Everything you need to know about Human Resources Information Systems

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A human resource information system (HRIS) is a software package developed to aid human resources professionals in managing data. Human resource professionals utilize these systems to facilitate work flow, improve efficiency and store and collect information. Several companies offer HRIS packages to employers. HRIS packages can be customized to the specific needs and requirements of the employer.

Types of Human Resource Information Systems

Operational Human Resource Information Systems

Operational human resource information systems provide the manager with data to support routine and repetitive human resource decisions. Several operational-level information systems collect and report human resource data. These systems include information about the organization's positions and employees and about governmental regulations. These includes:

Employee Information Systems – These are employee inventory systems which contain human resource profile records. An employee profile usually contains personal and organization-related information, such as name, address, sex, minority status, marital status, citizenship, years of service or seniority data, education and training, previous experience, employment history within the organization to mention but a few.

Position Control Systems - The purpose of a position control system is to identify each position in the organization, the job title within which the position is classified, and the employee currently assigned to the position.

- **Recruitment Systems –** These systems are used to advertise vacancies, accept applications and keep all necessary recruitment and placement records. Seventy-five (75%) of hiring and talent managers use either applicant tracking or recruiting software to improve their hiring process. (Source: Capterra)
- Performance Management Systems - Performance Management Systems are a turning point from performance management to performance conversations. They are used to assign tasks, manage accountability, control and measure performance. Companies with best in class talent management programs are 26% more likely to be using performance management software. (Source: Aberdeen)

Government Reporting and Compliance Information Systems - Government Reporting and Compliance Information Systems provide information needed both to maintain compliance with government

regulations and to improve productivity and reduce costs associated with employees.

Tactical Human Resources Information Systems

Tactical human resource information systems provide managers with support for decisions that emphasize the allocation of resources. Within the human resource management area, these decisions include recruitment decisions, job analysis and design decisions, training and development decisions, and employee compensation plan decisions. These include:

Job Analysis and Design Information Systems - The information inputs to the job analysis and design information system include data from interviews with supervisors and workers and affirmative action guidelines. Inputs also include information from sources external to the firm, such as labor unions, competitors, and government agencies. The outputs of the job analysis information system are job descriptions and job specifications. These outputs provide managers with the basis for many tactical human resource decisions.

Recruiting Information Systems (Rep) - Recruitment Information systems may feature as operational systems but they do contain the tactical aspects as mentioned here. They contain recruitment plans which specify positions to be filled and the skills required of the employees for these positions. To develop the plan and to monitor its success, the system needs employee retirements, transfers, or terminations, information about the skills and preferences of current employees, and summaries of employee appraisals.

Compensation and Benefits Information Systems - The Compensation and Benefits Information Systems may support a variety of tactical human resource decisions, especially when compensation and benefits information is related to information from internal and external sources.

Employee Training and Development Systems - The training offered by the employee training and development systems must meet the needs of jobs available in the organization as identified through the position control system and the job analysis and design system. The training should also be directed at those persons interested and capable of benefiting from it, as identified by the skills inventory and human resource files.

Strategic HRIS

Workforce Planning Systems - Organization involved in long-term strategic planning, such as those planning to expand into new market areas, construct factories or offices in new locations, or add new products, will need information about the quantity and quality of the available workforce to achieve their goals. Information systems that support workforce planning serve this purpose.

Labor Negotiations Support Systems - Negotiating with craft, maintenance, office, and factory unions requires information gathered from many of the human resource information systems. The human resource team completing the negotiating needs to be able to obtain numerous ad hoc reports that analyze the organization's and union's positions within the framework of both the industry and the

current economic situation.

Specialized Human Resource Information Systems Software

A great deal of software has been specifically designed for the human resource function. Software specifically designed for the human resource management function can be divided into two basic categories namely comprehensive human resource information systems software and limited-function packages that support one or a few human resource activities.

Comprehensive HRIS - In the last few years, the software industry has produced several products that organize the various human resource information systems into integrated software referred to as human resource information systems or HRIS software. In general, the computerization of HRIS has resulted in an integrated database of human resource files. Position files, employee files, skills inventory files, job analysis and design files, affirmative action files, occupational health and safety files, and many other human resource files are constructed in a coordinated manner using database management systems software so that application programs can produce reports from any or all of the files.

Limited-Function HRIS - Numerous commercial software packages are sold for use on mainframes, minicomputers, and microcomputers that are designed to handle one or a small number of human resource functions. Microcomputer versions of these single-function software packages are relatively inexpensive and easy to operate and allow the human resource manager to automate a function quickly and easily.

The role of HRIS

As technology evolves, so does its impact on strategic human resource planning. Human resource information systems are electronic systems that compile information in databases to be easily accessed and analyzed. Some information systems allow automation of processes, such as payroll tax calculations, while others streamline processes by minimizing the need for manual data entry and paper records, thus increasing accuracy and efficiency.

Total Rewards - One HR function that can benefit from the use of human resource information systems is total rewards, which refers to all components of the overall compensation model, including salary and benefits. Your company's HR department can more effectively track and plan for changes to employees' salary, insurance, retirement and other benefits options using an HRIS. Electronic records keep track of current expenses, and many systems offer projection models and calculators that can help you analyze the impact of various changes. This is especially useful when preparing for annual increases or benefits open enrollment.

Workforce Planning - Human resource information systems keep track of critical employee data such as demographic information, job titles and Equal Employment Opportunity Commission identification codes. Storing this information in an electronic database allows you to analyze it more easily when working on recruitment strategies, progression planning and affirmative action programs. HR reps can quickly run reports to determine items such as how many employees were hired last year, average length

of tenure and a breakdown of the employee population by specified EEOC criteria such as gender and race.

Training and Development - Small businesses also may look to an HRIS to assist with training and development initiatives. Depending on the needs of your company, you can use an HRIS to facilitate the annual performance review process, to allow employees to sign up for company-sponsored training classes or to build a talent inventory of what education, experience and training each employee has. Having this information readily accessible by managers and human resources representatives is an asset when developing new training programs or when restructuring departments or positions.

Risk Management - Human resource information systems also minimize risks and potential liabilities. This is accomplished by keeping electronic records of items such as employee discipline notices, safety training employees have received, accident logs and workers' compensation claims. This data is analyzed by the HR department to identify ways to improve workplace conditions, safety training classes and disciplinary processes to ensure compliance with all federal and state labor laws.

Why would a HR department require an information system?

Availability of Information on wide range of data - Today companies have started integrating HRIS system to other HR systems, such as payroll, leave, travel and expense, time and attendance, career planning, and skills inventory to store, retrieve, update, classify, and analyze data easily. The integration of data with other systems has enabled HRIS to provide detailed information on mostly all HR systems. With improved access to metrics, faster information processing, and greater information accuracy the fast decision making and better HR planning is made possible for decision makers.

Human resource analysis - HRIS system allows human resource analysis, which is the basis of HR planning and most business decisions making. The organizations make many business decisions on the basis of the capabilities of their employees and many decisions to make their workforce happy and skillful. To improve their HR resource, company's management can design effective programs to improve employees' and company's performance and build a happy workforce.

Quick reports and dashboards - HRIS offers ability to quickly run reports and view dashboards, which allows the CEO and management of the company to take important decisions concerning employees and the areas that affect company's business as a whole. For example, HRIS dashboards and reports can show real-time data and provide quick information on return of investments made on human capital and trainings provided to employees. They help you find out the cost per hire, the cost of healthcare benefit on each employee, and the pay benefits as a percentage of operating expense. This can be further drilled down to locations, business units, functions and departments in a variety of ways.

Forecasting and Planning - The input of HR analysis can be transformed into predictive feedback about organizational future needs. HRIS can be used to forecast future workforce demand to initiate recruitments for vacant positions to maintain a high service, forecast turnover in service delivery positions, and understand requirement to conduct trainings to manage succession planning and to build a skilled workforce, in advance.

What should a good HRIS system do?

Provide employee self-service - SMEs often have difficulty maintaining up-to-date data on their employees. Employee self-service (ESS) is an effective way to address this issue. By giving employees access to access and manage their personal information (profile, leave, benefits or pay), the time HR employees spend on day-to-day office work can be reduced.

By offering a self-service option to their employees' organizations:

- Empower employees
- Reduce the amount of office work.
- Reduce administration time
- Improve employee engagement
- Reduction of administrative effort in the personnel department

Employees do not have to engage in a mail chase to access their vacation credit or pay. With a self-service portal, every HR process, from employee integration to reporting, becomes more efficient. With multi-channel access to HRIS, employees can view, modify and retrieve all work-related information directly from their mobile phone.

Provide a centralized database - With an automated database that collects, stores and displays up-to-date and consistent information on an organization's people, policies and procedures, HR managers can finally access spreadsheets and paper files. All confidential information is stored in a central cloud HRIS software:

- Promote data integrity
- Reduced processes and data redundancy

- Improve productivity. Seventy-five (75%) of hiring and talent managers use either applicant tracking or recruiting software to improve their hiring process. (Source: Capterra)
- Increase the effectiveness of HR employees. Sixty-four percent (64%) of employees say their mobile devices make them more productive in the office. (Source: Aruba Network)
- Reduce costs. According to Deloitte's report Companies with newly upgraded HR systems see cost savings of 22% per employee.

A centralized database, seamlessly integrated with other HR modules, will not only facilitate virtualization but will also provide excellent accessibility for all end users. Any update or modification of the master database will have an immediate impact on all modules, saving HR managers a lot of time and effort to manually synchronize and duplicate all records.

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