A Study on Human Resource Information System and its Role in an Organization

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Abstract

With the increasing effect of globalization and technology, organizations have started to use information systems in various functions and departments in the last decades. Human resources management is one of the departments that mostly use management information systems. HRIS has gone from a basic process to convert manual information keeping systems into computerized systems, to the HR Information Systems *that are used today. Human resource professionals began to see the possibility of new applications for the computer. HR information systems support activities such as identifying potential employees, maintaining complete records on existing employees and creating programs to develop employees' talents' and skills. HR systems help senior management to identify the manpower requirements in order to meet the organization's long term business plans and strategic goals. Middle management uses human resources systems to monitor and analyze the recruitment, allocation and compensation of employees. Operational management uses HR systems to track the recruitment and placement of the employees. HRIS can also support various HR practices such as workforce planning, staffing, compensation programs, salary forecasts, pay budgets and labour/employee relations. This research paper is based on collection of secondary data form various journals and internet. On that basis the conceptual paper is developed to understand the concept of HRIS and its role in an organization.*

Introduction

HRIS (Human Resource Information System) is an integrated system of hardware, software, and databases designed to provide information used in HR decision making. It is concerned with all of the activities related to employees and potential employees of the organization. Computers have simplified the task of analyzing vast amounts of data, and they can be invaluable aids in HR management, from payroll processing to record retention. With computer hardware, software, and databases, organizations can keep records and information better, as well as retrieve them with greater ease. HR

functions increasingly started to deploy human resource information systems in their daily work. HRIS were primarily seen as MIS. Sub functions within HR areas intended to support the "planning, administration, decision making, and control activities of human resource management. During the 1990s, along with the adoption of more complex HR practices focused on a company's overall performance goal, HRIS correspondingly evolved into more sophisticated information expert systems featuring analytical tools to support decision-making in managing human capital (Ostermann, Staudinger & Staudinger, 2009). It involves various subsystems like:

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Model of Human Resource Information System
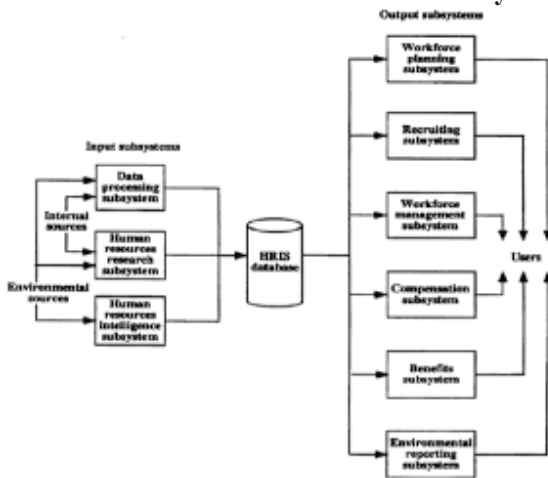
HRIS model has three set of components which are Input subsystem, HRIS database, and Output subsystem. In Input subsystem, there are three main subsystems which are data processing, human resource research, and human resource intelligence. Some input data might include software that can transform the data into the format that needed and required. The second one is HRIS database, all the data and information can be store in computer storage. The software such as Database management system (DBMS) can help to perform the maintenance processes. The last one is output subsystem which contain all the output related to HR consists of workforce planning subsystem, recruiting subsystem, workforce management system, compensation subsystem, benefit subsystem, and environmental reporting subsystem.

Accounting Information Subsystem: Two main types of data: Personnel -- name, birth date, sex, marital status, education, skills, etc. and Accounting -- hourly rate or monthly salary, taxes, insurance deductions, etc.

Human Resources Research Subsystem for example: Job analyses and evaluations, Succession studies, Grievance studies etc. This research can generate new data for the database (job analyses) and it can use existing database contents (succession studies).

Human Resources Intelligence Subsystem: HR has the responsibility for interfacing with the most environmental elements of any functional area. Government -- stay current on legislation, File reports, Suppliers - employment services, Labor unions, local community, competitors -- sources of employees, Global community intelligence, Financial community -- employee planning, Competitor intelligence.

Environmental Human Resources Databases: Executive search firm databases, University databases, Employment agency databases, Public access databases, corporate job banks.

Work Force Planning Subsystem: Enable manager to identify future personnel needs, Organization charting, Salary forecasting, Job analysis/evaluation, Planning.

Work Force Modeling: Enable manager to identify future personnel needs, Organization charting, Salary forecasting, Job analysis/evaluation, Planning, Applicant tracking, internal search.

Work Force Management Subsystem: Performance appraisal, Training, Position control ensuring that headcount does not exceed budgeted limits, Relocation, Skills/competency, Succession, and Disciplinary.

Compensation Subsystem: Most systems in use are Merit increases, Payroll, Executive compensation, Bonus incentives, Attendance.

Benefits Subsystem: Defined contribution, Defined benefits, Benefit statements, Flexible benefits, Stock purchase, Claims processing.

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

Designing and Implementing an HRIS:

HRIS Design Issues

- What information available and what is information needed?
- To what uses will the information be put?
- What output format compatibility with other systems is required?
- Who will be allowed to access to the information?
- When and how often will the information be needed?

Accessing the HRIS:

Intranet: An organizational (internal) network that operates over the Internet.

Uses of a Human Resource Information System (HRIS)

HR Planning and Analysis
- Organization Charts
- Staffing Projections
- Skills Inventories
- Turnover Analysis
- Absenteeism Analysis
- Restructuring Costing
- Internal Job Matching
- Job Description Tracking

Employee and Labor Relations
- Union Negotiation Costing
- Auditing Records
- Attitude Survey Results
- Exit Interview Analysis
- Employee Work History

Equal Employment
- Affirmative Action Plan
- Applicant Tracking
- Workforce Utilization
- Availability Analysis

Health, Safety, and Security
- Safety Training
- Accident Records

HRIS

Staffing
- Recruiting Sources
- Applicant Tracking
- Job Offer Refusal Analysis

Compensation and Benefits
- Pay Structures
- Wage/Salary Costing
- Flexible Benefit Administration
- Vacation Usage
- Benefits Usage Analysis

HR Development
- Employee Training Profiles
- Training Needs Assessments
- Succession Planning
- Career Interests and Experience

Extranet: An Internet-linked network that allows employees access to information provided by external entities.

Web-based HRIS Uses: Bulletin boards, Data access, Employee self-service, extended linkage

Benefits and Uses of HRIS

- **Benefits of HRIS**

    - Administrative and operational efficiency in compiling HR data

    - Availability of data for effective HR strategic planning

- **Uses of HRIS**

    - Automation of payroll and benefit activities

    - EEO/affirmative action tracking

Applications of HRIS

The efficiency of HRIS, the systems are able to produce more effective and faster outcomes than can be done on paper. Some of the many applications of HRIS are: Clerical applications, applicant search expenditures, risk management, training management, training experiences, financial planning, turnover analysis, succession planning, flexible-benefits administration, compliance with government regulations, attendance reporting and analysis, human resource planning, accident reporting and prevention and strategic planning. With the many different applications of HRIS, it is difficult to understand how the programs benefit companies without looking at companies that have already benefited from such programs.

Conclusion

HRIS is an integrated system used to gather, store and analyze information regarding an organization's human resources' comprising of databases, computer applications, hardware and software necessary to collect, record, store, manage, deliver, present and manipulate data for human resources function. The use of HRIS in organizations has various advantages for managers especially in decision making processes.

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