

Role of HRIS in Indian Companies: A Study of Current Scenario

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Abstract

HRIS which is also called Human Resource Information System is an intersection of information technology and human resources. The HR manager manages human resources in the organization electronically through HRIS. HRIS is a software or online solution for a company's data tracking, data entry, and data information needs in Human Resources, payroll, management, and accounting. The human resource manager's goal is to manage human resource functions such as recruitment, selection, training, performance management, etc electronically through the use of information technology.

The use of HRIS in the organization will facilitate the capability to make more effective plans, deal with HR costs regarding its controlling and management, and achieve goals in human resource manager's decision making. This will also improve the performance of the employees and would lead to overall productivity in the organization. The paper throws light on the role and importance of HRIS in today's current scenario for the companies.

Keywords

Human Resource Information System (HRIS), Human Resource Management (HRM), Human Resource, Technology, Organization, Development, Structure.

1. Introduction

In today's world which is ever-changing, technology is also at pace with it and is continuously being developed. This change needs to be adopted by the organizational leaders and managers which will enhance the organizational efficiency and effectiveness. HRIS has come a long way

since they were originally introduced more than 50 years ago, and they now serve a much broader role than simply transforming paper records into digital databases. In today's world, HR/payroll systems are capable of handling a variety of HR activities.

HR Software is also upgraded now and contains many new features and now it is no more just a data storage system that we used to know. HRIS, if used in the organization will aid the organization in storing employee data effectively, more formally and correctly which is very important because human resource is one of the most important resources in the organization and that is why the human resource is referred to as the knowledge bank of the organization. Modern HRIS is used by professionals on a daily basis to manage their employees.

Many businesses have recognised the need to deploy increasingly sophisticated computerised systems, such as Human Resource Information Systems, as a result of technology improvements. Companies that have shifted to HRIS are capable of keeping their records more accurately and up-to-date which will allow companies to prepare better for future challenges and opportunities leading to the future growth of the company. HRIS will aid the HR managers to make better decisions which will increase the efficiency of the organization.

The quality of the decisions taken should also improve, and as a result, employee and manager productivity should rise and become more effective. HRIS is defined as “the collection/ recording, storage, management, delivery, presentation, and manipulation of data for HR through the use of Hardware, Software, Computer applications, and Databases, (Broderick and Boudreau, 1992).

According to a 1998 poll (Ball, 2001), the HRIS is used by 60 percent of Fortune 500 organisations to assist with day-to-day human resource management (HRM) operations. During the last decade, there has been a remarkable increase in the number of organisations collecting, storing, and analysing HR data through HRIS (Ball, 2001; Barron et al., 2004; Hussain et al., 2007; Ngai et al., 2006). HRIS systems that aid in critical HR decision-making can provide strategic value (Farndale et al., 2010; Troshani et al., 2011). Strategic planners were able to forecast future labour demand and supply thanks to HRIS.

HRIS is evolving into its own sector of information technology (IT). Administrative efficiency is maintained using HRIS, which results in faster data processing, increased staff communications, and higher data

accuracy. (Overman, 1992; Beadless, et al., 2005), lower HR costs and overall HR productivity improvements (Beadles et al., 2005; Dery et al., 2009; Wiblen et al., 2010; Troshani et al., 2011). According to Hedrickson, 2003, HRIS is evolving into its own sector of information technology (IT). Administrative efficiency is maintained using HRIS, which results in faster data processing, increased staff communications, and higher data accuracy.

According to Hedrickson, 2003, "HRIS can be briefly defined as an integrated system used to store, gather, and analyze information regarding an organization's human resources." According to Tannenbaum 1990, Integrated systems are used to acquire, store, and evaluate information about an organization's human resources, "HRIS can be concisely defined as integrated systems used to gather, store, and analyse information about an organization's people resources."

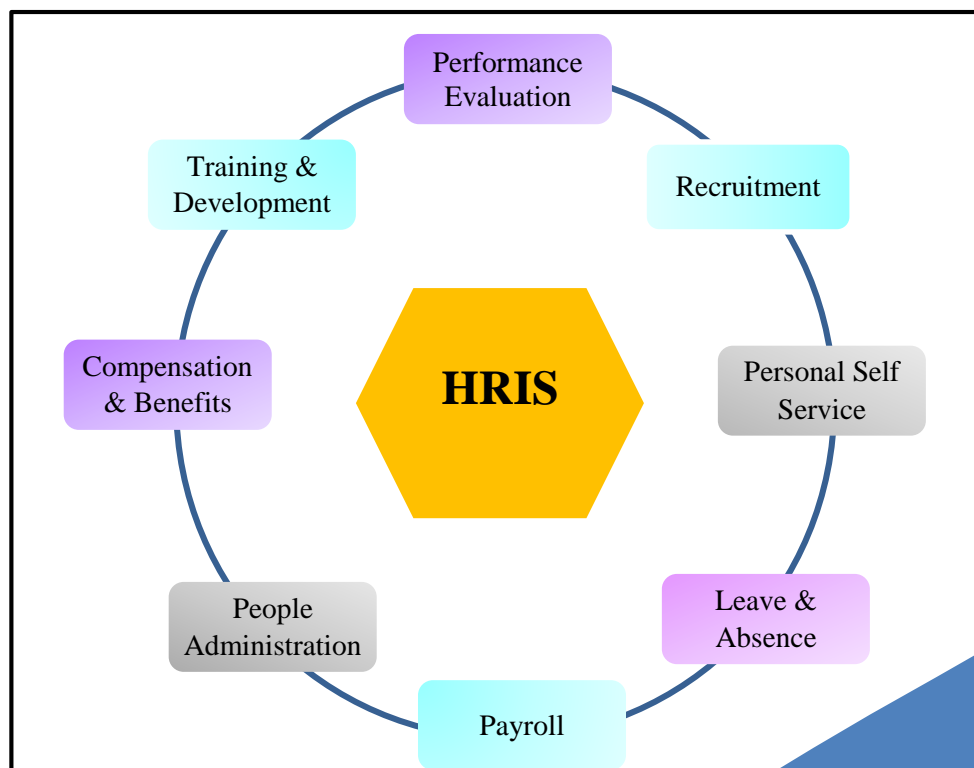


Figure 1: Components of HRIS

Source: Google Images

2. Review of Literature

Bourini, Faisal, and Islam Bourini (2011) investigated the level of HRIS, or strategic capability. The research also investigated the relationship between HRIS and ESC in Jordanian organisations, as well as the impact of HRIS on ESC. The findings revealed a strong relationship between HRIS and strategic capacity. Jordanian businesses have a low level of HRIS installation due to the system's characteristics and applicability. Strategic capability, on the other hand, is extremely high.

Furthermore, the greater the utility of the system, the happier and more comfortable employees are, which reflects in their ability to improve in terms of decision-making, commitment, and so on.

According to Chakraborty, Ananya, and Abu Mansor, Nur Naha. (2013), HRIS assists the HR department in building the HRM process easier, faster, economical, and more effective, while also benefiting the organization's success. All of these advantages are only available if HRIS is implemented correctly and effectively in the organisation. In addition, several factors such as organisation size, management commitment, and so on influence HRIS adoption.

Davarpanah, Ashkan & Mohamed, Norshida Bourini, Faisal, and Islam Bourini (2011) investigated the level of HRIS, or strategic capability. The research also investigated the relationship between HRIS and ESC in Jordanian organisations, as well as the impact of HRIS on ESC. The findings revealed a strong relationship between HRIS and strategic capacity. Jordanian businesses have a low level of HRIS installation due to the system's characteristics and applicability. Strategic capability, on the other hand, is extremely high.

Furthermore, the greater the utility of the system, the happier and more comfortable employees are, which reflects in their ability to improve in terms of decision-making, commitment, and so on.

Sharma, Devadesh Nathawat, Sangram. (2014) Based on gender review it was seen that 70 percent of males and more than 72 percent of females accepted that HRIS will bring changes in the working system. In cases of working environment, the role of the manager in reducing resistance, switching to HRIS willingly and on the question of HRIS putting undue stress on the working system 74 percent males and 80 percent females out of (n=150) agreed to accept and adopt HRIS. On the other hand, in the case of IT sector companies where the respondents were technically skilled and were comparatively more comfortable in accepting HRIS,

indicated in gender review that 71 percent of males and more than 72 percent of females accepted that HRIS will make some modifications in the working system.

In cases of working environment, the role of the manager in reducing resistance, switching to HRIS willingly and on the question of HRIS putting undue stress on the working system 75 percent males and 85 percent females out of (n=150) agreed to accept and adopt HRIS. It is noted that the practical implication of this technology has evolved into an asset. The study should be made to bridge the gap between resistance and acceptance wherein the role of change implementers becomes very crucial and important in reducing resistance and making employees accept change.

Nawaz, Nishad & Gomes, Anjali. (2017) are sure that researching HRIS will be beneficial to HRIS and its application. With a deeper understanding, it will be easier to create more complete HRIS apps.

3. Objectives of the Study

- To get an understanding of HRIS.
- To learn about applications of HRIS in the workplace.
- To learn how to use a computerised HRIS system.
- To learn how to improve human resource management's ability to capitalise on developing business opportunities and challenges.

4. Role of HRIS in Companies in Current Scenario

What function does HRIS play in businesses helps a firm to maximise its human resources while remaining competitive in the market? It is the technological backbone that supports all HR operations in most large companies. In this capacity, it is a difficult role in the operations of HR. It is a collection of people, forms, procedures, and data that are used to store, analyse, distribute, and use human resource information. The purpose of HRIS is to deliver reliable data to people who make human resource decisions. Human resource planning can be done with a range of applications.

HRIS also keeps track of the training and learning programmes that employees have attended. HRIS makes it simple to manage performance appraisals, salary, benefits, competencies, and development plans. Employees can look for a new job inside the company and learn about upcoming training. Managers can track employee job performance and

planned vs. used hours for a specific assignment using HRIS. HRIS provides a variety of reports. Record of employee retention, and compensation are all part of a typical HR operation.

All of these programmes include a variety of HR tasks, which can be divided into three categories: Transactional, traditional, and transformational are the three types of transactions (Wright, Mc Mahan, snell, & Gerhart, 1998)

Transactional activities are day-to-day activities that generally deal with record keeping, such as inputting payroll information, changing employee status, and administering employee benefits.

HR programmes like planning, recruiting, selection, training, remuneration, and performance monitoring are all traditional tasks. If the outputs and outcomes of these activities are in the organization's strategic aims, they might have strategic value. Cultural or organisational change, structural realignment, strategic redirection, and increased creativity are examples of transformational actions that offer value to the organisation.

Performance appraisal: This system analyses employee performance on the job.

Employee skill inventory: It maintains the track of employee abilities and matches them to appropriate occupations.

Benefits administration: This system oversees the administration of employee fringe benefits. Job applicant tracking: This system keeps track of job candidates for the company.

5. Uses of HRIS

- **Planning and Analysis of Human Resources**
 1. Organizational Map
 2. Staffing
 3. Skills
 4. Turnover
 5. Absenteeism Analysis
 6. Restructuring Costing
 7. Internal Job Matching
 8. Job Description Tracking
- **Employees and Labour Relations**
 1. Union Negotiation Costing
 2. Auditing Records
 3. Attitude Survey Results

4. Exit Interviews Analysis
5. Employee Work History
- **Staffing**
 1. Recruiting Sources
 2. Applicant Tracking
- **Health, Safety, and Security**
 1. Safety Training
 2. Accident Records
- **Compensation and Benefits**
 1. Pay Structures
 2. Salary/ Wage Costing
 3. Flexible Benefit Administration
 4. Vacation Usage
 5. Benefits Usage Analysis
- **Human Resource Development**
 1. Policies of Training
 2. Training Need Assessment
 3. Succession Planning
 4. Career Interests and Experience

6. Benefits of HRIS in Companies

An effective HRIS provides information about everything the company needs to track and analyse about employees, previous employees, and applicants.

HR and other managers can employ an integration in administrative, operational, and strategic sectors. Human Resource information system data can be applied at the operational level to identify possible internal candidates for job openings, reduce external recruitment expenses, and assure staff of career options. The HR department can take a more active role in the organization's planning with the help of HRIS. Forecasting will become more timely, cost-effective, and efficient as a result of computerizations technical advancements. Intranet HR self-service is the most crucial HRIS functionalities. Today, several larger organisations utilise their intranet to do online appraisals, manage careers, conduct sentiment surveys, register for training, and post-people-related company information. Following the federal and state laws can be managed,

recruitment and selection processes can be streamlined, and analyses, data, and reports can be produced for external and internal use using an HRIS or HRMS monitored by qualified specialists who understand technology. Another benefit of an HRIS is the simplicity with which it can be applied to compute qualification.

Human Resources workers may utilise an appropriate HRIS to allow employees to update their benefits and handle changes on their own, freeing up HR personnel to focus on more important responsibilities.

Data for people management, knowledge development, career growth and development, and equitable treatment are also made more easily accessible.

Finally, managers may find the information which is needed to aid the accomplishment of the reporting staff legally, ethically, and successfully. These are some of the specific advantages of such systems:

- Faster information processing
- Higher information accuracy
- Better planning and development
- Improved employee communications
- Reduction in the cost of stored data in HR More meaningful career planning & counsel. Better ability to react to changes in the environment

7. Specific Benefits of such Systems

- Faster information process
- Greater information accuracy
- Improved development of program and planning
- Enhanced employee communications
- Reduction in cost of stored data in HR
- More transparency in the system
- More meaningful career planning & counselling at all levels
- Better ability to respond to environmental changes

8. Conclusion

Human resource information systems may play a significant role in the HR function of a corporation. After all, we are in the era of information, where we live, work, and play. Implementing efficiency may ensure that HR remains on the cutting edge in its quest to provide more effective and

simplified service. The key conclusion of this article is that the usage of computerised HRIS is more reliable than manual HRIS since it allows for more accurate data maintenance in less time. Furthermore, it is true that HRIS services indeed boost HRM in terms of administrative and analytical reasons.

HRIS functions as a critical component of the company, and a good HRIS will provide crucial information on human resource needs and skills, which will aid the management team in defining the business's mission and putting goals and objectives in motion. HRIS includes not only the technical components of the system, such as computer hardware and software, but also the people, rules, processes, and data needed to operate the HR function.

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