

A Human Resource Information System in Business Enterprises: An overview

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ABSTRACT

With the change of technology, many organizations have started using human resource information systems (HRIS). HRIS is featured to contribute to various activities (human resources management) in an organization. In this research paper, we have studied the role, functions, objectives, benefits of HRIS in business organisations. This paper is based on the information collected by various sources i.e. Published literature books, reference books, Research papers, published in conference proceedings, research papers published in peer reviewed research journals, Government and industry resolutions journals, periodicals.

1. Introduction

Private and government business enterprises & non-profit organizations are relying on (HRIS) human resource information systems to facilitate information sharing as well as facilitate downsizing and reengineering efforts. The human resource information system, also called the human resources management system (HRMS). Human Resource Information System helps human resource professionals achieve human resource objectives. For example, Human Resource Information System provides businesses with rapid data access, information exchange, and strategic advantage. Private and public sector organizations, such as Federal Express, IBM, Levi-Strauss, the Central Intelligence Agency, the Department of Defense, Hewlett-Packard, Stanford University, and Johns Hopkins, have developed and implemented HRIS to optimize their human capital performance.

A human resource information system (HRIS) is a systematic procedure for gathering, storing, maintaining, retrieving and revising human resource data. A Human Resource Information System is store information of employees, retirees and their dependants and enable the employer to issue pay checks or retirement checks; withhold required taxes, retirement account contributions, and other deductions, provide insurance coverage and other employee benefits, and improve workforce management and budgeting. The basic purpose of this paper is to understand the importance and role of computerised human resource information system for effective utilization of human resources of Business Enterprises.

Human Resource Information System, while increasingly complex and computerized, can be simple or complex, computerized or non-computerized. Small business payroll records and time cards are examples of informal human resource management system. Computerized human resource databases of major corporations, banks, and national governments are examples of complex human resource information system.

2. Meaning and Definitions of HRIS:

- According to Tannenbaum 1990,

“HRIS, one which is used to acquire, store, manipulate, analyse, retrieve and distribute information about an organization’s human resources.

- According to Hedrick son, 2003,

“Human Resource Info System can be briefly defined as integrated systems used to gather, store and analyse information regarding an organization’s human resources.”

A human resource information system (HRIS) / human resource management system (HRMS), is basically an intersection of human resources and information technology through HR software which allows Human Resource activities and processes to occur electronically.

Above Definitions elaborate a human resource Information System is a systematic process for collecting, storing, maintaining, retrieving and validating data needed by a business organization about its human resources, personnel activities and organizations unit characteristics and functions.

An HRIS need not be complex or even computerized human resource databases of major manufacturers, banks and governments .HRIS can support long range planning, with information on equal employment ;and development with information on training programme costs and trainee work performance.HRIS can also support compensation programmes with information on pay increases , salary forecasts and pay budgets; and labour relations with information on contract negotiations and employee assistance needs . In every case the purpose is to provide information that are either required by human resource stakeholders or supports human resource decisions.

3. Literature Review

- 1) **Marlene sofia Alves e Silva and Carlos Guilherme da Silva Lima** in the chapter of their book stated that The quality of HRM is a key success factor for organizations. The HR professional should analyse and consider the environment, social, economic, political-legal, and technological. To respond to these challenges, HRM has been forced to adopt new logics and most HR managers must forget habits and ways of thinking and acting outdated. On the other hand, they should help organizations to define their strategies and build programs to develop their human capital.

2) **Shikha Singh** in their research paper **A Study of the Effectiveness of Human Resource Information System on an Organisation with special reference to Macleod's Pharmaceutical Ltd.** Given following history: In the late 1960s and 1970s, the term—human resource management replaced—personnel, and by 1974, the new term, human resource management, appeared in media headlines and was eventually shortened to just HR. Between 1960 and 1980, organizations firmly integrated HR into their core business missions. At the same time, employer regulatory reporting requirements increased significantly. Large organizations used mainframe computers to maintain organization databases, and technology-based human resource information systems (HRIS) provided an efficient solution for the increased record keeping and reporting required by government regulation.

3) **Kelly O. Weeks** in his research paper, **An Analysis of Human Resource Information Systems impact on Employees** Concludes that, An HRIS utilizes computerized collection, storage, and retrieval technology to improve handling & management of the HRIS within an organization. An HRIS enables decision makers and planners of an organization to improve the efficiency, effectiveness, and timeliness of the information at their disposal. New technology has provided decision makers and strategy makers in an organization with an avenue to access the information about the human resource in their organization without having to involve the Human Resource Department.



As mentioned in above diagram, Training and Development, Performance Evaluation, Recruitment, Personal Self Service, Leave and Absence Management, Payroll Management, People Administration, Compensation are major functions of human Resource Information System.

The general benefits of Human Resource Information System referred by different authors are:-

- Improved accuracy
- Re-Engineer HR function
- Make employees part of the HRIS
- Provision of time and quick access to information
- Saving costs
- Operating, controlling and planning HR activities
- Increase competitiveness by improving HR practices
- Increase efficiency
- Produce great number and variety of HR operations
- Shift the focus of Human Resource to strategic HRM.

4. Objectives of the study are: -

- To overview Human Resource Information System in Business organisation.
- To Understand the objectives of Human Resource Information system in Business Enterprises.
- To know the Functions of HRIS.
- To Understand the Scope of HRIS in Business organisation.
- To know the Role of Human Resource Information system in Business Enterprises.
- To know the Benefits of Human Resource Information system in Business organisation.

5. Methodology of Research

This research paper is an overview of Human resource information system and based on secondary data collected by various sources i.e. Published literature books, reference books, Research papers, published in conference proceedings, research papers published in peer reviewed research journals, Government and industry resolutions journals, periodicals.

6. Objectives of HRIS

- To balance human resource demand and supply.
- To offer sufficient, comprehensive and ongoing information about people and jobs.
- To provide up to date information at a reasonable cost.
- To offer data security and personal privacy.
- To formulate effective planning and policy.

Out of the above objectives, following are two main objectives of Human Resource Information System:

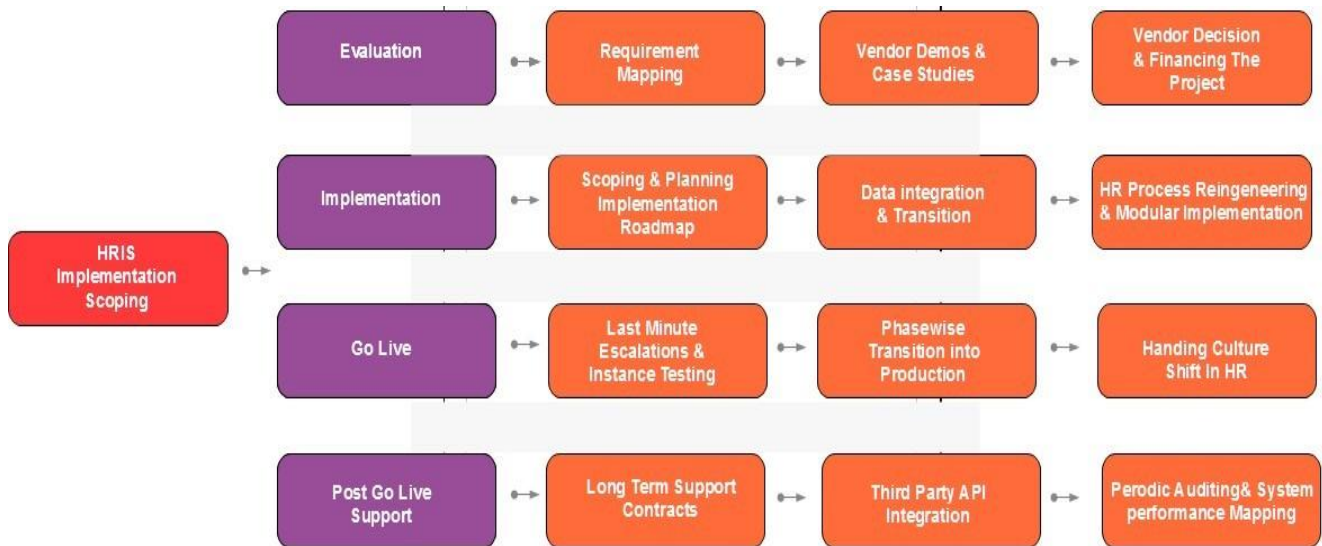
1. Operational Efficiency:

- * Effective communication
- * Open and Flexible system
- * Vertical and Horizontal Integration

2. Effective Decision Making:

- * Effective HR planning
- * HR information Consolidation
- * HR process Automation

7. Scope of Human Resource Information System is explained in Below figure: -



8. Role of HRIS in Business organization: -

The important role of Management Information Systems is to report on business operations with the purpose of supporting decision making. This is to ensure that the organization is managed in a better & more efficient manner so that it can be able to achieve total potential thus gain competitive advantage. Following are some other role play by Human Resource Information System in Small and Medium Scale Organization.

- Human Resource Information System **provide information about human resource to company decision makers.**
- Human Resource Information System **promote collaboration in the workplace.**
- Human Resource **Management Information Systems help to track the implementation particular decisions about HR in a company.**
- Human Resource Information System decide Strategies of Human Resource Planning of Business organization.

9. Advantages of HRIS

The HR department within any organization is considered to be highly critical for the entire organization. Its many efforts and functions serve as a supportive background for the company by providing everything from skilled and talented labour to management training services, employee enrichment opportunities and more. Since labour is the single largest expense for most organizations, human resources help companies derive the greatest value from this important asset.

10. Improving HR Productivity

While the Human Resource Info System features benefit the organization in many ways, one of the most important of all HRIS benefits relates to the ability of the software program to

improve productivity of human resources employees. This system is highly detailed, and they are designed to enhance and speed up the efforts of HR employees in a number of ways. For example, they can assist with recruitment by simplifying a process of collecting resumes, reviewing candidate information and more.

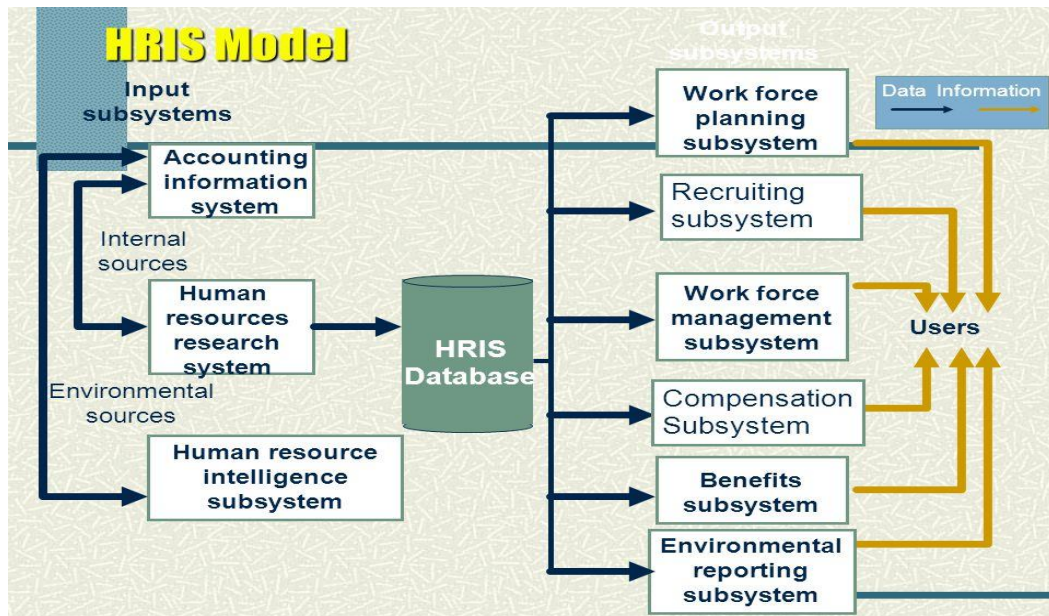
Performing Analyses

Performing analyses & reviewing metrics related to various aspects of the organisation can assist with better decision making and also help to spotting patterns. For example, the human resources department is responsible for analysing hiring costs and calculating the turnover rate in different functional departments. The results of these calculations may be used to make important business decisions & to develop strategies for moving the organization along a successful way.

Reducing Errors and Maintaining Compliance

Many Human Resource tasks are highly regulated, and due to this, even a minor error on the part of a human resources employee could result in considerable legal issues and even financial loss for the company. For example, when resumes are not reviewed in a fair & just manner during the hiring process, a lawsuit may ensue. A Human Resource Info Systems can provide guidance to avoid these types of issues before they escalate.

Following type of HRIS model is also helpful to business organisation in development of Human Resources information system.



11. Conclusions:

One of the greatest allies in Human Resource Management, HRIS is adopted to make organizations more accurate and efficient. However, we face several challenges are faced. HR professionals need to prepare themselves for the future by gearing up for new roles or find themselves outsourced. HR professionals needs to integrate an HRIS as a big project and as a major change for the organization, assuming its role as business partner, as a data analyst, as an internal consultant, focused on the strategic issues of Human Resource Management.

Human Resource Information Systems are rapidly becoming vital to the successful and skilful operation of the modern organization. The development of computerized HRIS has taken various directions over the years, and the use of such systems differs between one organization and another organization. Human Resource Information System is Backbone of the Business organization. It is referring to the systems and processes at the intersection between human resource management and information technology. The importance of the human resource function and the human resource information system is increasing day by day and its seems to benefit in future.

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