

THE ROLE OF HRIS IN ACHIEVING ORGANIZATIONAL EXCELLENCE: A MULTIFACETED DISCUSSION

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Abstract

The purpose of this research study is to discuss the role of HRIS on multiple aspects of an organization. This paper presents a model which addresses the role of HRIS to the multiple facets of organizations and also shows that how these facets are interlinked to each other. These factors/facets include strategic decision making HR activities, HR Satisfaction, HR performance, and organizational excellence. This study is based on review of existing studies as findings of previous studies are summarized. The study identifies that HRIS plays an effective role in taking strategic decisions regarding HR functions which enhance HR satisfaction that in turns improves HR performance which results in achieving organizational excellence. By reviewing the existing literature it was also found that employee's satisfaction varies from level to level or it depends on the employees understanding with the application and usage of this system. On the basis of findings it is concluded that HRIS is an integral part of organizations and it enables the management to achieve organizational excellence.

Key Words:-HRIS, Multiple Facets, HR Satisfaction, Decision Making, Organizational Excellence

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Introduction

Information system means that an organization disseminates and implements the information technology with aim to improve efficiency by means of accurate and speedy flow of information. An HRIS is an integrated data base about employees' performance, educational costs etc and data on these aspects can be used for many purposes. HRIS helps in taking HR decisions. Human Resource information system seems to play an inevitable role in pushing the business towards efficient and effective working .Businesses regardless of their nature, size and structure, greatly depends on their human resources who are the most precious assets. Many organizations are striving hard from manual working to automations. According to Davenport (1998) the most important development in businesses use of information system is enterprise resource planning. The role of HRIS in HRM is of a greater importance as the contribution and functionality of HRIS is not confined to a single HR practice but its applications are extending to all activities of HRM. Tevavichulada (1997) noted that initially the role of HRIS was limited to administrative work but latterly and particularly now HRIS applications extends to HRP,HRD ,negotiations, grievance management ,training and development ,Staff forecasting, recruitment and selection. HRIS has vast applications and it is gaining popularity with the passing of each day. HRIS is such an important aspect which has captured the attention of researchers around the globe. HRIS is not only important for HR activities but it also enables the organizations to make well informed decisions to gain competitive advantage. According to Noor & Razali (2011) most of the organizations have implemented HRIS to support their HR operations. HRIS must satisfy the needs of organizations and users as well.

Ikhlas & Zaid (2010) identified that the speedy response and access to information are the major benefits of this system. They also highlighted the cultural and financial bottlenecks in the way of implementation of HRIS. Lippert & Swiercz,(2005) & Bernik et al.,(2007) explained that HRIS is designed to provide information about employees, their employment records, employment procedures, recruitment & selection, training & development ,performance management, staff planning and organizing. Now a day's many organizations are shifting their HRM functions from manual workflow to computerized work flow. Human Resource Information System (HRIS) has a key role to play in Human Resource Management (HRM) because HRIS functions improve HRM in terms of administrative and analytical purposes. Computers have made the

tasks of record keeping analyzing and summarizing more easier than manual inputs (Kanthawongs n.d). According to Aggarwal & Kapoor (2012) HRIS is quiet helpful in managing all the HR activities which include processes and records maintenance. It is such an effective system that covers all activities of HRM and it is designed to store, manipulate, analyze and interpret the data for human resources. There are many aspects with regard to HRIS, discussed by researchers which include HR activities, its impact on HR performance, HR satisfaction, decision making and making the organization to gain competitive advantage. Successful implementation of HRIS depends heavily on nature and size of an organization and it's HRs with technical knowhow as well. This study is based on review of associated literature to explore the role of HRIS in achieving organizational excellence.

Organizations face the problems of employee's record maintenance, lack of accurate, speedy and timely information, lack of HR performance and hence they can't take strategic decisions to achieve organizational excellence. This article summarizes the findings of previous research studies across the span of four years in the period of 2009 to 2013. Therefore, present study is an attempt to address this problem.

Objectives of the Study

The objectives of this study are to examine the role of HRIS in relation with :

Strategic Decision Making

HR Activities/Functions

HR Satisfaction

HR Performance

Organizational Excellence

Significance of the Study

This study is of immense importance because it has covered many aspects/facets of an organization that have not been given due coverage in any previous study in a composite form. This study took stance of examining the role of HRIS with multiple facets of an organization.

Literature Review

HRIS plays an important role for any organization to effectively manage its human assets. Many organizations have adopted HRIS to assist their daily human resources operations. Human resource management (HRM) focuses on the acquisition, training, appraising, compensation of employees, and managing the various functions associated with the people issues in the organization (Dessler, 2012).

Strategic Decision Making

HRIS is a tool of helping management to access fast, timely and accurate information which helps the management in taking strategic decisions. According to Aggarwal & Kapoor (2012) the usage and importance of HRIS is widely ranged from operational support to HR departments. It provides speedy and accurate information to the management of company, on the basis of which company management takes informed decisions regarding their HR capital. Bal (2012) noted that there are numerous benefits of HRIS for managers especially it helps the managers in decision making process. A human resources information system (HRIS) is an integrated system for managing information used in HR decision-making.

HR Functions

Organizations achieve competitive advantage by effective utilization of their human resources while concentrating on HR functions like planning, recruitment, selection, appraisal and performance management, reward management, development, employee relations, health and safety, and union- management relations (DeCenzo and Robbins, 2010).

Recruitment & Selection

Lukaszewski & Isenhour (1995) pointed out that the main objective of recruitment is to attract a pool of most capable and qualified individuals and to motivate them to apply for open positions. Recruitment is supported by IT in three ways: (1) using the Web/internet as a source of accessing a broader pool of applicants, (2) as a source of getting and managing applications, and (3) as a channel for communicating or disseminating the details of a vacant job position.

Wickramaratna (2009) noted that Organizational recruiting sources are greatly replaced by HRIS and this system is saving the organizational cost to a large extent. HRIS helps in demand forecast, labor forecast, Supply Goal Setting and Strategic Planning and Implementation, employee's performance evaluation by providing up to date information.

Training & Development

In this function an organization can identify any deficiency in skills or requirement of an employee and take the decision accordingly. HRIS helps the organizations to identify skill deficiencies and enables the organizations to develop the required skills in the employees through training (Dessler, 2013). HRIS plays a significant role in Human resource analysis which is considered to be a non-stopped mean of collecting and identifying human resource needs (Mayfield, et al., 2003).

Performance Management

HRIS has great contribution in managing the performance of employees because automatic collection of data helps in developing performance standards, measurement and conducting performance appraisal (George, 1996; Payne et al., 2009). HRIS makes the task easier, transparent and effective and consequently performance can be evaluated more accurately.

Compensation & Benefits

Teotia(2011) identified that the main functions of the HR department is to maintain the data regarding compensation package which include equities, awards, pay increments, flexi time, smooth promotion, career development ,bonus at the end of year and holidays. Dusmanescu & Martinovic (2011) pointed out that benefits administration helps the employee to participate in various forms of benefits. They further suggest that employees should have awareness about their rights and duties. The most vital functions of benefit administration include pension plans, insurance policies, distribution of company shares etc.

HR Satisfaction

The characteristics of HRIS are the main elements on user satisfaction which is in fact an attitude of user towards this system (Shibly, 2011). Satisfied employees give better performances which enhance organizational capability to take strategic decisions.

HR Performance

HRIS plays a significant role in enhancing and improving the performance of employees as it enables the HR professionals to achieve high performance and hence HRIS also facilitate participation in consultancy services at internal level (Bussler & Davis, 2001). Wallace & Cornelius (2007) observed that the strategic use of HRIS improves the performance and the perceived standing of HR professionals within their organizations, but they also argued that the implications for the HR function are not yet fully known and observed.

Organizational Excellence

HRIS enables the organizations to become boss of bosses. Businesses are realizing the benefits of this tool and putting efforts to adapt it and intended to bring their business in competition for gaining competitive edge. (Aggarwal & Kapoor, 2012)

Laudon & Laudon (2009) noted that firms invest in information systems for gaining operational excellence, developing new products and services, improving their decision making and gaining competitive advantage According to Ostermann, Staudinger & Staudinger (2009) HRIS is said to the major contributor of overall business performance by supporting data storage, retrieval and hence this serves as a main administrative tool.

Research Methodology

This research study is based on review of associated literature across the span of four years in the period of 2010-2012. In this study the role of HRIS in relation with strategic decision, HR functions/activities, HR satisfaction, HR performance, and organizational excellence is discussed. This study is qualitative in nature as this research is based on review of associated literature.

Theoretical Model

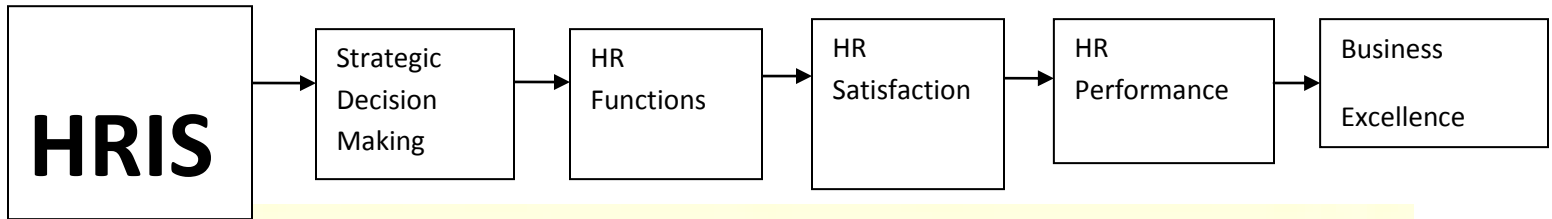


Fig. 1. Theoretical Model linking HRIS to Organizational /Business Excellence.

Figure drawn from Literature

Findings

Bourini (2010) found significant relationship between HRIS and strategic capability. He also found that employees of Jordanian companies did not seem to be satisfied with HRIS or they might not have understanding about this system.

Goriz & Castel (2010) indentified the strong relationship between technology and different aspects of human resources, main aspects in achieving competitive advantage include technological changes which require well defined HR policies.

Li (2010) summarized some of the issues existing in process of infomationization of SME,s in China .Among the primary issues highlighted by him include; Lack of clear idea about informationization, its challenges and opportunities, lack of system planning, inadequate capital ,lack of technical talent, Irregular internal flow, unsound social supporting system etc.

Mishra & Akman (2010) investigated the extent and impact of IT use on HR functions in organizations belongs to different sector. They found that IT has significant impact on all sectors in terms of management, planning tasks and secondly, the type of IT used varies significantly according to the nature and requirements of organizations.

Wiblen, Dery&Grant (2010) proved in their research study that changes to technology can and will have a significant impact on talent management.

The study of Poutanen (2010) confirms that human resources are the most precious assets of organization and HRIS is designed to support the human resources.

Alwis(2010) found in his study that 70% of large scale businesses of Sri Lanka have adopted E-HR/HRIS at a moderate level. He further highlighted that this information system will enable HR professionals to become strategic partners in the business.

Wickramaratna (2011) found that training needs analysis (TNA) is the most frequently accepted and applied concepts of HRIS and further more he found a high positive correlation between HRIS job analysis and the effectiveness of HR planning.

Tripathi (2011) identified that HRIS helps top level management in making decisions especially related to management function.

Vaclav, Antonin & Petra (2011) presented an example in which they indicated that a specific Performance driver can help to achieve higher performance level by improving HR process using a specific HRIS component .

Tumuhirwe (2011) noted that HRIS has improved the HR functions. His findings revealed that HRIS helps in forecasting staffing needs, as it has HRIS improved the maintenance of records and data, processes, it has improved training process, minimized undue delaying in HR functions pushing the organizations towards cost saving, HRIS has improved the flow and quality of information and hence it increased the coordination between HR department and top level management.

Khera& Gulati (2012) found that HRIS is an excellent tool for managing HR activities .HRIS is not specifically used in one of HR functions but its applications are wide spread and its vastness ranges from lower managerial level to strategic level.

Nawaz, (2012) found that the usage of HRIS has a positive impact on various facets of information flow in the software companies.

Sheikh (2012) identified that HRIS engineering and applicability has variety of benefits for all levels and domains of businesses regardless of their sizes.

Aggarwal & Kapoor (2012) noted that HRIS promotes effectiveness, efficiency and push the firms for gaining competitive advantage among the firms.

Kundu & Kadian (2012) indicated in Results that the most widely accepted and adapted applications of HRIS are used in technical and strategic HRM and performance management which enables the Indian companies to take informed decisions.

Teotia (2012) found that HRIS is the amalgam of different activities of human resources which include including payroll, labor productivity and benefit management into less expensive or cost effective system .HRIS connects all HR data from the time they join to when they leave.

Unal1 & Mete (2012) examined the impacts of Information Technology (IT) on HR practices and competencies of HR professionals are studied. He found that IT and HR both affect HR activities and helps the HR professional in developing new competencies.

Johson,et al.,(2012) developed framework which outlines how a human resource information system (HRIS) assists in the automation of HR processes and supports better information gathering and decision making by managers and HR professionals.

Mohite (2012) described the sati factional level of managers with HRIS system of a cotton spinning mill from Kolhapur district. His findings revealed that mangers are overall satisfied with this system but they don't see many of its advantages besides its impact on information and information sharing.

Sadiq et al., (2012) found that HRIS is mostly applied as an administrative tool instead of being utilized as a strategic one. He further mentioned that overall view of the role that HRIS regarding efficiency and integration of HR department into becom more strategic was missing.

Bal et al., (2012) showed in his findings that HR employees perceive HRIS as an effective system and they are satisfied with this system but the employees perception and sati factional level varies according to their positions.

Qudsia et al.,(2012) found that the implementation of HRIS reduce the workforce, save time. It enables the organization to improve their data and enhance the competitiveness.

Obeidat (2012) found that HRIS has relationship with HRM. Moreover he explained performance development, knowledge management, record maintenance and compliance are the aspects of HRIS and these dimensions have relationship with HR functionalities.

Abedin Piry et al., (2013) highlighted in their findings that HRIs has changed and strengthened the professional skills, perceptual, decision making and research skills and it also help the organization s to institutionalize the changes which leads towards innovation.

Chowdhury et al.,(2013) found that the importance of HRIS is saving time and cost in the HRM process like Recruitment and selection, training and development, payroll processing etc.

Benfatto,(n.d) mentioned in his findings that HR professionals with in depth knowledge and skills in both HR and IT will better enable them to make HR functions more valuable for organization.

Discussion

On the basis of above findings following points have been taken for discussion:

HRIS has positive relation with HR activities as its applications are extending to all areas and levels, HRIS has improved recruitment & Selection process, HRIS plays a positive role in employees and development. Performances are accurately managed through HRIS; HRIS introduced transparency in Compensations, rewards and benefits administration.

HRIS has improved the satisfaction level of employees but this satisfaction level varies from level to level and in some studies employee's satisfaction could not be found and reason behind this was lack of familiarity or understanding with HRIS.

HRIS seems to improve the performance of employees as in many of above mentioned studies, it can be seen that HRIS enhances the performance of human resources.

HRIS, no doubt has many benefits but at the same time it has some issues highlighted by Ling Li (2010) discussed in this study, these issues need to be considered by the management of organization during its implementation process. HRIS is pushing the organization to become more competitive because it provides accurate and timely information about every aspect of organization particularly human resources. Due to its accuracy, speed and timely feedback, organizations take informed decision which in turn helps in achieving business excellence.

Conclusion

The conclusion drawn here through many studies as reviewed in this discussion is that HRIS enhanced the strategic decision making capacity of HR professionals and top level managers due to its speedy accurate and timely information HRIS is found to be the part and parcel not only for HRM but for the whole of organization. The applications and functions of this system extend to multiple facets of an organization. Its role in strategic decision making and achieving organizational excellence makes it much more inevitable which pushes the organizations towards competitiveness.

Limitations of the Study

There are limitations in this study. This study is based on the review of previous research studies which is unable to give empiricism to the role of HRIS to organizational facets which limits the scope of this study.

Recommendations

Management should be careful in selection and adaption of this system while keeping in view the size, nature of work and structure of its organization.

Management should strengthen the training of its employees for getting more fruitful results of HRIS.

Future Directions

This research study is qualitative in nature as it is based on review of previous research studies. A quantitative research study is suggested to give empirical evidence to this topic.

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