

“HUMAN RESOURCE INFORMATION SYSTEM – BASICS & RECENT TRENDS”

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ABSTRACT: In today’s era of information technology, information is power. It is the life-blood of an organization. There has been an increasing realization that success of an organization in a complex and changing business environment hinges to a large extent on the effective management of its human resources. This requires an information system which can communicate effectively with the environment. The same gives genesis to the human resource information system (HRIS).

In the present context of globalization, employing organizations and their environments have become increasingly complex. Managers in these organizations face growing difficulties in coping with workforces that may be spread across various countries, cultures, and political systems. Given such trends, manual HR systems management is completely inadequate. HRIS is not a new concept but it is getting better day by day with changing environment.

This paper discusses the various aspects of Human resource information system such as its basics, issues, etc. It also deals with the recent trends in the field of HRIS.

Keywords: Human Resource Information System (HRIS), Emerging trends.

1. INTRODUCTION

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.

2. HUMAN RESOURCE INFORMATION SYSTEMS (HRIS)

A HRIS is an integrated system designed to improve the efficiency with which HR data is compiled and to make HR records more useful to management as a source of information used in HR decision making. HRISs are systems used to collect, record, and store, analyze, and retrieve data concerning an organization's human resources.

Human Resource Information Systems (HRIS) have become a major MIS sub-function within the personnel areas of many large corporations. The collection of information on aspects of work life as diverse as salary and payroll, compensation, leave, accidents, superannuating and employee benefits is possible through HRIS.

3. DEVELOPMENT OF HRIS

In the early development of human resource management, information systems, although often accurate and comprehensive, were mainly used for administrative and operational purposes. Forms were used to collect leave requests, workers compensation and accident data, and salary variation and superannuation entitlements. During the 1970s and 1980s, several factors radically changed attitudes towards human resource information systems. The increasing complexity of payroll systems in this period demanded more flexibility and access to information system. These needs coincided with the development of increasingly sophisticated computer hardware and software systems. In large organizations, centralized payroll processing sections began to be separated from other HR functions. Some organizations contracted their payroll responsibilities to external payroll bureaus with greater technological expertise, and for reduced costs.

4. HRIS COMPONENTS

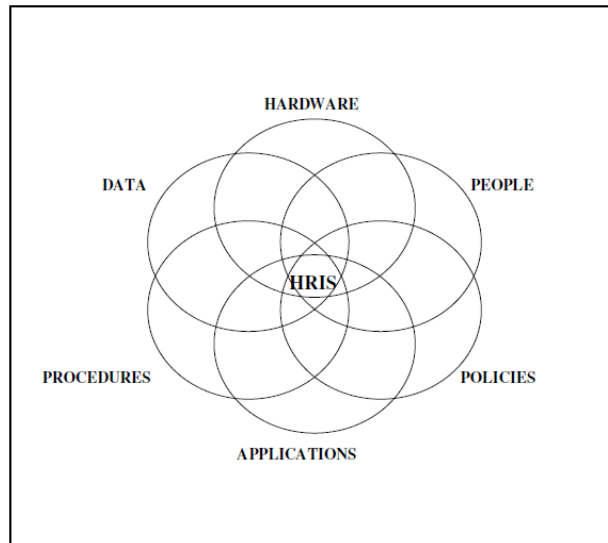


Fig1: Components of HRIS

HRIS is a socio-technical (integrated) system whose purpose is to gather, store, and analyze information regarding an organization’s human resources department comprising of computer hardware and applications as well as the people, policies, procedures and data required to manage the human resources function.

5. A MODEL OF AN ORGANIZATIONAL SYSTEM CENTERED ON HRIS:

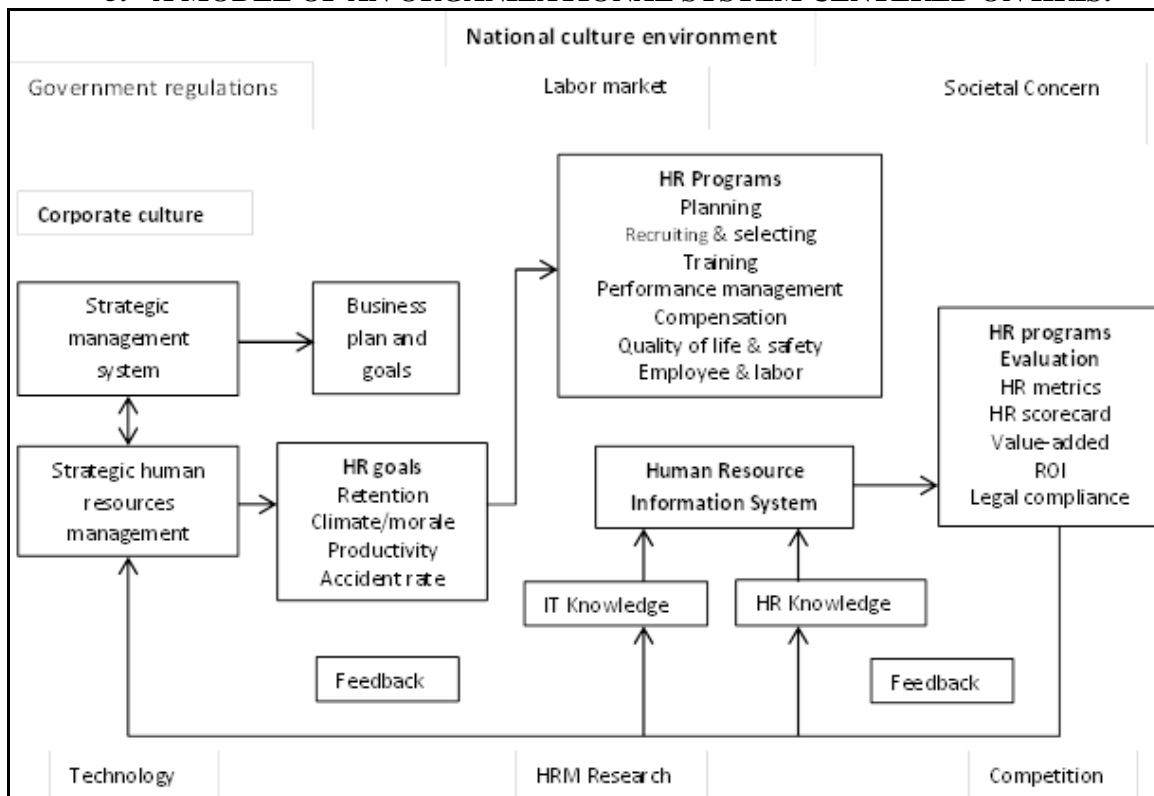


Fig2: Model of an Organizational system centered on HRIS

The model depicts the interrelatedness of the parts of an organization that can affect the functioning of the organization. It shows the interrelatedness between the strategic management system, the strategic HRM system, and the performance goals, business and HR that are generated during the strategic planning process.

6. HRIS FUNCTIONS

An effective HRIS provides information on just about anything the company needs to track and analyze about employees, former employees, and applicants.

Few of the functions performed by the HRIS in different organizations are as follows:

- Job analysis information can be placed in the HRIS.
- The program can write job descriptions and job specifications.
- Track minority hiring, recruitment, and advancement.
- Forecast supply and demand of labor from both the internal and external labor markets.
- Scanning resumes submitted online (web based or e-mail) or in person (or mail).
- Matching qualifications with open positions (finding a good fit).
- Help with registration, tracking training, monitor training costs, and schedule training.
- Provides reports for Occupational Safety and Health Administration (OSHA).
- Track accidents and costs of accidents.
- Track disciplinary actions and grievances.
- Labor contract data. Etc.

7. USES OF HRIS

Comprehensive and integrated information systems can be used widely in administrative, operational and strategic fields by HR and other managers.

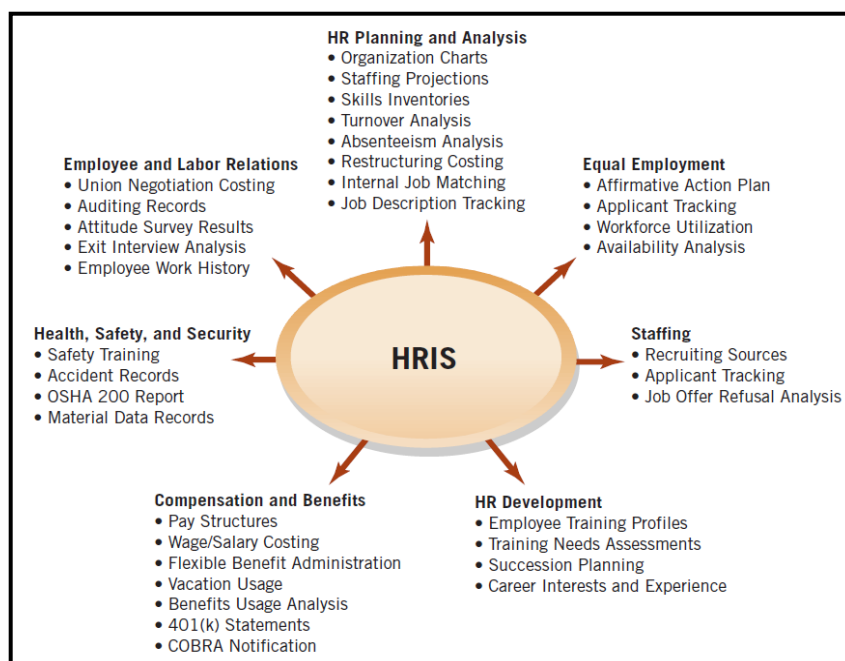


Fig 3: Uses of a Human Resource Information System (HRIS)

8. ISSUES RELATED TO HRIS

8.1. Training:

Training those who will be using an HRIS is critical to the successful implementation of an HRIS. This training takes place at several levels. First, everyone in the organization concerned with data on employees has to be trained to use new recording forms compatible with the input requirements of the system. In addition, HR staff members and HR executives must be trained on the system. Support and instruction from hardware and software vendors also are important in order for the organization to realize the full benefits of the system. One study of HRIS successes found that the presence of in-house training was linked with greater user satisfaction with an HRIS.

8.2. Ensuring Security and Privacy

Two other issues of concern are security and privacy. Controls must be built into the system to restrict indiscriminate access to HRIS data on employees. For instance, health insurance claims might identify someone who has undergone psychiatric counseling or treatment for alcoholism, and access to such information must be limited. Likewise, performance appraisal ratings on employees must be guarded.

9. RELATIONSHIP OF HRIS WITH OVERALL MIS

Management Information System (MIS) is the entire set of systems and activities required to manage, process, and use information as a resource in the organization. Stated slightly differently, MIS is the management and use of computer-based systems, computer-resident data, and telecommunications for the support of business decision processes. HRIS is the part of MIS that provides the information regarding workforce in the organization and facilitates the decision makers in decision making process in this regard.

10. RECENT TRENDS IN HRIS

The knowledge economy is being profoundly influenced not only by the intensity but also by the speed of technological evolution. Robotics and nanotechnology are some of the broader technological trends, network communication technologies (broadband and wireless), convergence technologies (e.g. cellphones and PDAs), collaborative tools (e.g. Web 2.0, portals), service oriented architecture (SOA), and business intelligent systems are some of the notable developments that have affected the field of HRIS and its related technologies.

10.1. Software as a Service (SAAS)

Traditionally, IT systems such as ERPs have been large, time-consuming and expensive. Later traditional software development models were replaced by "on demand" software in which the customer pays only for the HR parts and programs of the software that are needed and also saves money over purchasing entire integrated systems.

With significant drops in the price of computer processing power and with innovative delivery options, such as Software as a Service(SAAS) or Application Service Provider's (ASP's) model, HRIS technologies are now within the reach of small to medium enterprises (SMEs), which are the largest customers for new HRIS packages.

10.2. Service-Oriented Architecture (SOA)

The technological evolution had witnessed a major problem of frustration associated with frequent system upgrade cycles. SOA may be a solution as it converts monolithic and static systems into modular and flexible components. The big change in enterprise software that will impact everything from financials to HR is standard-based service oriented software (SOA).

SOA offers several advantages to end users, who can change the business process when needed and purchase or develop only those applications that are in the new processes. Thus under SOA, the business process dictates the IT system to be used and not the other way around. Oracle Fusion and SAP NetWeaver, the two strategies adopted by Oracle and SAP around SOA, will play an important role in how HRIS technology evolves in the future.

10.3. WEB 2.0

Web 2.0 refers to a second generation of Web-related communities and services focusing on creativity, collaboration, and sharing in contrast to traditional isolated information silos. Web 2.0 users not only access information but also generate, share and distribute new content.

Web 2.0 has also encouraged businesses to promote user collaboration and can dramatically change the way in which employees communicate with each other and with customers. The use of Web 2.0 will require the HR department to pay greater attention to the legal, ethical and security implications of information exchange.

10.4. Enterprise Portals

It is the general term used to refer to the ways in which individuals can interact with each other. They can be information portals, collaboration portals, expertise and knowledge portals, operation portals or a combination of all these. Within an HRIS, employee and manager self-service portals are powerful examples of the potential use of such portals.

11. CONCLUSION:

Driven by significant internal and external forces, HRIS has evolved from largely a maintenance function to a source of sustainable competitive advantage for organizations. HRIS has become a key vehicle for developing and improving organizational effectiveness.

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