

# HUMAN RESOURCE INFORMATION SYSTEM (HRIS) – SCOPE, CHALLENGES AND BENEFITS

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**ABSTRACT:** Human resource information system (HRIS) has recently emerged as one of the major modern Human Resource tools. The human resource management works in very close terms with the employees of an organization and holds the duty of organizing them in a way to achieve the set goals in the most efficient manner. In this paper the human resource information system has been examined with respect to scope, features and users. The challenges that might occur in operations of HRIS and also benefits, the future it holds in the business enterprise and world. Finally, this paper concludes that HRIS is proficient to provide the human resource department and organizations a more efficient and effortless working environment with promising future prospects.

*Keywords :HRIS, Human Resource Information Systems, Human Resource Management*

## I. INTRODUCTION

We are living in an everchanging world. The pace of change in the corporate sector has remarkably precipitated in the last century and with time the rate of change is expected to increase. With the realization of this fact business enterprises have decided to employ human resource information system and evolve with the complex and fluctuating environment for efficient human resource management. Information plays an important role for any organization to coordinate its activities and employees to reach the required goal. Therefore, a proper system is required which can store, assemble and efficiently communicate information within the environment. (Shaikh, 2014) Consequently, organizations have shifted towards information technology which has started paying an important role in the storage and application of information. The emergence of information technology has also influenced the working of human resource management by modifying the traditional working system and replacing them by introducing human resource information system (HRIS). For the

efficient management of human resource functions HRIS provides fast, effective and professional handling of resources and information. Thus, HRIS has evolved as a system which stores the information regarding every aspect of human resources be it academic, family, qualification, personal, performance and career evaluation, salary, medical or training and development of an individual. With HRIS all these records can be available in a single screen with assured reliability. Moreover, reports with numerous parameters can be generated and modified with ease. HRIS manages day to day HR processes, reduces paperwork, and keeps employee data updated which enables management to move into more prolific functions ((Eric Vulpen, 2021). The software even provides employees answers to their personal questions by giving them access to their basic information. There are many ways and forms of using HRIS which provide in depth and wider perspective of the invaluable knowledge of an organization's working.

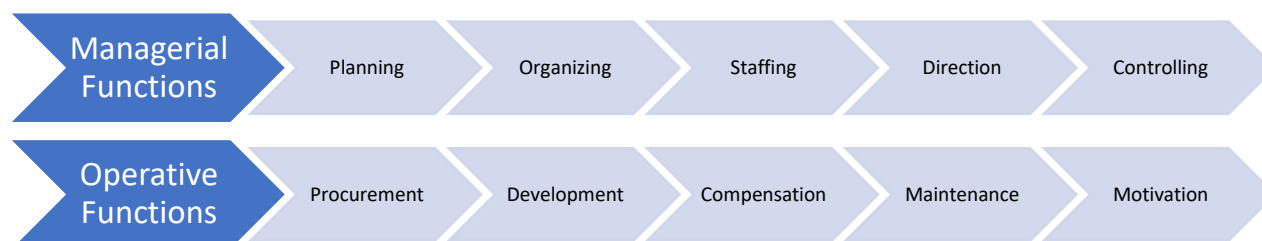
## II. SCOPE OF HRIS

The convergence of information technology and human resources has led to the emergence of "Human Resource Information System" (HRIS) which is supported by an HR software. HRIS has come to light as a software package which provides exclusive features which helps the HR professionals to fix, sort and align their data resources. This tool is mostly used for data tracking, data information requirements, and data entering for organizations. HRIS platform can be utilized by any HR professional for storing and collecting important data, improving work quality and for smooth workflow and thereby it brings cost effective and

qualitative solutions by timely controlling and managing the tasks, overseeing and real time allocation of resources for the benefit of the company as well as the employees.

HRIS usually plays a role in two important functions, which are managerial and operative. For the managerial purpose HRIS provides the storage and access of information related to the most basic and crucial activities of any organization which are planning, organizing, staffing, directing and controlling of the human resources in order to reach the set goal efficiently. Whereas it helps in operative functions by providing a backup for the data related to the

procurement, compensation, development, maintenance and the motivation which are all directly related to the performance of the employees. (Shaikh, 2014) The HRIS software that helps the HR department with their goals mainly has two parts. The first is storage, it is the primary step in forming a properly managed workforce. (TalenTeam, 2022) The second part includes the capability of HRIS to carry out the HR processes and tasks. The manual processes are converted into automated and labor saving with the use of artificial intelligence enabling the department to carry out various activities which are impossible to do manually in a short period of time.



### III. FEATURES AND USERS

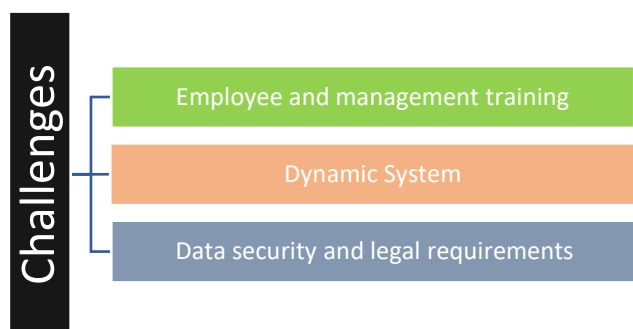
An average HRIS will include some basic features that assist the management with recruitment, compensation, workforce management which helps in the formation of an organization. Recently new HRIS systems have also been launched which can be customized according to the company needs. This system maintains a sense of stability and standardization by providing self-service access to policies and plans and automating human resource tasks resulting in better employee experience and increased working efficiency. The user-friendly interface and intuitiveness of the system results in a good grasp of data with minimum prior information. (HRSprouts, 2021) Self-operated withdrawals, air tight security, quick reach and a centralized system are required for the analysis and calculation of employee data which is easily provided by this system. HRIS also provides companies with crucial features like employee self-service, accurate data reporting, employee work hour tracking, and comprehension of company

databases, notification reminders and flexibility as well as clarity of working within the organization. An HRIS provides assistance to each and every employee working in the organization as a notable portion of their jobs is interacting with this system on a daily basis. (ORACLE) An HRIS as the name suggests is chiefly used by the HR managers to bring ease in their operations as this system eliminates the paperwork, offers e signatures and online documentation for the hiring process. It prevents the compliance issues by storing all the essential employee information in a centralized system which also helps in generating reports and improves management of employees. (Arun, 2020) This system is also used for error less payroll processing. As it can provide timesheets and connects all the employees, reporting managers use it to assist their teams and manage them. Overall, it is a time, effort and money saving option for everyone in the company.

### IV. CHALLENGES

Making use of the Human Resource Information System in a way that it supports the organization

strategies as well as the business needs is a challenge for both IT and HR sectors. With the evolving businesses the role of human resources increases and so does its dependence on HRIS. Companies should be well aware of their requirements from the software and get it designed according to its needs through IT experts. The formation of a solid strategy will be crucial for the organization's success and they should be prepared and mindful to face some challenges which might tag along the efficient and useful nature of the HRIS software.



- (I) Employee and management training-The implementing and acquiring of the HRIS software have been exciting for companies and employees as it is considered the new solution for a systematic and effective working environment. However, many companies just focus on the benefits that the system brings and neglect focusing on the potential challenges and problems that come with HRIS implementation. Whenever a company shifts to a new information software it has to make its employees and managers undergo a training to get familiarized with its working. (Rietsema, 2018)
- (II) Dynamic system-To involve the employees in implementation and adaptation of the software, managers have to set aside a fair amount of time as even the most user-friendly systems can

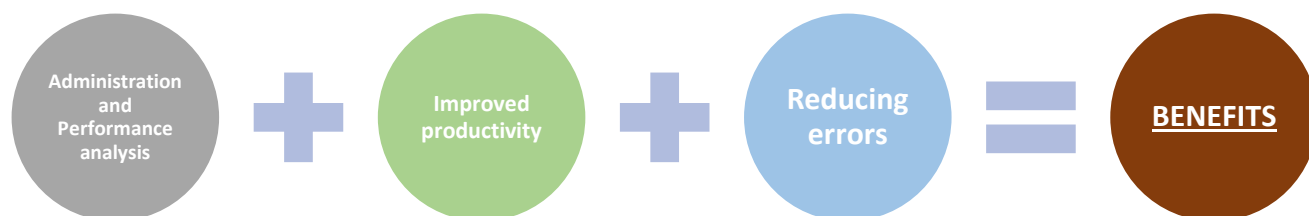
be imposing when people are not familiar with it. As HRIS is emerging as a new AI project, changes are continuously taking place in the system which can sometimes be hard for the managers to understand themselves. Hence, an additional cost is gone in updating as well as hiring IT professionals to make the managers familiar with the changes (Behra, 2016)

- (III) Data security and legal requirements-Every organization has to adhere to numerous local, state as well as federal regulations. Companies seldom become susceptible to audits and have to pay penalties if they fail to adhere with the legal requirements for the process, structure and data management (Inc., 2020) companies using the HRIS software have to make sure that their data is secure right from the start as all the crucial information is being stored with cloud and SaaS. Companies face a hard time ensuring that their data is in the right hands and have to understand the terms and conditions put forward by the HRIS vendors. It can be contemplating and laborious to look after password management and ensure that only certain concerned parties get the clearance to access sensitive data.

#### V. BENEFITS OF HRIS

The HRIS software has resulted in providing a more efficient environment to organizations all over the world (Jahan, 2014) The human resource department holds a very high importance to the organization as a whole as it is responsible in directing the workforce towards the goal. As HRM works to provide hiring labor, training services, motivating and guiding employees, as well as training and enrichment programs, it acts like a supportive background for the company. The fact that this department handles so many important functions and is a critical part of every organization, proper emphasis should be given to the point that HR professionals should be provided with right

tools and resources to work efficiently as well as effectively. Hence, with the innovation of HRIS human resource employees have been improve their productivity as well as the results of their efforts.



- (I) Administration and Performance analysis-This software allows the administration of employee benefits to be streamlined and efficient. It allows the employees and new recruits to get enrolled in benefit plans by themselves electronically. Through HRIS employees can log in and update or monitor their current progress, change information about themselves and collect data about the plans and policies as well as themselves. This self-service software helps the administration by using minimal manpower, saving the time and money of the organization. HRIS also provides HRM with certain analytical tools which gives them the ability to analyze data in an efficient and succinct manner and collect the data needed to perform calculations within a short period of time. (Pribanic, 2018) There are various types of HRIS systems for different purposes and functions which can be purchased and implemented as per the suitability and companies should carefully design the software according to their budget and needs.
- (II) Improved productivity-One of the most beneficial features of HRIS is that it improves the productivity of human resource employees. HRIS can be

- mended in different forms according to the need of the company and proved to be highly detailed as it enhances the speed and accuracy while reducing the workload of HR by simplifying collecting resumes, handling employee data, generating performance charts and gathering the queries and problems faced by the employees. (Jahan, 2014) These are the various tasks which if done in the traditional way took away numerous crucial hours of the company, but since the software have started to handle them a drastic reduction of time and efforts have been noticed.
- (III) Reducing errors-The employees form the backbone of any organization and hence are the most important asset. Its very crucial to keep information related to the workforce in a safe and correct manner and that is why most of the HR related tasks are highly regulated. Even a small error can cause considerable financial loss or result in legal issues for the company. (Rani, 2018) HRIS has the ability of reducing potential errors which can not be caught because of human oversight or other considerable factors. Furthermore, this software helps with compliance issues as some softwares can be designed to review compliance with specific regulations and rules which

makes it efficient to check if the company is in compliance with the regulations and laws to stay away from legal issues.

#### VI. CONCLUSION

HRIS has shown tremendous help as it is capable of supporting activities like maintaining complete records of existing as well as past employees, developing programs to determine what kind of skills and talents are needed by specific employees, dividing the workforce into different categories according to their potential and performance, and holding large amount of information which can be quickly and easily modified resulting in the automation of HR related functions. HRIS has become a crucial MIS sub function within the personnel areas of numerous multinational corporations as it shows potential to serve as an online solution for data tracking, data entry, and information needs for the HR and accounting functions of any business.

In the light of the above discussion, the author would like to conclude that there are enormous opportunities for the concept of human resource information system as a helping software for the human resource management provided the shortfalls are resolved through tailormade solutions and proper automation.

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