

EVALUATING THE ORGANISATIONAL APPLICATION OF HUMAN RESOURCE INFORMATION SYSTEM AS AN EMERGING E-HR PRACTICE

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Abstract

Human resource management is a field that has been inundated with bureaucracy and paperwork but with the recent research, human resource management is gaining popularity among other functions like production, marketing, purchases, etc. as it is the "man" who makes all the difference in the organisation. The role of human resource managers is given due consideration as it transforms from HR specialist to strategic contributor to the business which closely matches with the changing needs of HR Managers and allows them to "remove routine administration work and makes them professional consultants to the rest of the organisation". E-HR is the transformation of HR service delivery using web-based technology by enabling the HR professionals to not only master traditional HR skills and knowledge but also an ability to apply the skills, knowledge through technology that reduces the cost, increasing the business efficiency of various managerial operations.

So, in this context, this paper focuses upon the use of human resource information system (HRIS), i.e., integration of hardware, software and business approaches like Applicant Tracking System, Employee Surveillance Programme, E-recruiting, Online Consultation, etc., to implement E-HR that streamlines the process of HR activities in the current scenario. An old Chinese saying in the context goes like this: "If you wish to plan for a year, sow seeds. If you wish to plan for ten yrs, plant trees. But if you wish to plan for a lifetime, develop people. – Kwan Chung Tzu, 7th C. BC.

Introduction

Today every human resource department is in the midst of achieving transformation. It not only performs the functions of HR (human resource) department but also plays its role within the business. An organisation which is genuinely concerned about its manpower can improve both its company's performance and their own status within the company by enhancing knowledge and make a remarkable success in the growth and expansion of a business. According to the Chartered Institute of Personnel and Development (2005) when HR managers were asked whether they would choose a career in HR if they had the opportunity to start all over again, the vast majority (81%) said "YES" because HR is the heart of a business and can make a major difference in the current scenario. This is possible only with the help of integration of "Information Technology" in HR. (CIPD) is the professional body that represents over 1,35,000 people engaged in the management and development of people (Annual Report, CIPD).

E-HRM (electronic human resource management) is the technical unlocking of HRIS for all the employees of an organisation. So, in order to make drastic improvement in HR operations, information technology has

been merged with HR practices. E-HR has changed the concept of manual HR operations and offers service that shows convenience, delivery, interface, accuracy and security and increases the satisfaction of human resource in an organization. Any E-HRM installation, if taken up in the right perspective keeping all the challenges in mind, can make a huge difference and manage the company's vital resource i.e. people. HRIS (Human Resource Information System) is basically concerned with making employees comfortable while focusing upon the human relation aspects. According to Hendrickson, "HRIS is a social technical (integrated system) whose purpose is to gather, store and analyse information regarding an organisation human resource department comprising of computer hardware and application as well as the people, policies, procedures and data required to manage the human resource function" (2003). It helps HR evolve from unsophisticated use of technology like administrative work (e.g. payroll administration) to strategic use like selection, training, development, etc. HRIS revolutionises the E-HR function. Companies in IT, BPO and retail banking sectors are also adopting this system to a large extent. HRIS can lower administrative burdens, increase efficiency, drive productivity gains, track the job applicants.

Generations of HRIS: Classification of HRIS is based on the advancement of tools and techniques it uses:

1. First Generation of HRIS: It is a stage where IT is used in HR just to speed up service delivery or to reduce costs.
2. Second Generation of HRIS: It is a stage where qualitative changes and improvement in the way services are offered like E-recruitment, E-learning, etc.
3. Third Generation of HRIS: It is a stage which makes use of technology that does the things never done before.

Review of Literature

According to Kavanag, Gueutal and Tannenbaum, "A Human Resource Information System (HRIS) is the system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information regarding an organisation's human resources. The purpose of HRIS is to provide service in the form of information to the clients or users of the system (Tannenbaum) According John W Jones, Virtual HR 1998, Crisp Publications, "The use of computer system, interactive electronic media and telecommunications networks used to carry out the functions of human resources departments. An HRIS is not simply computer hardware and associated HR related software; it also includes people, forms, policies and procedures and data. The purpose of HRIS is to provide service, in the form of information, to the clients or users of the system.

C. S. Venkata Ratnam and B. K. Shrivastava have stated that the basic purpose of HRIS is to store information and data of each individual employee, to provide basis for decision making, planning, budgeting and implementing HR functions, to supply data to government.

As asserted by Kettle P, and Reilly P [2003], technology has only recently developed in a way that enables e-HRM to make its mark, especially the introduction of corporate intranets and web-enabled HRIS. Before embarking on e-HRM, organizations should review and optimize their business processes. The development of e-HRM systems is growing, allowing the HR function to become more strategic. This can most easily be observed by the fact that today employees tend to ask for advice rather than administrative assistance. This is the reverse of the situation in the late 90s. Furthermore, the nature of HR departments has changed because of the development of e-HRM.

Objectives of Research Work

Through this research an endeavour has been made to identify the approaches applied by companies towards performance excellence. The application of these approaches reduces the cost of transactions, increases efficiency, condenses time value and enhances the role of HR managers from an employee to a strategic contributor. The objectives of this research are:

1. To identify the HRIS approaches implemented and initiated by companies
2. To identify the impact of implementing these approaches
3. To identify the suitable suggestions and recommendations for implementing efficient HRIS practices.

Research Methodology

Secondary sources have been used to make an empirical study on the companies using HRIS to understand how effectively and efficiently the use of HRIS enhances the HR manager's role, making them an important part in an organisation. Several Online databases that cover all leading journals in the field of HRIS (ABI/INFODATA/BUSINESS SOURCE PREMIERE) have been analysed.

Approaches of HRIS

1. **E-Resume Management System:** Companies making immense use of information technology in managing the resume received from large number of candidates at the time of recruitment.
2. **E-Recruitment:** Companies using social networking sites for recruitment and branding. In America, Internet is the ordinary recruiting source and the applicant's response towards the electronic recruitment is very positive. A recent survey found that nearly 75 percent of organizations are using technology to support recruitment, and the number is expected to grow to nearly 85 percent within the next year.
3. **E-Learning and Talent Development:** Companies in South Asia (India, Malaysia, Philippines, Singapore, and Thailand) are making use of this practice for succession planning. If an employee is interested in a designated career path but lacks certain skills, the employee can start appropriate training and the system tracks what courses have been completed. Ongoing training is often linked to higher wages; thus motivation to learn and morale is higher in these companies. If a corporation values employees for their knowledge and skills, greater commitment is a natural outcome. In addition, many training opportunities are offered Online to employees as well as suppliers. Training schedules, handouts, and course descriptions are posted on the company Intranet. The advantage of Online training is its 24-hour availability, which is especially crucial for global enterprises. Online training is also cost effective, saving travel expenses and time spent away from the office. Moreover, the fear of the classroom setting makes Online learning attractive to some employees; it allows them to remain semi-anonymous while asking questions and allows the opportunity to learn at their own pace. Organizations implementing e-learning can realize dramatic savings, ranging from 40 to 50 percent within a couple of years. For example, IBM reported that it was able to save more than \$400 million annually through e-learning. Realizing these advantages, Capital One provided employees with iPods as part of its e-learning initiative.
4. **E-Talent Management:** Companies in China, Honkong and Taiwan are making use of this service for tasks like training enrolment, learning management and competency management.

5. **Teleconferencing and Tele-Working:** Companies are using this facility to enable people interact from a distant place without actually being present at the same place and in the same room. In New York City, Online publishing companies allow employees to telework two days a week, which saves their dollars as well as commuting stress.
6. **Training Needs Analysis (TNA):** It means identification of training requirement and the most effective means of meeting them. It is generally required for: (1) new hirings (2) veteran employees (3) trainees in pipeline.
7. **Applicant Tracking System:** It is also called candidate management system which is created to help an employer to recruit employees more efficiently by posting job openings on a corporate Web site, screening resumes and generating interview requests to suitable candidates. Yahoo is adding new recruiting and hiring software to conduct its search for prospective employees in an efficient manner.
8. **Online Training And Consultation:** Creating and offering multiple courses by the private companies through the web including interconnectivity and the ability to publish real time, up to the minute information.
9. **E-retirement Schemes and Benefits:** To calculate today's value of pensions benefits and to inform the employees about their future benefits, E-reports or E-statements can be generated. Managers responsible for compliance with legal mandates (such as COBRA or the Family and Medical Leave Act) use systems to monitor employee status, payment and eligibility for health care benefits.
10. **Electronic Surveillance of Employees:** According to the Annual Monitoring and Surveillance Survey done by the American Management Association (AMA) and the E-policy Institute annually since 2001, this practice is increasing to remove the pros and cons of electronic surveillance of employees at work which helps the employers to find out the employees engaged in visiting job board sites, reading personal mails, and doing online shopping within working hours in the work place. Various instances of employees watching pornographic movies have been reported. Indeed employees spend an average of 3.7 hours a week on the Web for personal activities and 5.9 hours a week online for work purposes, according to a study by the University of Maryland's Smith School of Business and Rock Bridge Associates, a market research firm based in Great Falls, Virginia.
11. **E-Rewarding Schemes:** Various rewarding benefits like gratuity, pension, bonus, compensatory allowances, etc. can be paid with the help of an electronic database system that keeps a track record of employee performance.
12. **Payroll Management System:** Despite the ever-increasing sophistication of HR technology, payroll remains the one component above all others that must work correctly. The main functions of payroll software are as follows:
 - Permitting the entry of all payments and deductions
 - Calculating gross and net pay
 - Generating payments via electronic processing of financial transactions, by cheque or manual methods
 - Generating payslips

- Payroll reporting
 - Payroll accounting and integration with the finance system
 - Processing of weekly and monthly staff payrolls
 - Allowing supplementary payments, after the main payroll run
 - Year-end procedures, reporting, data transfer and so on
 - Processing pensioners' payrolls
 - Processing payrolls
 - Processing expatriate payments
 - Interfacing with internal and external benefits providers, including pensions.
- 13. Compensation Administration:** Compensation management programs were among the earliest HR applications of ERP. As IT advances, compensation software has evolved rapidly in the past decade. Recently, major ERP vendors brought in Internet technology in their latest products. This Web solution is revolutionizing how compensation systems are managed in organizations now and in the foreseeable future. Here are some key features and benefits of such a program within an ERP system. A recent survey shows that 61 percent of organizations use e-compensation systems or plan to implement them in the next year.
- 14. 24/7 accessibility:** A Web solution means users can access the program using a standard Web browser wherever and whenever they wish to. Compensation professionals no longer need to sit in front of their desktops at central offices in order to process information. Organizations use video and computer-based monitoring of employee behaviour, such as keystrokes made, e-mails sent, websites visited, time to complete a customer service call and service.
- 15. E-Selection:** E-selection uses technology identifying the best job candidates—those who have the right knowledge, skills and abilities for each job and who may best fit the organization. Applicants can now take web-based versions of tests in either proctored or unproctored environments. For example, many retail organizations, such as Lowes, Home Depot and Target, use kiosks near the customer service area to administer selection tests to applicants.

Various other approaches of HRIS are:

- Knowledge management
- Talent management
- Stress management
- Add-in value to employees performance
- Pre employment checks using Facebook or other social sites
- Dealing with grievances
- Employee-wellbeing

- Dealing with change management
- Employee counselling
- Performance appraisal
- Career planning
- Succession planning
- Human resource planning
- Smart search engines on the internet
- Travel management
- Exit management
- Attendance management
- Leave management

These are the various applications of HRIS which is implemented with the help of web-based technology.

Impact of Human Resource Information System on Working of Companies

After evaluating the approaches of HRIS, there is a need to analyse the impact of these practices on companies applying and using them. These are:

1. HRIS is very user friendly
2. It eliminates the middlemen
3. It provides the ability to produce comprehensive and consistent management
4. Speeds up the transaction processing
5. Improves the tracking
6. Shifts the focus from processing of transactions to strategic HRIS
7. Offers services that fit the new world of work and is attractive to the current and future companies.
8. Knowledge gets updated
9. Quickens ability to deliver and procure the information
10. Changes the role of HR managers from administrator to consultant
11. More transparency is brought in the system
12. Higher speed of retrieval and processing of data

Balance-Scorecard Approach

Balance-Scorecard Approach is used by USA and UK Companies where the focus is not mainly on the financial results but on the employee contribution toward the success of an organisation in the current scenario.

Many companies like IBM, HP are adopting this approach and their sales get doubled within a few months. The adoption of the balanced scorecard personnel managers in Tesco stores are also expected to be fully involved in the day-to-day running of the stores, thus enhancing their business awareness and their credibility. IRS 2000 Tesco also served to strengthen and redefine the role of the stores' personnel managers.

Suggestions for Effective Installation of HRIS

The design of an HRIS system should take into account the needs of a varied workforce, their access to, and familiarity with technology. In this chaotic and turbulent business environment, firms need to continuously use innovative means and be "ahead of curve" in terms of business strategies and practices. Because of this, there is a need of HRIS in an organisation to promote speedy transactions and make it a valuable tool to ensure success for management. So, in this context, there is a need of for applying conventional, Web and voice technologies to improve HR administration, transactions and process performance.

Conclusion

India with its intrinsic position geographically is becoming a viable destination for HR outsourcing companies. HRIS seems to play an important role for human resource management and improves the scope of HR managers, both, in terms of administrative and analytical purposes. It supports the decision-making process of HR managers from lower-level planning to top-most, crucial planning. HRIS solves a variety of issues connected with people. The practice of HRIS needs to be integrated with the overall strategy to ensure an effective use of people and provide better return to the organisation in terms of ROI (return of investment) for every rupee or dollar spent on them.

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