

A STUDY ON ADOPTION OF HRIS IN SELECTED IT COMPANIES IN GREATER HYDERABAD

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ABSTRACT: An HRIS provides a centralized database that stores applicant tracking functions, on-boarding, employee demographics, compensation and benefits choices, time-tracking, and so much more. It's also the hub for your employee data with up-to-date information on your organization's hiring trends and employee retention. The Data collected for the study were both primary and secondary data, the primary data collected from the employees of the company and the secondary data collected from the books, company brochures, and internet for the study. The type of research adopted for the project was descriptive in nature. Sample size of 108 employees was taken for the study from various IT Companies of Greater Hyderabad. The study found that the factors of successfully leading HRIS into a company include the integration with original data, combination with the existing Enterprise Resource Planning System (ERPS), the compatibility of the existing HRIS, HR people's inability of maintaining HRIS, the suitability of HRIS for company's specific needs, and the support from high-level management.

Keywords: HRIS, Compensation, Employee Retention and ERP'S

INTRODUCTION

Nowadays, corporations have to consistently advance the value of human assets in their own organizations for maintaining their competitiveness. To achieve this goal, the HumanResource (HR) Dept. plays a decisive role in the aspects of selection, training, employment, and retaining of human resource in the organization. How to improve the efficiency of the HR Dept. and enhance its status in the organizations has become the top agenda to enterprises. The development of Information Technology (IT) transforms the role of the HR Dept. in the organization. It enables HR to be a real strategic partner of corporations through the process of Organization Development. A Human Resource Information System (HRIS) based on the network technology will change the working environment of HR and further lead the transformation of the functions and roles of the HR department.

An effective HRIS provides information on just about anything the company needs to track and analyze about employees, former employees, and applicants. Your company will need to select a Human Resources Information System and customize it to meet your needs. 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.

Human Resource Information Systems (HRIS) have become one of the most important tools for many businesses. Even the small, 20-person office needs to realize the benefits of using HRIS to be more efficient. Many firms do not realize how much time and money they are wasting on manual human resource management (HRM) tasks until they sit down and inventory their time. HRIS is advancing to become its own information technology (IT) field. It allows companies to cut costs and offer more information to employees in a faster and more efficient way. Especially in difficult economic times, it is critical for companies to become more efficient in every sector of their business; human resources (HR) are no exception.

HRIS refers to software packages that address HR needs with respect to planning, employee information access, and employer regulatory compliance. The following text begins with a discussion of human resource planning, followed by human resource management systems.

REVIEW OF LITERATURE

In today's dynamic business environment and in the era of knowledge workers, Human Resource Information Systems (HRIS) has significantly contributed to the effectiveness of an organization. HRIS provides a lot of information to human resources (HR) professionals to become strategic partners with top management and they provide the future needs to the organization. The HRIS directs to make use of the HR functions in a more efficient manner and provides better information for decision making.

HRIS is often regarded as a service, provided to an organization in the form of information. However, the promise is that, as the use of these systems becomes more widespread, higher level

forms of HRIS will evolve. Lengnick-Hall and Moritz (2003) have postulated that HRIS will be implemented at three different levels namely, evolving from information to automation and from automation to transformation. Walker, (2001) and Haines and Petit, state that HRIS will create informational efficiencies and cost savings such that HR departments can turn their attention to provide better analysis of current data and creative uses of the HRIS to provide better and more accurate data upon which the strategic decisions are made.

There are different definitions of HRIS. It is defined as a process, as a tool and recently as a strategy Gerardine De Sanctis, (1986) states that HRIS is not limited to the computer hardware and software applications that comprise of the technical part of the system, it also includes the people, policies, procedures and data required to manage the HR function. It is a system used to acquire, store, manipulate, analyze, retrieve, and distribute information regarding an organization's human resources. Kavanagh (1990) states HRIS is not simply a computer hardware and an associated HR related software. Although an HRIS includes hardware and software, it also includes people, forms, policies, procedures and data.

According Beckers & Bsat (2002) there are several advantages to firms in using HRIS. They broadly include - providing a comprehensive information picture as a single and comprehensive database; this enables organizations to provide structural connectivity across units and activities and increase the speed of information transactions.

In assessing the benefits and impact of an HRIS to an organization, typical accounting methods do not work with the HRM function Huselid et al., (2005), Ulrich & Smallwood,(2005). While there are several tangible benefits in implementing an HRIS, such as payroll efficiencies and reduction in labor costs due to automation, there are several intangible or hidden benefits as well. Furthermore, HR practices can help organizations untangle the rigidity and inertia associated with the mechanistic, routine nature of enterprise resource planning (ERP). ERP software applications are a set of integrated database applications or modules that carry out the most common business functions, including HR, general ledger, accounts payable, accounts receivable, order management, inventory control, and customer relationship management. Obviously, HRM's emphasis on knowledge management, human capital stewardship, and relationship building can provide considerable assistance in the implementation and use of ERPs Lengnick-Hall and Lengnick-Hall, (2006).

NEED FOR THE STUDY

The Human Resource information Systems is the one, which has all the HR related data stored in it. The stored data could be accessed when and where it is necessary. Using these stored data the Human resources department is able to perform various functions. It is a vital part of the organization. The Human Resource information Systems provides various reports which serve as input for various other functions. It also helps in the decision making at the top level of the organization. These are the major reasons for this study at this point of time

SCOPE OF THE STUDY

The scope of the study conducted focuses on the recruitment, establishment and salary, training and development, HR policy and planning. The impact of HRIS can be analyzed from the factors like Familiarity, Ease of use. Importance of workflow application, flexibility, and tenure reliability, importance of information, effectiveness of the various modules, performance, utilization rate, satisfaction and rate of success are also assessed using HRIS.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To study about the HRIS and the level of HRIS within the HR department
2. To determine the impact of HRIS with respect to the HR department of various IT Companies of Greater Hyderabad.
3. To study the satisfaction level of the HR employees with the existing HRIS
4. To identify the best ERP solution and to know which area under HRIS requires further attention.

LIMITATIONS OF THE STUDY

- The study period of the current research is limited. Hence all the data would be limited to the stipulated

period only.

- The study is limited to only to the organizations in Greater Hyderabad. We cannot render exact information based on this survey.
- Findings of the study are based in assumption that respondents have not given correct information.
- This study is restricted only to the concepts used in the research like Human Resource Information Systems.

RESEARCH METHODOLOGY

- Research Type : Descriptive Research
- Research Design : Descriptive
- Type of Data Collection : Survey Method
- Sampling Technique : convenience sampling
- Type Of Data : a)Primary Data b)Secondary Data
- Sampling Tool : Questionnaire
- Total Population : IT Professionals, Greater Hyderabad
- Sample Size : 108
- Statistical Tools : 1. Simple Percentage Analysis.
2. Chi-Square Test.

DATA ANALYSIS AND INTERPRETATION

TABLE 1 SHOWING THE NECCESSITY OF HRIS IMPLEMENTING IN COMPANY

S. No.	Particulars	No. of Respondents	Percentage
1	Yes	72	67%
2	No	36	33%
	TOTAL	108	100%

INFERENCE:

From the above table we can find that 48% of the respondents said HRIS is necessary for the organization, 31% of the respondents said it is not required and 21% of respondents left undecided.

CHI – SQUARE ANALYSIS

H₀ (Null hypothesis) = There is no dependency between Educational qualification of IT professionals and benefits of implementing HRIS to the company

H₁ (Alternate hypothesis) = There is dependency between Education and benefits of implementing HRIS to the company

OBSERVED FREQUENCY:

Education/Benefits of implementation	M. Tech	B. Tech	MCA	Others	Total
Helps in working more efficiently	2	3	9	1	15
Helps to concentrate on strategic tasks	5	4	16	4	29
Helps maintain a competitive workforce	4	18	17	7	46
Others	0	4	7	7	18
TOTAL	11	29	49	19	108

FORMULA:

$$\text{CHI SQUARE} = \sum [(O-E)^2 / E]$$

O – Observed frequency E – Expected frequency

(O – E) = Difference between observed frequency and expected frequency. (O – E) = Square of the difference.

CALCULATION

O	E	O-E	(O-E) ²	(O-E) ² / E
2	1.53	-0.47	0.22	0.14
3	4.02	1.02	1.04	0.26
9	6.80	2.20	4.84	0.71
1	2.63	-1.63	2.65	1.01
5	2.95	2.05	4.20	1.44
4	7.79	-3.79	14.36	1.84
16	13.15	2.85	18.12	0.62
4	5.1	-1.1	1.21	0.24
4	4.68	-0.68	0.46	0.09
18	12.35	5.65	13.92	2.58
17	20.87	-2.13	4.53	0.22
7	8.09	-1.09	1.18	0.14
0	1.83	-1.83	3.34	1.82
4	4.83	-0.83	0.68	0.14
7	8.16	-1.16	1.34	0.16
7	3.16	3.84	14.74	4.66
			Total	16.07

$$\begin{aligned} \sum [(O-E)^2 / E] &= 16.07 \\ \text{Degree of freedom} &= (R-1) (C-1) \\ &= (4-1) (4-1) \\ &= 9 \end{aligned}$$

Calculated value = 16.07

At 5% level of significance the table value is 16.919 Table value > calculated value

H₀ is accepted

INFERENCE

Hence there is no significant difference between educational qualification of the IT professionals and the employees' knowledge about the benefits of implementing HRIS in the company.

FINDINGS

- 73% of respondents are aware of HRIS.
- 43% of the respondents said HRIS is necessary for the organization.
- 71% of the respondents said there is a change in company's turnover after implementing HRIS.
- 22% of respondents said the main barrier to achieve the effective talents by means of HRIS is due to Politics / hidden agendas.
- 31% of respondents say HRIS provide sufficient information to a very good extent to enhance the decision regarding current changes
- 29% of the respondents say Employee information is the important module of HRIS.
- 76% of the respondents said performance management is done in IT and Services Company.
- 30% of respondents said contribution of HRIS in performance management is to a very good extent.
- 30% of respondents said it is partially reliable, 9% of the respondents said it is reasonably reliable.
- 47% of the respondents strongly agree HRIS should be used maximum.
- 33% of the respondents said recruitment and selection is effective module of HRIS.

SUGGESTIONS & RECOMMENDATIONS

- The Human Resource Information Systems can be more enterprising, which will make it possible for the users to always receive specific information that they need.
- The modified reports can be made easier to acquire and in a precise format, suitable to the user's need.
- The general reports that are generated by the system can be made more accurate and in an easier-to-access format.
- Employees can be exposed to an interactive KIOSK to make the system more effective and provide an overall sophistication to the system.
- Training sessions which are technical oriented can be provided to the users of the system, which will make it easier to access the information.

- In addition to the existing modules, they can switch to SAP HR modules such as
 - Managers Desktop
 - Personnel Development
 - Compensation Management
 - Benefits
 - Personal Cost Planning
 - Travel Management
- E-recruitment soft wares can be used to increase the speed of administration.
- Update technologies can be used to improve the flexibility of information to support strategic business planning.

CONCLUSION

The focus of this study was to gain an insight into the impact of HRIS on HR department's performance and then to study the satisfaction level of the HR employees with the existing HRIS. A study on the HRIS level was made within the HR department was determined. The performance criteria of HRIS function and its impact on the performance of the HR department's functions, pertaining to the time and quality was determined. A vast majority of the survey respondents indicated that HRIS was used mainly for administrative purposes, that is, it played a traditional support role. Majority of the HR department employees were satisfied with the existing HRIS and perceived that the HRIS provided better HR information and improved the effectiveness of the HR department by automating administrative tasks. All the employees stated that SAP was the best ERP package. This study also asked respondents regarding their use of HRIS applications. This result is useful to HRIS developers and vendors who are interested in information about the future demand for different types of HRIS applications so that they can actively develop and promote such applications.

RESEARCH LIMITATIONS/IMPLICATIONS

Further research should address the status of internet/intranet-based HRIS. An internet/intranet-based HRIS will undoubtedly be of much more benefit than the traditional HRIS, but its adoption will pose some challenges to practitioners.

PRACTICAL IMPLICATIONS

Provides some insights into the implementation of HRIS by IT companies, which should help HR practitioners, acquire a better understanding of the current status, benefits, and barriers to the implementation of HRIS.

ORIGINALITY/VALUE

Little research has been done to address the perceived benefits and potential barriers to the implementation of HRIS. This study is timely and important in that it examines the current status of HRIS in IT Companies of Greater Hyderabad. It also compares differences in perception between HRIS adopters and non-adopters as well as in the size of organizations in relation to the adoption of HRIS.

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