A Study of Importance of HRIS and Critical Study of Organization Sector

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Abstract: *Human Resource Information System is not new concept but it is recuperating day by day with the dynamic environment of business. It has a major role in the Human Resource Department in any organization. The research is empirical in nature, constituting the responses of 72 respondents from HR employees of organizations of service sector. The survey is done with the help of a questionnaire. After the analysis it was concluded that HRIS has many advantage, it can easily serve as a database for various HR functions like Human Resource Planning, Training & Development, Performance Appraisal, etc. The overall contribution of HRIS is that it helps in managing various strategic activities of HR department very efficiently and effectively.*

Keywords: Human Resource Information Systems (HRIS), Information Systems, Importance of HRIS.

I. INTRODUCTION

"A human resource information system (HRIS) is software containing a database that allows the entering, storage and manipulation of data regarding employees of a company. It allows for global visualization and access of important employee information."

Human resource departments require large amount of detailed information about the various activities of the organization, including human resource planning, recruitment and selection, training and development, payroll, employee-employer relations etc. The quality of personnel management department's contribution towards the organization's working largely depends upon the quality and quantity of information held by it. HR activities and much effort by HR professionals are applied to obtain and update the database of all such information.

Acquisition, storage and retrieval of information, is a significant challenge to the management. However, once the database is created, maintenance becomes a much easier task but it should always be taken into consideration that the data is secured and privacy of employees is safeguarded.

A **Human Resource Management System (HRMS)** or **Human Resource Information System (HRIS)** refers to the systems and processes at the intersection between Human Resource Management (HRM) and Information Systems. It merges HRM as a discipline and in particular its basic HR activities and processes with the information technology field, whereas the programming of data processing systems evolved into standardized routines and packages of Enterprise Resource Planning (ERP) software.

II. COMPONENTS OF HRIS

There are three major components of any Human Resource Information System, that is, **Input Function;** which provides the capabilities needed to enter information into the HRIS. Some of the first things that must be established are the procedures and processes required to gather the necessary data. We can also refer to it as where, when and how will the data be collected. Details as to who collects data, when and how data are processed need to be specified; **Data Maintenance;** after the data are processed by the input function, they enter the data maintenance. It updates and adds new data to the existing database. The data maintenance function is responsible for the actual updating of the data stored in the storage devices and the **Output Function;** the output reports are the crucial links to the users. The output function of an HRIS is the most familiar one because the majority of HRIS users are not involved with collecting, editing/validating and updating data, but they are concerned with the information and reports.

III. ADVANTAGES OF HUMAN RESOURCE INFORMATION SYSTEM

A well-developed HRIS offers the following advantages:

1. Reduction in the cost of stored data in human resource.
2. Higher speed of retrieval and processing of data and availability of accurate and timely data about human resources.
3. Better analysis leading to more effective decision making and more meaningful career planning and counseling at all levels.
4. Improved quality of reports and more transparency in the system.
5. Better ability to respond to environmental changes.

IV. DISADVANTAGES OF HUMAN RESOURCE INFORMATION SYSTEM

Computerized HRIS are not an unmixed blessing. While it offers various benefits, it also suffers from problems which need to be addressed to make HRIS more effective. The major problems of Human Resource Information System are as follows:

1. It can be expensive in terms of money and manpower requirements at implementation stage and also its effective application needs large-scale computer literacy among the employees responsible for maintaining HRIS.
2. If the personnel designing HRIS are not competent enough in their works, there is, then, mismatch between data provided by the HRIS and data required by the managers.
3. Computers cannot replace human being because human interventions will always be there to improve the existing situation. The "Garbage-In Garbage- Out (GIGO)" is the key expression in any computerized system.
4. Absence of continuous up-dating of HRIS makes the information stale which is considered as good as no information.

V. RATIONALE OF THE STUDY

Human resources are very important asset for any organization and specifically for the Service Sector where employees can be referred as the combination of all 4M's of Management, that is Man, Machinery, Material and Management. Due to this great importance of human resources in the service sector, all the HR functions have to be taken good care of. To utilize the employee's efficiency and effectiveness to the fullest it is very important to manage them properly. Sometimes the employee could be the critical factor for the organization but not doing well in his present position or role in the company. Also both, surplus and shortage of employees affects the organizations. HRP helps the organization to overcome from such challenges by scheming the number of employees, as well as their job description. Not only this, performance appraisal being the top motivating factors in the organizations need to be managed properly and HRIS helps for the same by analyzing the employee's devotion to his work and his regularity in the organization. In this dynamic scenario, the importance of HRIS can't be neglected. This research work focuses on the contribution of HRIS in HR department of organizations in service sector. The literature review at hand highlighted the importance of HRIS and its various subsystems and some papers also highlighted the importance of HRIS in various industries of service sector

VI. LITERATURE REVIEW

a. Madhuchanda Mohanty and Santosh Kumar Tripathy (2009)[4] analyzed the HRIS of NALCO in their study. The authors exhibit that the use HRIS in NALCO has improved the overall pace and competence of HR functions, but still needs some more developments. The study also states that HRIS cannot be used for analytical purpose but can only be done for administrative purpose.

b. MD. Sadique Shaikh (2012)[5] discussed about three models for HRIS designing namely basic HRIS design model, HRIS hexagonal and HRIS phase's model. The author emphasized on the payback of HRIS designing and execution for alllevels and domains of businesses; in the form of profitable strategic HR and Related business plans and decision, to forecast and to control HR process inside and outside of business organization using HR-databases or HR- Knowledge bases, which includes information related to human resource

maintained and processed by HRIS.

c. Prof. Dr. Anil C. Bhavsar (2011)[6] has discussed about various advantages, applications and importance of HRIS. The study also highlights "today's HRIS has the potential to be an enterprise wide decision support system that helps achieve both strategic and operational objectives".

d. Kenneth et. al. (2002)[7] in his research paper has stressed upon various administrative advantages which may include employee self-service, interactive voice response etc. and strategic advantages of HRIS which can be in the course of information gathering, processing, and sharing.

e. Dr. Shikha N. Khera, Ms. Karishma Gulati (2012)[8] in their research paper have stressed upon Impact of HRIS on Human Resource Planning and the advantages of HRIS with special reference of IT companies.

VII. RESEARCH OBJECTIVES

- To study the concept of HRIS.
- To study the difference between traditional HRM and HRIS
- To explore the benefits of HRIS in Service Sector.
- To understand the role of HRIS in strategic activities of HR departments for organizations in service sector.

VIII. RESEARCH METHODOLOGY

The researcher has used exploratory research method for conducting the research as it will help in finding a better result of the research and it will also help in the description of the state of affairs, as it exists at the present. The main characteristic of this method is that the researcher has no control over the variables; he/she can only report what has happened or what is happening. The data was collected from primary as well as some of the secondary sources. The primary data was all collected through a survey conducted through a questionnaire which consisted of both open-ended and close- ended questions. The sample unit selected for the research was Employees of different service based organizations, and the sampling technique was Convenient and 72 respondents were approached for filling up the questionnaire.

IX. FINDINGS OF THE RESEARCH

The questionnaire that was prepared for the research study consisted of questions through which we can check the effectiveness of replacement of traditional methods of handling the information of human resource department with the modern method HRIS with special reference in service sector. The major findings of the study are:

- Human Resource plays an important asset for present organizations especially in service based organizations.
- In the present dynamic scenario, it is important for any organization in service sector to manage its Human Resources in an effective manner, for which HRIS plays a very important role.
- Much of the service based organizations now-a-days are using HRIS for managing their different functions of HRM.
- Many of the organizations face many problems during the implementation of the system, but it eases their work after the same.
- Computerized Human Resource Information System helps the HR managers to lessen their work by handling as much information as they need in a very portable format.

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