

IMPORTANCE OF HRIS IN IT INDUSTRIES, CHENNAI

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Abstract

The deployment of Human Resource Information System (HRIS) is the fruit of development of Information Technology (IT). It has emerged as an important inter-disciplinary tool to achieve vital organizational Human Resource (HR) objectives. This research paper is empirical in nature. It constitutes the responses of 102 respondents from HR employees in IT industries, Chennai. The survey is done with the help of a questionnaire. After the analysis, it is concluded that HRIS has many advantages and it can easily serve as a database for various HR activities like personnel administration, salary administration, leave/absence recording, skill inventory, medical history, performance appraisal, training and development, HR planning, recruitment, career planning, negotiations etc. of the IT industries. In the nutshell, this paper establishes the overall contribution of HRIS to manage the various HR activities efficiently and effectively in the IT industries, Chennai

Key Words: *Human Resource Information Systems (HRIS), Information Systems, administration and performance appraisal.*

Introduction

Human Resource Information Systems (HRIS) is a process that utilizes the information technology for the effective management of human resource functions and applications. It is a computerized system, comprising a data base or inter related data base that track employees and their employment specific information (Gill and Johnson, 2010)¹. It can be briefly defined as integrated systems used to gather, store and analyze information regarding an organization human resources (Hendrickson 2003)²

Need for HRIS

HRIS provides human resource professionals with opportunities to enhance their contribution to the strategic direction of the firm. First, by automating and devolving many routine human resource tasks to the line management, HRIS provides human resource professionals with the time needed to direct their attention towards more business critical and strategic level tasks, such as leadership development and talent management (Lengnick et al., 2003)³. Other incentives for HRIS implementation are mentioned below.

1. Formulates the policies and programs related to human resource.

2. Facilitates decision making in areas like promotion, transfer, nomination setting employees provident funds, retirement, gratuity, leave travel concession and earned leave compensation.
3. Supplies data and submits returns to government and other statutory agencies.
4. Collectes appropriate data and converts them into information and knowledge for improved and quality decision making.
5. Produces a greater number of varieties of accurate human resource related to reports.
6. Increases competitiveness by re-engineering human resource processes and functions.
7. Improves employee satisfaction by delivering human resource services more quickly and accurately.
8. Provides a comprehensive information picture as a single, integrated data base, that enables organizations to provide structural connectivity across units and activities and to increase the speed of information transactions (Lengnick et al., 2006).

Considering these facts, it is important to mention that the human resource management function needs to invest in information technology and training and to communicate the benefits of employee's participation and involvement in HRIS services (Panayotopoulou et al., 2007)⁴.

Components of HRIS

There are three major components of Human Resource Information System as follows.

A) Input

Input function provides the capabilities needed to get human resource data into the HRIS. It enters personnel information into the HRIS. First, procedures and processes are required to gather necessary data. Once collected, these data's must be entered into the system. Edited tables can be used to determine if the data are acceptable. These tables contain approved values against which the data are automatically checked. The system should have the capability to easily update and change the edited tables. Now-a- days, scanning technology permits scanning and storage of an actual image of an organization document including signatures and handwritten notes.

B) Data maintenance

Data maintenance function is responsible for the actual updating the data stored in the various storage devices. Changes, that occur in human resource information, should be incorporated into the system, as new data are brought into the system. It is often desirable

to maintain the old data in the form of historical information. It updates and adds new data to the database after data are entered into the record with the help of HRIS.

C) Output

This function of HRIS is most visible one, because the majority of HRIS uses are not involved with collecting, editing, and updating human resource data rather than they are concerned with information and reports to be used by the systems. In order to generate valuable output for computer users, HRIS processes output makes necessary calculations and formats the presentation. HRIS is a computerized system, that aids in the process of information relating to human resource management. A well-knit HRIS acts as a worthy decision and a device that is designed to fulfil the manpower information needed to the organization (Kovach and Cathcart, 1991)⁵.

Advantages of Human Resource Information System

A well-developed HRIS offers the following advantages:

1. Reduction of 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 counselling at all levels.
4. Improved quality of reports and more transparency in the system.
5. Better ability to respond to environmental changes (Khanka, S.S)⁶

Limitations of Human Resource Information System

Computerized HRIS is 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 Systems 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, data required by the manager will be wrongly provided by the HRIS.
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 (Khanka, S.S).

Rationale of the Study

Human resources are very important asset for any type of organization. But, it is significant for the IT industries. Employees working in IT industries can be combined together with 3 M's of Management, namely Man, Machinery, and Material . With a view to this great importance of human resources in the IT industries, all the HR functions should be considered with utmost care. To use the employees' efficiency to the fullest, it is necessary to manage them properly. Sometimes, when an employee is not doing his role in the company properly, he will become a critical factor for the organization. Besides, surplus and shortage of employees will also affect the organizations. Human Resource Planning (HRP) helps the organization to overcome the challenges through well-planned scheme of the number of employees, as well as their job description. Performance appraisal, which is the top motivating factors in the organizations, should be managed properly. In addition, HRIS helps organisation analyse the employees' devotion to their work and their regularity in it. In this current scenario, the importance of HRIS cannot be ignored and neglected. This research paper focuses on the contribution of HRIS in HR department of IT industries. The literature review shown in this paper has highlighted the importance of HRIS in IT .industries.

Literature Review

1. Madhuchanda Mohanty and Santosh Kumar Tripathy (2009)⁷ have analyzed the HRIS of NALCO in their study. They exhibit that the present HRIS of NALCO has improved the overall pace and competence of HR functions, but still needs re-engineering. The study supports that HRIS is used for administrative purpose and not analytical purpose. To gain cost effectiveness, in-house development of HRIS is decided but it is time consuming process. In addition to this, there are some other drawbacks that have to be surmounted to make the HRIS of NALCO more proficient.
2. MD. Sadique Shaikh (2012)⁸ has developed three models in his research paper for HRIS designing namely basic HRIS design model, HRIS hexagonal and HRIS phase's model. The author has emphasized on the payback of HRIS engineering and execution for all levels and domains of businesses in the form of profitable strategic HR and related business plans and decision, Further, he explains that HRIS forecasts and controls HR process inside and outside of business organization, using HR-databases related to information on human resource..
3. Prof. Dr. Anil C. Bhavsar (2011)⁹ discusses various advantages, applications and importance of HRIS. The author highlights that "today's HRIS has the potential to an enterprise to take wide-decision that helps achieve both strategic and operational objectives".

4. Kenneth et. al. (2002)¹⁰ have discussed various administrative and strategic advantages of HRIS. Various administrative advantages underlined by the authors include employees' self-service, interactive voice response and strategic advantages of HRIS, that are useful to gather, to process and to share the information.
5. Dr. Shikha N. Khera, Ms. Karishma Gulati (2012)¹¹ in their research paper have stressed upon Impact of HRIS on Human Resource Planning and the advantages of HRIS with special reference of IT industries.

Research Objectives

- To study the concept of HRIS.
- To study the need for HRIS in the IT industries
- To explore the benefits of HRIS in IT industries.
- To understand the role of HRIS in strategic activities of HR departments in IT industries.

Research Methodology

The researcher has used exploratory research method to find out the better result from his research study. The main characteristic of this method is that the researcher has no control over the variables. Nevertheless, he can only report what has happened or what is happening. The data needed for the research work was collected from primary as well as the secondary sources. The primary data was collected through a questionnaire consisting of both open-ended and close-ended questions. The sample units selected for the research was employees of different IT industries. In addition, the convenient sampling technique was used to select 102 respondents who were approached to fill up the questionnaire.

Findings of the Research

The questionnaire, which was prepared for the research study, consisted of questions, through which researcher can replace the traditional methods to handle the information of human resource department with the modern method HRIS with special reference to IT industries. The major findings of the study are:

1. 1.Human Resource is an asset to the organisation especially in IT industries
2. 2.In the current scenario, it plays a very important role in the IT industries to manage the Human Resources in an effective manner.
3. Now-a-days, IT industries are using HRIS for managing their different functions of HRM.
4. Many organizations face lot of problems while implementing the system, but it becomes easier to get work done after its introduction.

5. Most of the organisations do not have efficient staff to manage such a system. Hence, a lot of training to the users of HRIS is to be given necessarily and voluntarily
6. Many organizations, using the system, are satisfied with the interface provided by Human Resource Information System software.
7. Many HR managers, using Human Resource Information System, prefer to use it, because of its easy application and handling of information quickly and efficiently.
8. Human Resource Information System helps the HR managers reduce their work load by handling as much information as they need in a very portable format.
9. Many respondents, working in the IT industries, are satisfied with HRIS in terms of processing the data in a short span of time and in making their work even better.
10. Human Resource Information System helps the HR managers get accurate information of various HR activities in the organisations.
11. Secrecy of data is a major concern for HR managers, while using HRIS. With the help of such system, a large amount of HR inventory can also be managed easily.

Limitations of the Study

1. The important limitations of this research are on the subject of the industry perspective. The role of HRIS can be applied to any sector, as human resources are assets of the organizations irrespective of the sector. Future research efforts should be focused into exploring the differences between traditional methods of HR and HRIS.
2. This study is based on the existing scenario of the level and usage of HRIS in IT industries. However, usage of HRIS can be improved in future. Consequently, same research can be conducted in future to know whether HRIS is improving with changing time or not.
3. This research study was restricted to those respondents to whom the researcher wanted to interview. Therefore, future research might focus on a generously proportioned sample of respondents to validate the results of the study.

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