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HRIS – AN ESSENTIAL TOOL FOR HRM DECISION MAKING

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Abstract :

In today's environment, where government controls and licences on industrial growth and expansion are being dismantled speedily to facilitate the entry of foreign and domestic corporations, the number of organizations in the same industry is increasing significantly. Competitive pressures are forcing companies to render cost effective products and services with care and concern for the customer needs. The cutting edge in providing this output and succeeding in the market place are the employees of an organization. The need is, therefore, to have competent personnel, who are flexible enough to respond to the changing demands of the organization and are integrated and concerned with the mission and survival of the enterprise. Companies they wish to grow cannot depend entirely on domestic business and hence require to control larger markets. "Competitive pressures, changing values in the workforce and society, government legislation, slower growth or decline in mature industries and rapid growth in high technology firms make human resources an increasingly competitive factor. Against this background, a modest attempt has been made to discuss Human Resources Information System (HRIS) need in today's corporate world in Indian perspective.

Keywords: Information System, HRIS, SHRM, Cost Effectiveness.

INTRODUCTION

There is an increasing realisation in recent times that the success of a business enterprise in a complex and changing environment hinges to a very large extent the efficient management of its human resources. To survive and be successful a firm has to retain its "competitive advantage" over its rivals.

An information system is required to communicate effectively with environment. While information systems in some form or the other have be in existence, it is only recently that formal Human Resources Information Systems (HRIS) using Information Technology (IT) are being implemented. The manual systems of old are being gradually replaced by computerized HRIS. One of the newer devices for providing skills inventory information is the Human Resource Information System (HRIS).

HRIS is designed to quickly fulfill the personnel informational needs of the organization with almost no additional expenditure of resources. Its highly technical features permit an organization to track most information about an employee and about jobs and retrieve that information when it is needed. HRIS has been useful for storing employment, training, and compensation information on each employee.

HRIS – NEED OF THE HOUR

The difficulty in maintaining and the shortcomings of manual records system can be stated as the two basic reasons as the need for Human Resource Information System (HRIS). The difficulty here refers to the voluminous data on the employees which is unfeasible to track manually and which has to be updated from time to time. Referring to the shortcomings of manual record systems Evans, Alastair (1986) state that Cost, Accuracy, Fragmentation, Duplication and Difficulty of Analysis are some of the causes.

He says the maintenance and updating of manual records systems is a labour-intensive and costly process and transfer of data from one record to another increase the chance of error which affects the accuracy and reliability of data held. The stored information has to be maintained in a fragmented way with different pieces of information and thus it becomes difficult to provide a single, comprehensive picture of an employee on one record. As the information held in the system is needed simultaneously by a number of other departments the manual record system tends to be prone to duplication. So, manual analysis is extremely time consuming and the statistical output of the personnel department tends to be limited to what can be put together more readily.

C.S. Ventaka Ratnam and B.K. Srivastava (1991) have stated three basic purposes for the HRIS:

1.“To store information and data for each individual employee for reference.”
2.To provide a basis for decision-making in day-to-day personnel issues, (e.g. grant of leave) as also for planning, budgeting, implementing and monitoring a host of human resources functions.
3.Supplying data/returns to government and other public.”

A survey conducted by a software consultant has highlighted the need for HRIS. (Hemendra Verma,1994)

1.It was found that there is very little time allotted in handling information in respect of the HR function, may be, because of time required to handle the abundant information.
2.There is a lack of information about Human Resources in the Industry at all levels.
3.HRIS would help achieve “equality” in areas like Promotion, Transfer and Nomination etc.
4.Helps settle employees’ dues in time, in respect of Provident Fund, Retirement, Gratuity, LTC and Earned Leave Compensation etc.
5.Helps the ‘Personnel Man’ to utilize the time, he saved through computerized operation to undertake other creative tasks; which otherwise he would have spent in merely maintaining the routine work manually.
6.Once the profile of a person is entered in the computer, retrieving the information becomes easier and also means lesser chances of errors.

It is useful in personnel areas like:

•Manpower movement status
•Manpower position
•Promotion status
•Training programme status
•Number of programmes attended.

Evans, Alastair (1986) presents a number of potential benefits:

"Cost Effectiveness: The computerization of personnel records offers an option to be considered when personnel functions are facing conflicting pressures to provide more information whilst at the same time cut back on administrative overhead costs. As the costs of computer hardware fails relative to the costs of employing clerical staff, so the adoption of computerized systems is becoming increasingly cost effective."

One American study cited in Evans article states the extent to which the staffing costs of administering a personnel department can be reduced:

a)"A reduction of one-third in the time taken to process new employees.

b)Savings of between 55 and 90 per cent of the time taken to provide routine information by manual methods.

c)Clerical saving of over 600 hours per year in providing data to patrol, over 800 hours per year in preparing weekly reports and almost 500 hrs per year in preparing monthly, quarterly and annual reports."

d)Improved accuracy: data will be updated at regular intervals, such as pay, personnel records which contain a considerable amount of data which is static or relatively static, e.g. personal data such as name, date of birth, date of entering employment, even job title, grade and address in many cases." Good software systems should be capable of validating or editing data and deleting errors.

INTERFACE BETWEEN HR AND TECHNOLOGY

Information System

Information is an asset and accomplishment for any organization to coordinate its activities. "Information technology facilitates communications within the organization and with the external environment. Managers need to have not merely more information, but the right kind of information in the right form available at the right time." "Meaningful organized data can be defined as Information" (N.Upadhyay, 1992).

Personnel Information System

The Personnel Information System caters to a variety of data demands, provided the basic data inputs are meaningfully organized, stored and updated.

Personnel Information System					
Input		Database		Output	
Data from Personnel Records		Computerized Information for Easy Manipulation and Analysis		Data Analysis for * Planning * Control * Decisions * Reports	

Source: Robert D.Gray, 1988.

Human Resource Information System

"HRIS is the system used to acquire, store, manipulate, analyse, retrieve, and distribute pertinent information regarding an organization's human services" and that "the purpose of HRIS is to provide service, in the form of information, to the 'clients' or 'users' of the system."

As Carrell, Michael et al. (1989), stated, it was payroll that gave birth to the first personal data base and, ultimately of Human Resources Information System. Payroll was automated, and since these files contained mostly information about employees which were computerized they were used for personnel as well.

HRIS and Strategic Management

Human Resource Management entails a more strategic approach to the management of people than did traditional personnel management. Human resources is being transformed from a specialized, stand alone function to a broad corporate competency in which human resource and line management build partnerships to gain competitive advantage and achieve overall business goals. Strategic human resource management may be defined as "the pattern of planned human resource employments and activities intended to enable an organization to achieve its goals."

There is an on-going debate about aligning the management of human resource to strategic management. The importance of strategy in the management of organizations and the desirability of linking corporate strategies. Strategic HRM is an approach to the overall direction the organization wishes to pursue in achieving its objectives for creating and sustaining competitive and sustaining competitive advantage through people. The integration of HRM issues into an organizational strategic plan ensures that the various aspects of HRM cohere, and provides for line managers to incorporate an HRM perspective into their decision making. A business strategy requiring high quality and customer responsiveness might achieve its objective by adopting a modern approach of Human Resource Management (HRM) system. Technology paved the way and now HRIS has been serving the best to formulate strategy to face the competition in the globalised era.

CONCLUSION

In summing up the benefits it offers opportunities for reducing administrative costs, increasing the efficiency of administrative operations of the personnel department. As the costs of computer hardware fails relative to the costs of employing clerical staff, so the adoption of computerized systems is becoming increasingly cost effective." HRIS has been providing a more comprehensive human resources information service to the rest of the organizations, quickly and flexibly. HRIS enhances the influence of the personnel function on key decisions. The future of HRIS is moving towards mobility. All the information would be accessible HR via a mobile or tablet. Employees could then manage congestion directly on mobile. Being mobile allows greater flexibility for employees and the HR function. In addition, it manages the collaboration with customers and internal projects for the company. It will be the only way to improve capacity of employees and make the exchanges between employees easier.

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