ROLE OF HRIS IN COMPANIES IN CURRENT SCENARIO

HRIS help a firm maximize the use of human resource and maintain competitiveness in its market. In most large organizations, human resource information systems (HRISs) provide the technology backbone supporting the complete body of human resource (HR) functions. HRISs provide organizations with control, forecasting, and planning tools that supersede simple computerization of HR functions. The organization can use HRIS for human resource planning. New recruitments can be posted via HRIS as well as applications can be scanned and stored. HRIS also stores information about the employees' participated trainings and learning sessions. Performance appraisal, compensation, benefits, competences and development plans are easily maintained in HRIS. Employees can search for a new career within the organization and be aware of the future trainings. Some of the benefits that an HRIS platform can provide are:

- ✓ Access at your Fingertips Anywhere, Anytime: An HRIS platform offers you and your employees the flexibility of accessing information after business hours, from home or cell phone as long as the computer or device is properly authorized.
- ✓ All your information is in One Central place: No more digging through files and folders. Your shared information is readily available for both employers and employees in one location.
- ✓ Reduce Human Error: Unintentional miscalculations and data errors from manual entry can become costly mistakes. Implementing an HRIS platform will help in preventing tax risks, financial errors, general compliance issues and other human errors.
- ✓ Advance Data Security: With password protection and advance data securities, all information is traceable and personal information is kept safe.
- ✓ Communicate More Effectively: An HRIS platform strengthens collaboration and keeps communication open. Your employees can become more engaged and connected through newsletters and alerts.
- ✓ Eliminate Majority of HR Paperwork: Many organizations today are looking for ways to "Go Green". Implementing this platform will help reduce almost all of the paperwork associated with HR tasks.

VII. EXAMPLE OF JSM TECHNOLOGIES IN MANAGEMENT OF HUMAN CAPITAL

JSM was established in 2000 in New Delhi, India. Today, JSM is the Industry Innovation Leader in Human Capital Management Software Solutions with a Global Development and support centre in Bangalore India. JSM is known for its continuous product innovations, comprehensive software, Business Intelligence capabilities, proven implementation methodologies, excellent team and exceptional standards of its customer service.

JSM technologies provide services to various companies according to their need. Some of the reviews are given by the service taker companies are:

- ✓ TATA strategic Management Group: According to Anjali Naidu, Officer- services TATA strategic Management Group

"JSM was chosen to design Tata Strategic's Timesheet and Leave Management system. After going through proposals from multiple vendors, JSM was selected based on their impressive past credentials and personal involvement of their senior management. Right from day one, the JSM team was very professional in their approach. They displayed a sound understanding of Software design and development principles along with good project management skills which helped in delivering a quality product on time. Most importantly, they understood our requirements well and were willing to go extra mile in customizing their solution to our needs. We would definitely recommend JSM to other prospective clients."

With an HRIS system, we can get answers to many questions, such as who was promoted from within, what skills or training made that promotion happen? An HRIS will provide the data needed over time to create a profile of past successful employee profiles.

VIII. LIMITATIONS OF HRIS

- ✓ It can be expensive in terms of finance and manpower.
- ✓ It can be threatening and inconvenient.
- ✓ Thorough understanding of what constitutes quality information for the user.
- ✓ Computer cannot substitute human beings.

IX. CONCLUSION

HRIS is essential for any good organization to ensure effective people management and to get a competitive edge in the corporate world accordingly. Technology in HR is able to create knowledge pool for in the organization in terms of basic information at senior level. The study concludes that HRIS is an excellent tool for Human Resource Management. HRIS work as a key component of the organization and a good HRIS will provide important information about human resources needs and capabilities; this information will assist the management team in establishing the organizational mission and setting goals and objectives in motion. Organizations

should integrate HRIS with other organizational systems to facilitate speedily sharing of information and decision making.

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