

# **Role of Information Systems in Human Resource Management**

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## **Abstract**

Organizations need a system that helps track employee data, from their demographic and contact information to their payroll data, years of service, and organizational structure. Information systems in human resource management that track HR data are referred to as an HRIS, or Human Resources Information System. They are also sometimes referred to as Human Resources Management Systems, or an HRMS, Human Capital Management Systems, or an HCM, and HRIS systems. Human resource information systems are an effective tool used by the vast majority of modern organizations. In the age of modern technology, it is difficult to imagine HR management without IT support. The degree to which these systems are adapted to an organization depends on its size, the complexity of its processes, its approach to the use of modern tools, and its resources and capital. The implementation of IT systems or the modernization of existing ones requires not only financial outlays, but also organizational, personnel, and mental changes, as well as the knowledge of the program. Therefore, before you decide to implement such software, analyze and prepare for the necessary changes.

Keywords: information systems, human resource management, HRIS, HR professionals

## **I Introduction**

Fast changing markets, industries, and services require organizational environments capable of constant adaptation with bright new ideas and reduced time-to-market. Under these competitive reality, HRM has a more critical role than ever because new forms of business require new ways of involving people. HR professionals must analyze social, economic, political-legal, and technological environment opportunities to redesign HRM processes and practices that are key success factors to the organization mission and objectives.

To respond to these challenges, HRM has been forced to adopt new logics and most HR managers must forget habits and ways of thinking and acting outdated. On the other hand, they should help organizations to define their strategies and build programs to develop their human capital. In this context, information systems have increased the efficiency of HRM through more effective recruitment methods, organizational communication, employee involvement, and increased skills of HR managers. From there, human resource management areas must relate human capital strategies to the most appropriate technological solutions. It means creating an eHR organization focused on interconnecting people with business strategy to achieve rapid adaptation to changing needs common to people and business. These same needs begin to make eHR necessary.

However, not all HR professionals work in strategic HRM. Many still find themselves pressured and seeing their time spent with day-to-day concerns. It is critical to get rid of the administrative burden or at least to mitigate it, to optimize your time and your contribution to the organization.

## **II Information systems in human resources management**

In recent years, information technology has effects on almost every aspect of our society, as well on organizational processes, including HRM processes and practices. From a position associated with administrative management, it has managed to become a strategic partner of organizations, largely because of the use of technologies.

“Continuous innovations in technology will fundamentally change the way HR work is accomplished”. Information systems have a deep effect on HRM. It transformed human resources processes and practices mainly in terms of how organizations collect, store, use, and disseminate information.

The quality of HRM is a key success factor for organizations. The HR professional should analyze and consider the environment, social, economic, political-legal, and technological. To respond to these challenges, HRM has been forced to adopt new logics and most HR managers must forget habits and ways of thinking and acting outdated. On the other hand, they should help organizations to define their strategies and build programs to develop their human capital.

HRIS systems are essentially an HR software package that either runs on the company's technical infrastructure or is cloud-based. In today's world, it's common for HRIS systems to be cloud-based, which makes them easier to update when needed. Over the past five years, 98% of organizations were considering a cloud-based HRIS, with 70% only considering a cloud-based option. Companies of all sizes and types utilize an HRIS to help them manage their human capital and provide a centralized location to house employee data.

An HRIS investment should add more value to a company than simply storing HR data and reporting. Ideally, an HRIS system will be robust and encompass end-to-end human resources management, including talent acquisition, learning and development, performance management, succession planning, and more. Before deciding to use an information system, carry out an analysis of the organization and, in particular, the employees' needs responsible for HRM policy. Answer the question of whether and to what extent the system will facilitate their work and whether the implemented activities will be more effective. It will also be helpful to carry out an economic calculation for a specific situation. It is worth remembering that the usefulness of information systems depends on the role and place of the human resources management department in the structure of the enterprise.

### **III HRIS and its impact on employee performance**

In traditional HR practices, any information related to HR, any query, or any request is addressed solely by a HR practitioner or HR expert in the company. However, with the increase in business complexity, the HR industry is getting more advanced and quick too. Companies are widely choosing HR software to make the people process more efficient and effective for the employee experience. Human Resource Information Systems (HRIS), here "systems," refers to HR information processes conducted electronically or digitally. HR software or an online HR solution that is intended to centralise all HR data, provide employee self- services and manage employee data.

It is a software solution that collects, stores, maintains, manages, and processes employees' detailed information and data. It encompasses the basic functions that are needed for end-to-end HRM. It is a "two-way street," wherein the data of employees is delivered into the system, and,

conversely, sent back to employees. This system eliminates paper-based manual procedures. It provides seamless, streamlined, efficient, and direct interaction between employees and the company. This system lowers the burden on HR professionals so that they can focus on strategic and high-value work processes for the company's growth and better performance.

The combination of HPWS and HRIS presents a significant opportunity to achieve significant improvements in employee performance. Organizations are able to collect and analyze data with the help of HRIS, which enables them to identify performance gaps, monitor progress, and provide timely feedback. This approach, which is driven by data, enables organizations to make educated decisions regarding the development of their employees, identify areas in which they can improve, and align their performance goals with the overall objectives of the organization. It emphasizes the fundamental ideas behind the integration of these systems into organizations as well as the benefits associated with doing so. High-performance work systems, also known as HPWS, are strategic approaches that include a variety of human resource management practices. These practices are designed to maximize employee potential and align it with the goals of the organization. These systems place an emphasis on hiring carefully, receiving extensive training, receiving rewards based on performance, encouraging employee participation, and providing opportunities for career advancement.

On the other hand, human resource information systems, also known as HRISs, are digital platforms that make it easier to manage HR-related processes and data. The use of HRIS enables more effective storage, processing, and retrieval of information related to employees, which ultimately leads to improvements in both decision-making and communication. In addition, the incorporation of HRIS makes it possible to design compensation and recognition systems that are transparent, fair, and based on employee performance. This, in turn, leads to an increase in employee satisfaction and commitment. The integration of high-performance work systems and human resource information systems provides businesses with a potent tool for optimizing the performance of their staff members.

Creating a culture at work that encourages the growth of employees, increases engagement, and boosts productivity is something that companies can accomplish by making strategic use of HR practices and technology. The integration of HRIS enables efficient management of human resources and data analysis, which in turn makes it easier to make sound decisions. The synergy

between “high-performance work systems and human resource information systems (HRIS)” is becoming increasingly crucial for driving employee performance and achieving sustainable success as organizations adapt to the demands of the digital era.

#### **IV Benefits of Information Systems in Human Resource Management**

Utilizing an HRIS offers several benefits for an organization. In addition to providing a centralized location to house employee data, as well as making the data easily accessible, an HRIS assists organizations with the following:

- **Compliance.** HRIS systems allow organizations to more easily ensure they are complying with labor and employment laws, such as equal employment (EEO) laws, benefits requirements, overtime, and payroll, as well as industry-specific requirements, such as renewing necessary certifications.
- **Record Keeping.** If you don't have recordkeeping, then you don't have an HRIS. HRIS systems allow organizations to maintain records for necessary data about employees. HRIS systems include emergency contact data, benefits options, employment status, home addresses, mailing addresses, performance data, and much more, as discussed throughout this piece.
- **Self-Service HR.** It can save HR a lot of time by allowing employees to manage aspects of their employment data and recordkeeping, including benefits administration, initializing timekeeping requests, address changes, and beneficiary updates. Employees often appreciate having some autonomy in this respect, as well.
- **Increased Efficiency.** Having employment data stored in a centralized location provides efficiencies throughout the organization. Allowing for key functions within one system, such as time-tracking and performance management, also increases efficiencies. Finally, allowing employees to manage aspects of their own data through self-service HR can improve efficiencies.
- **HR and Business Strategy.** HRIS systems allow for the tracking of essential data necessary to support business and HR strategies. Such data can advance organizational and department-specific initiatives.

- **Greater Functionality.** More than 25% of businesses implement HRIS systems with the main goal of gaining greater functionality. HRIS allows organizations to streamline administrative processes so HR can focus more on strategy.

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## **V HRIS Functionality**

Many of the following functions can be managed with a standalone HRIS system that focuses primarily on that function. Ideally, however, an HRIS will support all of the functions an organization handles to streamline processes and increase efficiencies. Payroll. During the hiring and onboarding process, payroll-specific data can be entered into the HRIS to support payroll processing, including W-2 information, salary, and overtime status. Time and attendance data also ties into the payroll aspect of an HRIS for benefit and time accruals and to accurately calculate pay based on absences.

- **Applicant Tracking System (ATS).** One of the biggest parts of a recruiting budget goes to applicant tracking systems. A functional ATS supports the entire recruiting and candidate life cycle, from the job posting and the application process to background screenings and onboarding. As part of the HRIS system, the ATS not only provides key hiring data, such as time-to-hire, but can also tie into other key organizational statistics, such as retention data. An ATS can also directly tie into payroll administration when a candidate is onboarded and hired.

- **Benefits Administration.** Benefits administration is a high-priority function in human resource departments. From open enrollment to administering new enrollees throughout the year due to qualifying events and reporting, benefits administration in an HRIS today is typically an employee self-service model that allows employees to select benefits and track utilization.
- **Time Keeping.** Fortunately, companies no longer need to administer time management manually. HRIS systems allow for time and attendance tracking, so employees can clock in, clock out, and track time as appropriate. Time and attendance help to ensure compliance with labor laws, such as the Fair Labor Standards Act (FLSA), that dictates overtime requirements. It is also possible to quickly identify issues or timekeeping trends, such as excessive absences and tardiness.
- **Performance Management.** Annual performance reviews, as well as periodic reviews, discipline, and performance ratings, tie into performance management. HRIS systems can support organizations in administering and managing this aspect of people management.
- **Training and Development.** Standalone systems that support training and development are often referred to as Learning Management Systems or an LMS. The training and development component of an HRIS allows organizations to track qualifications, skills, course completion, certifications, and required training for employees. When required training is utilized in this component, it allows for reminders, deadlines, and tracking of what employees have or have not completed.
- **Succession Planning.** Organizations need to develop a pipeline of talent to replace key roles in the organization. The process of determining key roles and identifying replacements is called succession planning, and HRIS systems can support companies with this process.
- **Reporting & Analytics.** Modern HRIS systems often have pre-determined reports and automated HR reports for data on absences and leave accruals, employee turnover, performance ratings, hiring statistics, and more. Analytics provide insights into the data reported.

- **Employee Self-Service.** Employee self-services allow managers and employees to direct and manage data pertaining to their teams or themselves, respectively. Entering a leave request by an employee for management approval is an example of employee self-service, as well as managers entering performance ratings for their teams.

## Conclusions

Increasingly, technology has a profound impact on HRM. As technology evolves, it will also force HRM to take on new contours in both its processes and its practices. HRIS emerged in response to the need for this change to be carried out in the most fruitful way possible, considering the improved accuracy, the quick access to information, the increased competitiveness and efficiency and the re-engineer of the HR function. There are still many questions about the true objectives of HRIS and the responses they allow to the real needs of HRM. It is true that there are still some limitations to its use and its results.

However, its role in HRM allows us to respond more quickly to HRM changes and needs, for example, enabling to control budget, tracking and screening, skills matching, appraisals, feedback, manpower planning, succession planning, skills monitoring, training needs analysis and global analysis. By focusing on using technology to continuously improve the quality of the work. Technology can improve the information available to HR, facilitating HR processes, and making them faster and more effective.

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