

The Importance Of Human Resource Information Systems (HRIS) In Organization

Zulfa Nur Annisa¹

Faculty of Islamic Economics and Business, State Islamic Institute of Pekalongan, Pekalongan, Indonesia

Email: zulfanurannisa21@gmail.com

Abstract

Human Resource Information Systems is a systematic procedure regarding the collection, storage, maintenance, retrieval and validation of various data required by the organization in the working unit (Handoko, 2008: 237). HRIS is essential for any good organization to ensure effective people management and to get a competitive edge in the corporate world accordingly. This study aims to determine the importance of human resource information systems (HRIS) in organizations. This research uses qualitative research. In collecting data, the researcher uses the literacy method where the method is carried out by analyzing and describing existing information to obtain data accurately according to existing facts.

Keywords—Human Resource Information System (HRIS), Importance HRIS.

I. INTRODUCTION

In the past two decades, globalization, rapid progress in technology, the advent of the knowledge-based economy has changed the way of operations of modern organizations, and the significance of adoption of information technology in organizations has increased up at an exponential rate. Nardi and O'Day (1999), noted that the introduction of the new technology impacts the nature of activities, commerce, school, politics, family life, and also war. It also affects employees and their workplaces, job design, HR planning, and the conditions of work in organizations (Baloh & Trkman, 2003). Considering these trending forces, typical HR management systems are mostly inefficient (Beckers & Bsat, 2002). Integrated IS, particularly HRIS, increases the productivity and service quality with less operating cost (Zainol, Fernandez, & Ahmad, 2017) and also facilitates strategic decision-making of organization with competitive advantage (Moussa & El Arbi, 2020). Eventually, all the forces mentioned above are making a crucial impact on the actions of human resource management (HRM) (Park, Gardner, & Wright, 2004; Purce, 2014).

IT-based operations are the part and parcels that various organizations are adapting to compete in a strategic way (Jenkins & Lloyd, 1985). Technology adoption is more intricate or slower in public sector than in the private (Nam, 2019). The HR managers of their respective organizations

become a strategic business partner. Based on the interaction between IT and HR, HR technology (namely HRIS) is coming out as an emerging field that could propel human resource management into an unforeseen and modern era (Lin, 1997). Today the HR managers ignore the IT-based human resource activities its potential, and extensive use of HRIS has followed (Cedar Crestone, 2009). With the growing consciousness of the HRIS capabilities and activities, organizations are becoming more interested in its acquisition, execution, and utilization. In this process, awareness is required where the organizations need to understand the scope of HRIS and should study how it can be used effectively.

Based on the background of the problem above, the formulation of the problem discussed are the opportunities and challenges of human resource information systems (HRIS). The purpose of writing this article is to find out the opportunities and challenges of a human resource information system (HRIS).

II. RESEARCH METHOD

This research uses qualitative research. In collecting data, researchers use literacy methods. The use of this method is a person's ability to process and understand information during the reading and writing process. The concept of literacy is understood as a set of abilities to process information, far above the ability to analyze and understand reading material.

Concretely, it can analyze and describe this information, so that it becomes an accurate research according to the existing facts.

III. RESULT AND DISCUSSION

A. Define HRIS

Human Resource Information System (HRIS) is a systematic way of storing data and information for each individual employee to aid planning, decision making, and submitting of returns and reports to the external agencies. HRIS can be briefly defined as integrated systems used to gather, store and analyze information regarding an organization's human resources.

Human Resource Information Systems is a systematic procedure regarding the collection, storage, maintenance, retrieval and validation of various data required by the organization in the working unit (Handoko, 2008: 237). According to the understanding that it can be concluded that the human resources information system is a form of interaction between the science of human resource management and information technology.

An HRIS is a systematic procedure for collecting, storing, maintaining, retrieving and validating the data needed by an organization for its human resources, personnel activities and organization unit characteristics (Walker, 1982). HRIS can support long range planning with information for labor force planning and supply and demand forecasts; staffing with information on equal employment, separations and applicant qualifications; and development with information on training program costs and trainee work performance. It can also support compensation programs, salary forecasts, pay budgets, and labor/employee relations with information on contract negotiations and employee assistance needs (Kovach et al., 1999).

Further according to Beckers et al. (2002) a HRIS consists of three components input, data maintenance, and output. The input component focuses on entering HR data into the system. Traditionally, a member of the HR staff entered data into the computer system; while today; many organizations have taken advantage of scanning technology that allows computers to scan data from the original document, including signatures and hand written notes. Once the data has been entered, the data maintenance function focuses on how quickly the new data included in the database is available for use by managers. The output component is related to what is generated by an HRIS and how that output is presented. The value of the output provided by an HRIS can be evaluated according to two factors:

- 1) How many decisions will be improved by having the data.
- 2) How much value will each improved decision produce.

The focus of Human Resource Information Systems (HRIS) has been on Management of all employee information, Reporting and analysis of employee

information, Company-related documents such as employee handbooks, emergency evacuation procedures, and safety guidelines, Benefits administration including enrollment, status changes, and personal information updating, Complete integration with payroll and other company financial software and accounting systems and, Applicant and resume management. With an appropriate HRIS, Human Resources staff enables employees to do their own benefits updates and address changes, thus freeing HR staff for more strategic functions. Additionally, data necessary for employee management, knowledge development, career growth and development, and equal treatment is facilitated. Finally, managers can access the information they need to legally, ethically, and effectively support the success of their reporting employees.

B. Benefit HRIS

The conversion process often presents opportunities to streamline business processes, improve procedures and cut HR costs. With planning, you can have a painless conversion—and, as an end result, a more efficient, more accurate HRIS. The key benefits of HRIS are as follows.

- Higher Speed of retrieval and processing of data.
- Reduction in duplication of efforts leading to reduced cost.
- Ease in classifying and reclassifying data.
- Better analysis leading to more effective decision making.
- Higher accuracy of information/report generated.
- Fast response to answer queries.
- Improved quality of reports.
- Better work culture.
- Establishing of streamlined and systematic procedure.
- More transparency in the system.
- Employee-Self Management.

The benefits of the implementation of HRIS in the company /organization in general is to improve services to employees and managers. According to Shani and Tesone (2010), some benefits of HRIS on the HRM (Human Resources Management) are as follows: (1) saving on cost and time, (2) contribution in making strategic decision, (3) improving the quality of strategic decision-making, (4) an increase in the commitment for employee development. Besides the benefits of the administration and the strategic use of HRIS above, Beckers and Bsai (2002) revealed five reasons why companies need to implement the HRIS as follows: (1) HRIS can improve competitiveness by improving the practice of the HR itself, (2) HRIS produces a number and various operational HR which are greater, (3) HRIS can shift the focus of conventional HR to the management of human resources that are strategic, (4) HRIS considers employees as the assets of the company, and (5) HRIS can reengineer the entire function of HR.

HRIS supports activities such as identifying prospective employees, maintaining comprehensive database of all the current employees and developing modules for honing

employees' skills, talent and competence. Hence, HRIS is used by all three levels of management viz. Top Level, Middle Level and Lower Level. Top Level management use HRIS to locate the manpower requirements in order to meet the company's goal and objectives. The middle management uses HRIS to supervise and review the salary structure, benefits and recruitment of employees. The lower level employees use HRIS to track the recruitment and selection of employees.

C. Importance HRIS

A survey by Overman (1992) concluded that the potential advantages of HRIS are faster information processing, greater information accuracy, improved planning and program development, and enhanced employee communications. According to some researcher, the use of a HRIS would reduce HR costs by automating information and reducing the number of HR employees; by helping employees to control their own personal information; and by allowing managers to access relevant information and data, conducts analyses, make decisions, and communicate with others without consulting an HR professional (Awazu & Desouza, 2003; Ball, 2001). Ideally, with an appropriate use of HRIS, less people should be needed to perform administrative tasks and more time would be made available for HR managers to assist at strategic level. The future is bright for HRIS as it creates new paths for human resources and for the organizations that effectively use HRIS. One study even goes as far as to suggest that there is evidence that HRIS can improve shareholder value (Brown, 2002).

Although almost all HR managers understand the importance of HRIS, the general perception is that the organization can do without its implantation. Hence, only large companies have started using HRIS to complement its HR activities. The primary reason for delay in HRIS implementation in organizations is because of the fear psychosis created by "technology" and "IT" in the minds of senior management. They may not be very tech savvy and fear being left out. But trends are changing for the better as more and more organizations realize the importance of IT and technology. Major HRIS providers are concentrating on the small and middle range organizations as well as large organizations for their products. Hence HRIS would soon be an integral part of HR activities in all organizations.

IV. CONCLUSION

Human Resource Information System (HRIS) is a systematic way of storing data and information for each individual employee to aid planning, decision making, and submitting of returns and reports to the external agencies. HRIS can support long range planning with information for labor force planning and supply and demand forecasts; staffing with information on equal employment, separations and applicant qualifications; and development with

information on training program costs and trainee work performance. It can also support compensation programs, salary forecasts, pay budgets, and labor/employee relations with information on contract negotiations and employee assistance needs.

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