

Effectiveness and impact of HRIS in organizations

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Abstract

In the present scenario of globalization it is need to go as per the technology changes. Information systems have developed as a vital part of every business process in a private sector company, be it a large of small organization. Human resource information system (HRIS) forms combination among human resource management (HRM) and information technology (IT). Its usage has aided human resource to shed its administrative burden to a great extent. Human Resource Information System is a software which assists in planning, controlling the HR cost. Also helps in achieve improved efficiency and quality in HR decision making. And for the improvement in employee and managerial productivity the study of Human Resource Information System is important.

The study tried to examine the effectiveness of HRIS in private sector companies in Delhi and NCR region. The goals can be achieved through detail study of using the effective information system the company needs to implement Human Resource Information System. By automating human resource practices, HRIS saves time and money, effectively reallocates processes and thus provides competitive advantage and adds strategic value to the organization. HRIS is an emerged term in this competitive age. Human Resources is an organizational function that deals with issues such as recruitment and selection, training, appraisal, compensation and performance management of the employee. The human resource information system provides details on administration, payroll, recruitment and training. This system is expected to deliver valuable results to the personnel department. The primary purpose of this study is to understand the HRIS usage in various functionalities of the HR department in the Indian scenario. The data was collected through secondary sources only. The results show the variation in the usage of HRIS features among the different groups. In addition, a massive gap was found to be evident in the usage of HRIS, which can be tapped by the HRIS software providers for business expansion.

Keywords- HRIS, Information System, Human Resource, Recruitment, Performance management, Training and development, Compensation Management

INTRODUCTION

Today's private sector companies are under both the pressure of reducing cost of operations and the pressure of being responsive to the customers' demands. It is more intense for service oriented organizations, like hotels, hospitals, universities, telecommunication sector, pharmaceutical, airline, banks. The use of human

resource information systems (HRIS) leads to valuable outcomes for the organization as it reduces cost as well as time, and improves communication to accomplish HR related activities.

With the undoubted benefits of this technology, various enterprises, especially small & medium, are not capable to exploit the full benefits of it. This happens due to some problems behind the proper execution and implementation of this technology. Our research has highlighted some of the major loopholes in the implementation of Human Resource Information System in an organization. Some of these are: lack of budget, lack of staff, problems with time management; the need to work with other departments and lack of information technology support. These are general obstacles related to implementation of any information system, a list of more specific obstacles are also potential during implementing and managing HR Information System. Some among these barriers are related to ambiguity in identifying the key persons responsible for basic HRIS design complexity in formulating HR policies under several laws, the threat of losing personal data HRIS encompasses is another key concern which makes the employees reluctant to the implementation of HRIS, and difficult to measure the return on investment (ROI).

Objectives Of The Study

The objective of the study is to finding out about the HRIS system in a organization and what are the uses of HRIS in any organization, to know about how the HRIS is more effective then the manual system and to know about how HRIS system enhancing the ability of HRM to deal with new challenge and opportunity in business horizon

LITERATURE REVIEW

Iyad Mohammad Ali Khashman, 2016

This study aimed to investigate the impact of human resource information system (HRIS) on organizational performance in Jordanian private hospitals, through examining if the (HRIS) components (job analysis, recruitment, selection, performance appraisal applications, and communications) have a significant impact on organizational performance (efficiency, effectiveness). The data was collected using a questionnaire instrument. The population of the research included all private hospitals located in Amman city, the number of private hospitals located in Amman were 39 hospitals whereas the sample of the research included (170) employees working in HR departments from the private hospitals. The result of this study showed that there are a positive impact of the HRMS applications on organizational performance, More specifically, it was found that and a positive attitudes from employees working in Human resources sections in private hospitals towards all human resource information system applications .The result of the study also indicated that employees working in human resources' sections in private hospitals have positive attitudes towards organizational performance which includes efficiency and effectiveness. The research recommended that

hospitals should focus on human resource information system applications in the work environment to achieve positive outcome and maximize organizational performance at all level.

Shine David, Surbhi Shukla and Shivangi Gupta (2015)

Information Technology has found its way all over in every field. It is not untouched by Human Resource Management. Organization's success mostly depends on the effective utilization of its valuable human resources. Now-a-days, human resources are treated as strategic assets, these assets are needed to achieve competitive advantage and outperform the rivals. Organizations are now increasingly adopting HRIS than ever before (which is comparatively a new technology in HRM) for ensuring the effective utilization of their human resources. But still, many challenges and issues keep the organizations deprived from enjoying the benefits of this technology. Here, in this research work, the authors tried to explore those hurdles based on the responses of human resource (HR) executives, employees, who are the frequent user of HRIS in the organization from some companies operating in India. The research work came across many challenges that impede the effective implementation of HRIS. Finally, some measurable actions that can be implemented to improve the effective execution of this technology are suggested.

David Shine, 2015

With the increasing effect of globalization and technology, organizations started to use Human Resource Information System (HRIS). Its major role is in Human Resource Planning (HRP) which itself is a crucial activity in any organization. Ineffective HRP can lead to excess or less number of employees than needed. HRIS is a system which is used to acquire, store, manipulate, analyze, retrieves and distributes information about an organization's human resource. HRIS is helpful in the strategic activities of HR managers which are training and development, succession planning and in recruitment and selection and human resource planning. The research is empirical in nature as 54 respondents from top IT companies are taken into account to fulfill the objectives. After study it was concluded that HRIS is very beneficial for organization for functions like recruitment and training, human resource planning, career development of employees, performance management, employment development, employee relation, HR climate, manpower planning and performance management system. HRIS system helps senior management to identify the manpower requirement in order to meet organizations long term goals. In this research questionnaire

B. K. Punia, Naval garg, 2013

Human resources are considered as most valuable asset for any organisation. And in this age of information and technology, it has become imperative to manage data related to human resource also. In this background Human Resource Management System has come to limelight. The present paper provides perceptual understanding of Human Resource Information System in Indian organisations. Paper successfully

highlights poor awareness and availability of HRIS in Indian scenario. Further hypotheses and cross tabulation of data provides in-depth understanding of variations based on gender, sector and nature of organisations. And lastly scopes for future researches have also been discussed.

Anitha and M. Aruna, 2013

Owing to the revolution of Information Technology, Human Resource Information Systems (HRIS) is of profound significance in managing Human Resources in the contemporary globalised knowledge economy. HRIS is a part of Management Information System that provides a pool of information that harmoniously integrates with the other functions of HR striving for business excellence. The last decade has seen a significant increase in the number of organizations gathering, storing, analysing, and distributing human resources data using Human Resource Information Systems. This is a conceptual paper that focuses on comprehensive exploration of studies that detail on adoption of HRIS in organisations. The aim of this research paper is to identify various variables that influence adoption of HRIS or any Information Systems through a thorough literature study and consolidate them under four major factors namely Technological, Organisational, Environmental and Psychological factors. Validating this model would help the organisations to understand the essential focus areas for successful adoption of HRIS. It visualises that though HRIS utility is in its infancy stage, the complexity and strategic planning required by present day organisations, reinforces to rely on HRIS for futuristic approach.

Barkha Gupta, Human Resource Information System (HRIS): Important Element of Current Scenario, Journal of Business and Management, 8. Volume 13, Issue 6 (Sep. - Oct. 2013), PP 41-46

Barkha in her paper tried to know about how HRIS help the organization to enhance the efficiency of work. An HRIS, which is also known as a human resource information system or human resource management system (HRMS), is basically an intersection of human resources and information technology through a HR software solution. This allows HR activities and processes to occur electronically. The Human Resource Information System (HRIS) is a software or online solution for the data entry, data tracking, and data information needs of the Human Resources, payroll, management, and accounting functions within a business. The goal of HRIS is to merge the different parts of human resource, including payroll, labour productivity, and benefit management into a less capital intensive system than the mainframes used to manage activities in the past. Also called Human Resource Management systems (HRMS). 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. In most situations, an HRIS will also lead to increases in efficiency when it comes to making decisions in HR.

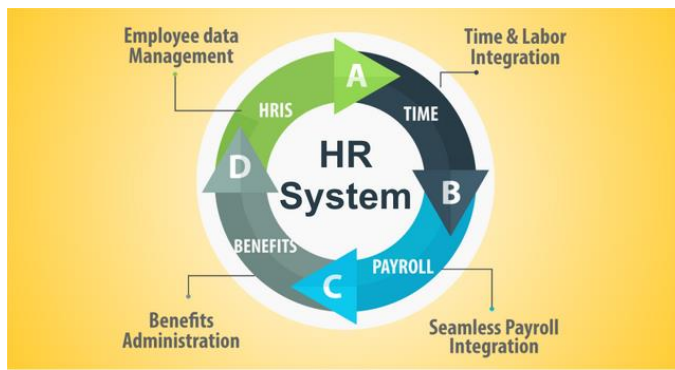
Shammy Shiri, (2012)

HRM (human resource management) is especially important in a knowledge-based economy, where ideas and expertise are greatly valued, and a creative and innovative workforce is necessary to meet the challenges of this new economy. Efficient and effective management of human capital is increasingly an imperative and complex process. As a result, there has been a considerable increase in the number of organizations gathering, storing, and analyzing information regarding their HR through the use of a software which is HRIS (human resource information system). The growing importance of HRIS is due to the recognition of HR practitioners that IT (information technology) and IS (information system) should be a part of HR functions mainly to develop and use better HRM programmes. This adoption of HRIS by organizations combined with the increasing sophistication of this software, presents the HR function with new challenges which demands the HR professionals to participate and contribute fully to their companies, as true strategic business partners. This study attempts to identify the effectiveness and the importance of the use of HRIS on the HR functions of an organization. It includes the top management, managers, and executive of HR working in manufacturing, service and IT sectors. Results provide insights into HRIS practice, its effects, effectiveness and shows that HRIS is of direct significance verifies completeness of the HR function and also provides HR professionals with opportunities to enhance their contribution to the strategic direction of the firm were applied to the employees of it sector and through analysis it was found that based on gender there was no difference of employee's perception of HRIS.

CASE STUDY ANALYSIS**HRIS at NALCO**

National Aluminium Company Limited (NALCO) is a Navratna CPSE under Ministry of Mines. It was established on 7th January, 1981. With its registered office at Bhubaneswar. The Company is a group 'A' CPSE, having integrated and diversified operations in mining, metal and power with sales turnover of Rs 9,376 crore in financial year 2017-18. Presently, Government of India holds 52% equity of NALCO.

National Aluminium Company Ltd. (NALCO) is considered to be a turning point in the 50 years history of Indian Aluminium Industry. Information is very crucial for the survival and growth of the firm. The human resource function is most critical, must be performed with conjunction with the strategic purposes of the firm and is primarily responsible for integrating all parts of the organization through information systems. When reference is made to the Human Resource Information System (HRIS) in today's environment of high tech wizardry, it is often vital tool of the business that permit for standardization in the gathering of information about and for a company's employees.



The system department of NALCO has developed HRIS and the main objectives of the HRIS of NALCO are:

- To maintain records of employees of NALCO in a systematic and presentable form such that analysis and control over the administrative and financial matters are obtained.
- To ease the process of maintaining the records relating to various employees in a systematic manner and generating the required reports by the HRD and nominating employees for various training programs broadly for knowledge enhancement, skill development and attitude building.

Training Department:

In order to stay in business in today's competitive world, increased productivity is often critical. Sometimes this increase can be achieved by a change in working systems or by automation. In both the cases employees are to be trained in the use of system or new equipment. All the changes demanded in a business require training but more than this, training is a way of producing change.

Performance Appraisal Department:

Performance Appraisal is the most indispensable tool for the organization. In NALCO, performance appraisal forms of all executives of different units are sent to the performance appraisal cell of corporate house where the cell does the final evaluation. For this purpose software is being used. The information it provides is highly useful in taking decision regarding job rotation, promotion, transfer, career planning, succession planning, etc. For non-executives the final appraisal is done in the appraisal cell of their respective units.

Recruitment and Industrial Relations (IRs) Cell: Recruitment Subsystem: Recruitment process is not enabled with any software. The executives at the entry level are recruited through GET and MT examination. This task has been given to an outside agency. The external agency conducts the examination and gives the list of selected candidates to the organization. Other functions are performed by the recruitment cell. For non-executives recruitment, it is the responsibility of the concerned unit, the HRD Development.

HRIS at CEAT India LTD.

On 10 March 1958, CEAT Tyres of India Ltd., was formally incorporated with a capital of Rs.1.15 corers, and contributed a ratio of 60.40. CEAT LTD. chosen SAP as a technology platform, IBM was the implementation partner. These two were decided after eliminating some very reputed IT majors. The company spent Rs 10 corer (including hardware and software) for the implementation of the project, it is now confident of recovering the investment within a year. The company has implement SAP in the month of November 2007 successfully.

Following are the barriers experienced by CEAT

- IT literacy in staff
- Fear of usage of technology
- Failure to include key people
- Failure to keep project team intact
- Lack of communication

Components of HRIS implemented at CEAT Ltd. :

SAP-HCM (Human Capital Management) offered following components.

- A computerized database management system
- Screens for inputting data
- Modules for performing specific functions
- Query Programmes for requesting special information

Personal Management : The most important factor in personal management is to prepare infotypes. Depends upon the man-power skill sets requirement and its complexity we can prepare various info types to suit organization's needs. The employees data entered in HCM match with info type and if required those data which is not available for that particular info type will be added later on. Depends upon info type we can deploy manpower for various tasks, works, mission, project of the organization.

Training and Event Management: Manpower available with the organization needs training. Training is to improve the skill set, competency and usefulness of the man-power. This tool helpful to plan and co-ordinate all the activities including feedback of employees on given training. Training may be given in class-room, outside of the organization, on job, abroad etc. For this scheduling, contracting, rescheduling,

cancellation acknowledgement of various event to the concern employees and authorities is done through this module. Depends upon the feedback organization can decide whether to do it as it is or with few changes in future, if required.

Time Management: This module mainly deals with time recording of employees in the organization. Recording timings help for payroll to calculate salary, OT, Bonus, Promotion, Demotion and disciplinary actions.

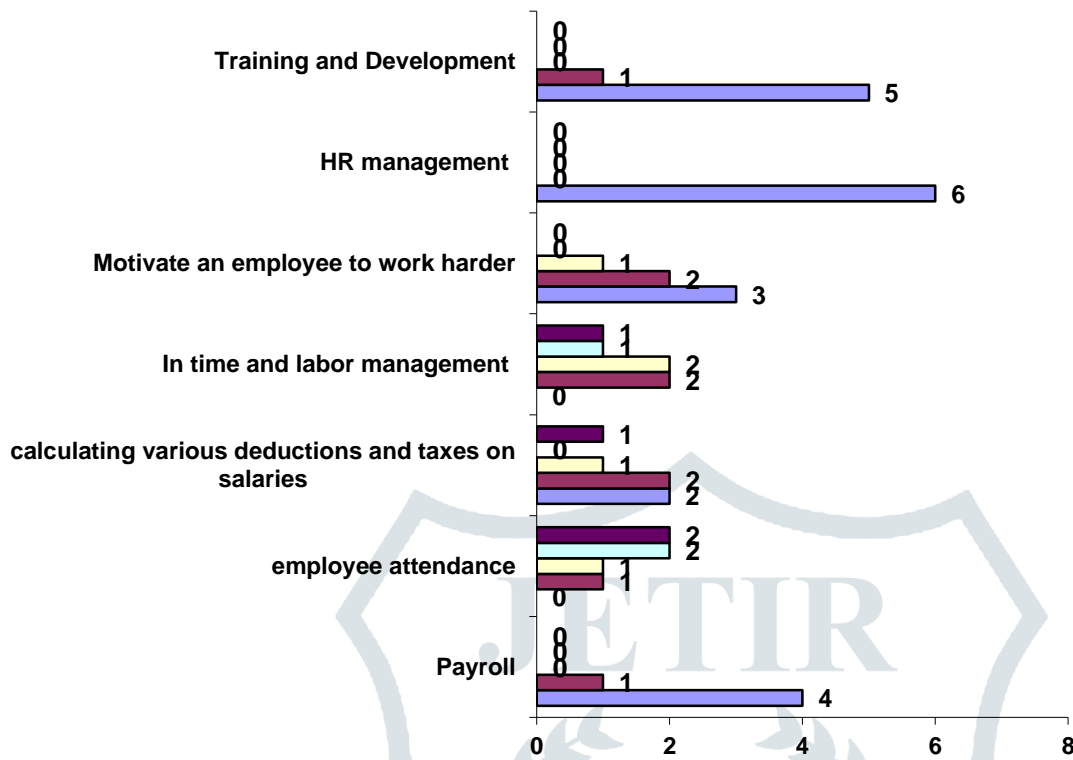
Appraisal: In appraisal system balance score card is used. In this system organization consider individual performance against target set aligned it with top management strategies. Evaluation carried out by evidences created within and outside organization. After evaluation as per the result , employees get benefits in monetary and non-monetary forms. Based on the system of a balanced score card, the self appraisal system drives the appraisal process in India. Completely automated, all appraisal processes of Ceat employees are now online. It has also reduced the cycle time to compile reports and make audits.

Payroll: In payroll module master data and time data is used to calculate salary of every employee. These salary data reflected in financial accounting system. Through this system some statutory and non-statutory reports generated.

Employee self service and Manager self service: In this module access is given to the employees either to get information or to input some data related to particular activity. ESS has more than 70 services, most often used services are who's who, view the calendar, check workflow work items, submit travel expenses, enrol for benefits etc. It helps to reduce administrative costs and shorter cycle times.

HRIS exists to make job easier-it takes care of the routine administrative tasks. HRIS software works by integrating all the different departments in on organization into one computer system allowing for efficient communication between these departments and hence enhances productivity. The Ceat Ltd Using HRIS for maintaining employee record followed by pay roll activities. HRIS also used by this organizations for personnel management, Training, Time management and performance appraisal. Reason for this could be that use of HRIS in these applications had been since birth of HRM.

HRIS system in private organisations



HRIS benefits and challenges at Nissan Motors

Nissan Motors, one of the top selling automobile manufacturers and the world’s first ever multibrand conglomerate after its collaboration with Renault, has over 130,000 people working for them worldwide. This global corporation needed standardized HR practices in order to function successfully. The firm was also concerned about the overall employee satisfaction. Having an HRIS meant a strategic investment to reduce costs across the globe and therefore, in 2010, CEO introduced HRIS in Nissan, when Nissan was in troubled waters. His aim was not only to automate the HR services but to transform HR services in the whole organization. He implemented several plans to transform Nissan to take it out of financial disaster; one of the strategies was to have a HRIS. The strategy behind HRIS implementation was standardization of all HR practices throughout the organization around the world. Also he wanted to remove all administrative and transaction type tasks from the HR personnel in all locations around the world.

Nissan particularly tried to tackle the problem by maintaining open communication, they were clear in communicating about what was being one, when and how. They made sure that employees were encouraged in being proactive to adapt change; they were assured about the benefits it would bring to all from employees to organization. This was a major hurdle in the

Whole process as suddenly after several years of performing a job it was going to change what they did, where they did it and even the technology was new to use. Their world was turned upside down by one change. For employees also it was a big change as they were use to meeting HR people for any information

and now they had access to it at one click, they had to now look for this information themselves instead of having someone else do it for them. This technological change meant everyone had to tend to their needs themselves. Most of the employees are used to tending to their own business and felt that this was HR department's work which they had to do now, it was a resistance to being empowered.

This change was accepted by the employees as they did not have any choice, the HR people are still available as affiliates. But the role of HR in the organization has completely changed now. One more reason why the change has been well accepted is because any change in policies or new initiative is communicated to the employees easily and effectively. So the HR initiatives are well accepted now. Employee queries are still handled on call or on one-one basis if the employee is not clear about anything, it is just that the volume has gone down for such queries.

Benefits of HRIS at Nissan

There are several benefits of implementation of HRIS. From an employee's perspective the HR related information is now readily available like policies, personal information, etc. Any kind of information from their pay slips to leaves, holidays is available a click away. This kind of technology has changed employee's attitude as they help themselves now. People get information when they want it and don't have to depend on anybody for it, this helps them improve the quality of work life. It also has environment friendly benefits like less paper work. For example, any changes that need to be made can be done by filling an online form, or any notice which needs to be sent is simply posted on intranet. Now there are fewer delays as forms don't get lost. The transactional process has become very fast.

HR people are also happier and more satisfied in their work as the administrative/transactional work has been removed and they can now focus on more important tasks. Though there is still a group of HR people looking at the administrative and transactional side but they are not overloaded with calls like earlier. They are only flooded with calls when some major change has been announced.

Nissan management has always maintained that they are the partners of employees when it comes to administering a change. Management feels they bring in the expertise and open communication which facilitates the change. HRIS information has helped management in decision making, now through the reports access and open communication and feedback, management knows what its employees like and don't like. This information is used effectively in planning other changes. Business is also helped as there is higher efficiency and satisfaction amongst the employees. Management has saved money, time and manpower. HRIS implementation has proven to be a win-win situation for all from employees, HR, management to the business. During the implementation of HRIS at Nissan, Ghosn was very clear about the key performance indicators (KPI) of HRIS. These included reduced response time in employee's query and faster communication regarding policies to employees. This basically boiled down to service given to

employees, response rate and customer service. Nissan is currently at world class measures in all the KPI's stated.

This goal assessment helps organization to chart out a road map of what is happening, is it going in the right direction, it also keeps the cost factors in check. This assessment starts from the top management and then works its way down to resources that uses HRIS. The assessment gives us information about what has been saved with the implementation of HRIS. Before implementing HRIS Nissan was in top quartile of expenditure for HR but after HRIS its expenses came down to lower quartile. This complete transformation of HR services took two to three years, but at the end it was worth the money saved.

HRIS implementation benefits are not restricted to the above discussion, there is more to it like after one understands the capabilities of current HRIS along with considerations for the future then HR can become the strategic partner effectively. In the initial days of HRIS in early 80s to 90's HRIS was mostly used to feeding data and getting compliance reports. It is only now that HR has started assisting as a business partner by providing critical data for decision making with the help of HRIS. During the merger the data available on HRIS helped a lot in strategic planning.

Since Nissan has international workforce HRIS has helped by standardizing all practices for all employees across the globe. HRIS helped manage organization structure with the cross border employees and international workforce. Smaller details like multiple languages, salary administration in multiple currencies were implemented.

All the efforts boil down to customer service, where employees throughout the organization are catered to by the Human Resource department. Employees are the focus for HR to become the effective strategic business partner. Online benefits plan and registration is one example of transparency and open communication this also ensures efficient service to employees through HRIS. Earlier organizations adapted the most popular software but now they are becoming more customized as per the business requirements and to meet customer's requirement. PeopleSoft HRIS is one of the best software around the world; it almost comes with a legacy. Its database integration helps the organization in several ways.

CONCLUSION

Technology has become a key part of HR as companies look at ways to function more efficiently. HRIS products help them manage one of their most important assets – their personnel.

As HRIS systems have become more sophisticated, the demand for experienced professionals in this area has risen. HRIS professionals are often involved in product selection, systems customization, implementation and ongoing administration. If you are extremely detail-oriented and enjoy working with computers, this might be the job for you. The long-term prospects are quite rosy in spite of the economy's ups and downs.

Most are flexibly designed with integrated databases, a comprehensive array of features, and powerful reporting functions and analysis capabilities that you need to manage your workforce. This can give back hours of the HR administrator's day previously spent attending to routine employee requests.

A HRIS also facilitates communication processes and saves paper by providing an easily-accessible, centralized location for company policies, announcements, and links to external URL's. Employee activities such as time-off requests and W-4 form changes can be automated, resulting in faster approvals and less paperwork.

An affordable Human Resource Information System (HRIS), for example Infosys HRMS's e-capabilities, allows companies to manage their workforce through two powerful main components: HR & Payroll. In addition to these essential software solutions, HRIS offers other options to help companies understand and fully utilize their workforce's collective skills, talents, and experiences.

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