# Human Resource Information System: A Tool for Decision Making

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## Introduction:

In recent decade has seen an enormous growth in information technology (IT). It has evolved from simple business computing applications in the 1960' to Enterprise Resource Planning (ERP). There has been a revolution in hardware, software, and data management and communication technology. An information system is a set of organized procedure which when executed, provides information to Support decision-making. An information system is generally required to communicate effectively with the environment. It is only recently the formal Human Resource Information System (HRIS) using Information Technology (IT) is being implemented. An HRIS is a systematic procedure for collecting, storing, maintaining, retrieving and validating data needed by an organization about its HR. The HRIS is usually a part of the organization's larger Management Information System (MIS). Earlier manual systems are being gradually replaced by computerized HRIS, because computerization has its own advantage of providing more accurate and timely data for decision-making. Due to globalization Human resource management is an essential factor of any successful business. HR activities are need to automate so that collection, processing and dissemination of accurate information to the right person is possible through HRIS.

Human Resource Information System (HRIS) is vital to decision-making and plays a crucial role in the success of the organization. Computerization of the employee records and documentation has resulted in efficient data management. It does the task of pertinent information dissemination for the users, Managers, HR Executives and other employee.

Human beings are now widely recognized as the most important resource in any organization. This has resulted in greater complexity in the field. The dire need exists to cope up with incredible volume of information, classification, and reclassification & further cross classification. This can only be achieved through computer-based information system. Since 1970's there is an increasing demand for computer based HR system to enable HRM to be an effective and efficient system to achieve organization goals. HRIS not only plays an important role in the operational efficiency of an organization but also supports managerial decision-making. HR department performance is one of the difficult tasks because the criteria is varies from organization to organization, department to department and task to task. HRIS is a platform for the organization to be more competitive through proper communication with other systems. It reduces the boundaries of the system which create hurdle for both vertical and horizontal communication within organization.

HRIS is one media which reduce the barriers of communications to improve organization performance. Areas like e-learning, knowledge, management, discussion database and collaborative computing helps an employee's development and enhances the skill and share knowledge/ experience with others. HRIS empower not only HR Manager but also employees of the organization.

## History and Background:

The history of HRIS begins from payroll systems in the late 1950s and continues into the 1960s when employee data was used in personnel system. (Kavanagh et al.1990, Walker 993, Martinsons 1997.Walker (1993: 11) Thus, the first personnel systems were made to store a tremendous amount of data for record keeping and reporting associated with personnel administration. In the course of time,

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the development of HR activities generated the design; development and the successful implementation of various computer-based HRIS (Kavanagh et al. (1990)) present their conception of the development of HRIS introducing the historical eras in HR from the pre-World War II era to the 1980s and how the eras have affected the development of HRIS.

**Objectives of the study:**

• To study the HRIS concept and it's applications.

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• To study the role of HRIS in decision making of various functions of HR

**Scope of the Study:**

Human Resource Information System (HRIS) have been used in HR departments from many years, but more recently their use has changed to that of playing a more strategic role to support HR workers, in particular HR managers. The need for information varies at different levels of organizational hierarchy. Information required by senior managers differs from operational level workers. For example, board of directors and top managers require executive reports and summaries. Managers at departmental level require more day-to-day management information, and HRIS caters for this.

**Research Methodology:**

In this paper researcher focused on the theoretical Concept of HRIS and tools (modules) used for HRIS by various ERP packages. It also focus on how HRIS assist to take decision related HR functions and what are the benefits.

**HRIS concept and Applications:**

An HRIS is a systematic procedure for collecting, storing, maintaining, retrieving and validating data needed by an organization about its HR. HR performs a support function, facilitating the flow of the personnel resource through the organization. Each organization must have a system for gathering and maintaining the data that describes the human resources, transforming the data into information and then reporting the information to users. HRIS provides management of all employee information, reporting and analysis of employee information. HRIS also provides complete integration with payroll and other company financial software and accounting systems.

**The HRIS keep track on following activities:**

**(1)** Applicant tracking, interviewing and selection.
**(2)** Personal employee information.
**(3)** HR planning.
**(4)** Payroll.
**(5)** Training and development.
**(6)** Develop healthy organization structure.
**(7)** Employees performance.

**Benefits of HRIS:**

The following benefits are derived from the system

• High speed of retrieval and processing of data.
• Reduction in duplication of efforts leading to reduced cost.
• Better analysis leading to more effective decision making.
• Higher accuracy of information.
• Better work culture.
• Improved quality of reports.
• Establishing of streamlined and systematic procedures.
• More transparency in the system.

**HRIS Tools:**

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- **SAP HR:** Human capital Management (HCM) for Business SPECTRUMHR: Vantage and HR Vantage i Vantage is a web-based HRIS product designed for organizations with up to 10,000 employees.
- **PEOPLE SOFT:** Enterprise e-Recruit, Enterprise resume processing, Enterprise services procurement, Workforce planning, warehouse.
- **ORACLE-HRMS :** Oracle i-Recruitment, Oracle self- Service Human resources, Payroll, HR Intelligence, oracle Learning Management, Oracle Time and Labor.
- **Abra Suite:** Human resources and payroll management.
- **ABS (Atlas Business Solutions):** General Information, wages Information etc

**HRIS as Decision making Tool:** Management requires correct and complete information at the right time in order to make right decisions. The proper collection, analyzing, handling and provision of right information to the right manager at the right time not only reduces the risk of wrong decisions but also works as an effective controlling technique. An organizational information system must provide the various types of information required by managers at the various levels of organizational hierarchy with different levels of operational responsibilities. The HRIS is not only a database system, but it provides those information which are helpful to form the HR strategies of the organization considering internal and external factors affecting on organization's performance.

**Analytical processes provided by HRIS:**
- Budget control.
- Applicant tracking and screening.
- Skills matching.
- Appraisal.
- Feedback.
- Manpower planning.
- Training needs analysis.

The functions provided by HRIS that allow for the type and amount of the information provided to top management.

The effectiveness of the HR department to make better decisions are important in research of the system. A general purpose of an HRIS is to provide decision support applications that help HR and non-HR managers, as well as employees to make better decisions. The key result is to make better decisions rather than simply produce data faster. HR information systems can be as complex or as costly as needed by the organization. The complexity of the system is determined by the amount of information the organization needs to store and analyze to operate efficiently. Organization culture may or may not promote the use of HRIS in decision making. If HR is a key player in the strategic management of the organization, an HRIS is likely to be a key element in the decision process. IT systems designed for HR process are becoming more common in organization of all sizes. The system assists to improve the available man-power's performance.

**Conclusion:**
Information is a vital ingredient to management. Accurate, timely, and relevant information is necessary for decision making. Proper decision and strategy adopted at right time lead to employee productivity, competitive strength, and corporate excellence. Information is being recognized as the fifth organizational resource. A well designed and comprehensive HRIS system help to bring standardization in the system as well as assist to frame right strategies for better performance.

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