

Effectiveness of Human Resource Information System on HR Functions With Reference to Manufacturing Units of Sangareddy District

Sistla Samkarpad*

ABSTRACT

In the organizations irrespective of the sizes Human resource planning links people management to the organization's mission, vision, goals and objectives, as well as its strategic plan and budgetary resources. A critical component of an effective HR plan is the method of forecasting. Human resource information system (HRIS) offers an alternative channel of communication with employees and line managers by carrying organisation wide news stories and highlighting policy changes. The current study is an attempt to create a framework for the study of the effectiveness of the applications of HRIS. The purpose of this study is to measure the Effectiveness of HRIS Recruitment application in the organisation, to explore the contribution of Human Resource Information System in Human Resource Planning. The Study framework consists of 2 sub systems of HRD; HRIS recruitment, HRIS Human Resource Planning. The data collected from 50 HR professionals analysed. The results clearly show that HR executives are well aware that they can increase the efficiency of HR planning through HRIS, saving time and cost. However, findings do not support the premise that HRIS increases the efficiency of HR planning other than in functional work such as job analysis.

Keywords: HRP (Human Resource Planning), HRIS (Human Resource Information System).

INTRODUCTION

The global business environment is increasingly turbulent due to rapid technological, economic and demographic changes in response to globalization, and liberalization. The turmoil in the corporate world is not only detrimental but also bringing with it a lot of opportunities and challenges for expansion of business across the globe on one hand and decline of many businesses on the other hand (Chauhan, 2011). To serve this purpose, the strongest assets available to organizations are their human resources, the source of ample amount of information and knowledge. The challenge to-day is an effective utilization of human resources and available technology to gain competitive advantage. To ensure that management practices support business needs, organizations must continually monitor changing environmental conditions and devise HRM strategies for dealing with them. Human Resource Planning is the procedure used to tie human resource issues to the organization's business needs. Human Resource Information Systems (HRIS) have become one of the most important tools for many businesses. Even the small, 20-person office needs to realize the benefits of using HRIS to be more efficient. HRIS allows companies to cut costs and offer more information to employees in a faster and more efficient way. Especially in difficult economic times, it is critical for companies to become more efficient in every sector of their business; human resources (HR) are no exception. Mujtaba et al (2011) pointed out that present day organizations are more and more depended on HRIS. At the functional level, HRIS can keep track of employees, applicants, and contingent workers qualifications, demographics, performance evaluation, professional development, payroll, recruitment, retention at the same time administrative efficiency maintains faster information processing. The purpose of HR planning is to enable organizations to anticipate their future HRM needs and to identify practices that will help them to meet those needs. Its aim is to ensure that people will be available with the appropriate characteristics and skills when and where the organization needs them. HRP is to get the right number of people with the right skills, experience, and competencies in the right jobs at the right time and at the right cost. This ensures that the business production requirements are in efficient and effective manner. Having too many employees is problematic due to the risk of high labour expenses, downsizing, or layoffs. Human resource planning links people management to the organization's mission, vision, goals and objectives, as well as its strategic plan and budgetary resources. It is perceived that technology is everything to human existence. According to Mathis and Jackson (2010) technology enhances human resource (HR) activities at the workplace. whenever HR functions were computerized, fast decision making was able to take place in the development, planning, and administration of HR because data became much easier to store, retrieve, update, classify, and analyze. Therefore, HRIS can strengthen an organization's character in

*Research Scholar, Rayalaseema University, Kurnool, Andhra Pradesh, India

general (Sadri, 2003). Tracking information concerning an applicant's or an employee's qualifications and demographics, recruitment, professional development, performance evaluation, payroll, retention, and attrition are essential for success at the HR functional level (Harris and Desimone, 1995).

COMPARISON OF TRADITIONAL HR TO HRIS

HR PROCESS	TRADITIONAL HR	EFFECT OF HRIS
Recruitment and Selection	Paper resume, Paper posting Geographical constraint	E-resume, mailing the orders, global access
Selection	Advertisement costs, manual reviews of resume.	Selection through video conference, electronic resume (scanning)
Performance evaluation	Superior evaluation. Face to face and through questionnaire evaluation	360 degree evaluation. Online evaluation.
Compensation and Benefits	Emphasizing on salaries and bonus, native employees, emphasis on internal equity, changes made by Human Resource department	Time spent on the market trends. Emphasizing ownership and quality. More emphasizing on knowledge, changes made by employee on line
Training and Development	Standardized traditional training method.	Applying on line training methods. Development process employee driven.
Healthy and Safety	Building & equipment safety, physical fatigue, mostly reactive programs, limited job stress	Employee manage their career with HR proactive planning with technology.
Employee relations	Strong union presence, discriminations, sexual harassment, gender biasedness	More focus on employee relations, intellectual property, data security
Retention strategy	No major focus	On line opinion survey, knowledge enhancement programs, cultivating org culture, effective technology utilization for retention
Work life balance	No major focus	Individual attention, taking care of the families and their welfare

OBJECTIVES OF THE STUDY

The main objective of this study is;

1. To examine and analyse effect of HRIS and effectiveness of HRIS on HR function in terms of human resource planning. General research question arises;
 - a) What is the effect and effectiveness of HRIS on HR functions of the organization?
 - b) Whether HRIS created any impact on HR functions?
 - c) After implementing the HRIS in the organization is there any change in the HR functionaries work culture?

METHODOLOGY AND RESULTS

By administering the questionnaire the data collected from auto manufacturing units of Sangareddy district. The collected data in this study is qualitative. The main objective is to assess the administrative and strategic effect of HRIS

in manufacturing units in Sangareddy District. A Likert scale on a five point scale and open ended questions were employed on the survey to measure the opinion of the HR directors in regard to the effectiveness of HRIS on HR processes,

Table-1: Human Resource Information System Effectiveness

Satisfaction	Overall HR functionaries satisfaction	40%
	Organizational employees satisfaction	50%
	Meeting the HR department expectations	50%
	Better utilization of HRIS	100%
HR process	Improved the recruitment process	75%
	Improved training process	50%
	Improved data input process	65%
	Improved data maintenance process	75%
	Improved in staff forecasting needs	55%
	Improved in reducing the paper work	85%
Time saving	Decreased in recruitment time	75%
	Decreased in training time	37.5%
	Decreased in decision making time	75%
	Decreased in data input time	62.5%
	Decreased in correcting the errors	62.5%
	Decreased in processing the paper work	75%
Cost saving	Decreased cost per hire	37.5%
	Decreased training time	12.5%
	Decreased in recruitment process	37.5%
	Decreased in input expenses	62.5%
	Decreased in overall HR staff salary expense	37.5%
Information effects	Improved our ability to disseminate information	37.5%
	Provides the increased levels of useful information	75%
	Information shared with top managers	87.5%
	Information generate by HRIS underutilized by top managers	50%
	Generated information added value to the organization	87.5%
Decision making	Due to HRIS effective decision were made	37.5%
	Helps our institution decide on employee raises	37.5%
	Helps to make more effective promotion decisions	25%
	Helps in hiring time	25%
	Helps in choosing better people	37.5%
	Helps in deciding when training and skill development necessary	37.5%
Strategic effect and role of HR	Our HRIS has made the HR department more important to organization	87.5%
	Administration thinks that HRIS is effective in meeting strategic goals	37.5%
	Information generated from HRI in S has improved the strategic decision making of top administration	62.5%
	The information generated from our HRIS has made HR more strategic partner in the organization	87.5%
	Promoted competitive advantage	37.5%

DISCUSSION

The study primarily in descriptive and it is intended to discover whether HR professionals in manufacturing perceived that Human Resource Information System were providing beneficial in strategic impact on the organization. The survey items were divided into 1) Satisfaction with the HRIS 2) Impact of the HRIS on HR process 3) Time saving 4) HR expenses 5) Information effects 6) Decision making 7) Strategic effect on HR. By using frequency percentages of favourable responses to series of questions assessed the HR professional's opinion in measuring the HRIS effectiveness. With regard to satisfaction with respect to HRIS half of HR professionals expressed their satisfaction. One third above employees agreed that HRIS agreed that HRIS can put in better uses. Almost all the respondents felt that it can be better utilized. Looking into HR process more than 75 percent accepted that administrative process such as decrease in paper work, forecasting staffing need and data maintenance improved and recruitment process had been made more efficient and nearly 50 percent accepted training process is improved. More than 75 percent believed that the system had a positive impact on administrative function such as time spent on recruitment, decisions, processing of paper work and error correction. Fifty percent accepted HRIS helped in improving the communication. A little percentage accepted due to HRIS introduction time spent on training has been reduced. Only above one third of the respondents agreed that HRIS reduced the costs in terms of hiring, recruitment expenses or salary of HR staff. According to Beadles (2005) HRIS introduction in the organization reduces the overall cost of the organization. With regard to information effect majority of the HR professionals felt that HRIS provided useful information and added value to administrative tasks. Nearly fifty percent of the HR professionals felt that acceptance of the new technology is lack of knowledge. HRIS support helping management is in making better decisions which the findings support the results of Beadles (2005) that HRIS is not considered a decision making instrument. Only one third of the respondents felt that HRIS contributed to making decisions more effective and it played significant role in the selection of better candidates or improving training and development of the staff. Over all the results clearly indicates that HRIS viewed as administrative tool than strategic one and majority of HR professionals believed that HRIS improved the strategic decision-making of the top administrators.

RECOMMENDATIONS

The study was only confined to manufacturing units of Sangareedy district. The data collected from the HR professionals.

Effect of HRIS in Hiring: Hiring of an employee is the last step in the recruitment process and recruitment is most important fundamental functions of the HR functionaries in the organization. An effective recruitment strategy leads to the hire the skilled and talented people. This in turn can contribute not only costs down but also facilitating the process of succession planning, employee retention, greater employee motivation, minimizing the absenteeism, and greater motivation. However this is contingent on the HR department having complete information about the nature and demands and construction of the job on one hand but also the knowledge about the personal competencies required for job. In small and medium subsidiary manufacturing units hiring the right people can be structural, cultural or simply based on realities of the organization. On the administrative side choosing the best people, the problem might be a lack of user preference in the context of using HRIS. On the other side if profiles are not properly maintained or made the selection of the employees is difficult. Proper profile consists of all the details of the candidate along with future employee aspirations. The system must also support proper succession planning which would indicate the positions to be vacated. When the profile of the employees is linked to the succession planning tree this can felicitate at least internal hiring at the right place with minimal cost.

Training and HRIS Role: Lack of computer knowledge most of the organizations HR functionaries are unable to provide proper training facilities so it is not mature enough to have the capacity of properly incorporating the training needs of employees. Since training is a strategic function compared with administrative function it is ignored. So make use of HRIS more effectively assessing the training needs up-dating of their profiles is very much essential. Once the training needs are identified it is necessary to prepare training schedule as per the organizational needs.

Strategic Role of HRIS: One of the major roles of HRIS is to improve communication between HR and other

departments. Facilitating effective decision making gains competitive advantage to every organization. In the organizations HR managers has to make sure that right information reaches the right people. In addition it costs the organization both time and money when employees have to look through stacks of information to identify which is most important to them, this impairs the employee's ability to think strategically. This one can overcome by providing relevant information access to each department. The reports generated by HR department at every level by using HRIS effectively can contribute towards increasing the competitive advantage of the organization. The reports generated should be user friendly and that might be the reason the information generated by HR not being properly utilized to the fullest potential.

CONCLUSION AND RECOMMENDATION

The results support finding that HRIS is mostly being employed as an administrative tool more than strategic one. In any organization HRIS can play in improving the efficiency and integration of HR department into more strategic. In most there was lack of clarity as to the exact value of HRIS system that would add to the organization. This would leads to identify the benefits of HRIS are difficult to quantify and cannot be displayed in monetary terms in terms of cost saving, recruitment, strong communication, though HRIS appears to have tremendous promise it has to be fully utilized according to the organizational requirement.

- a) Human resource information system is responsible people industrial firms to identify the training needs in the long term and identify the individual needs
- b) Every organization should identify the organizational goals through training programs.
- c) Make competitive program for staff jobs.

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