

## What is a human resources information system and how to benefit from it

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A *human resources information system* is a software or online solution that is used for the human resources administration, payroll and bookkeeping activities of an organisation's data entry, data recording and data information requirements. It is a system that is used to gather and store data on the workers of an organisation. It is beneficial for all processes that the human resources may want to track and through which they expect to obtain knowledge that is useful and purposeful. Employee data, such as names, addresses, national IDs or Social Security numbers, visa or work permit information, and dependent information are collected, processed and handled by the *human resources information system*.

Technology for human resource information systems makes HR obligations clearer and more automated. The [Sierra-Cedar HR Systems Survey](#) has been providing realistic data on innovative technical developments since 1997. This survey of systems has helped organisations focus on this emerging knowledge, justify investments and build strategies for HR systems. 1,312 entities were surveyed in 2017. Of the 1,312 organisations, the bulk of the businesses that use human resource information systems are healthcare companies. Other sectors that depend heavily on human resource information systems are the manufacturing, finance and high school industries.

High-tech and retail firms still use human resource information systems, but not as often. Both forms of organisations benefit from human resource information systems and should not be overlooked. Working with the human resources department is essential for all parts of an organisation. The entire company finds that it fulfils tasks much better when most of the tasks in which the HR department is involved are automated. Not only does human resource information systems directly help HR teams, but organizations accomplish their goals overall. Businesses and staff alike benefit when human resource information systems are used.

A [survey conducted last year](#) disclosed that:

- Approximately half of the respondents use a cloud-based or a SaaS system using a *human resources information system* and almost half of those use programs.
- Nearly 80% of *human resources information system* users have 100 staff or more.
- For more than half of the day, 28% of survey respondents who use a *human resources information system* are logged in.
- The most prevalent uses among respondents were reporting results, payroll management, PTO/leave monitoring, and benefits management.
- ADP, with 21% of respondents, was the most common system used by respondents.

It usually also provides HR functions such as hiring, monitoring candidates, management of time and

attendance, performance reviews and administration of benefits. It may also provide self-service functions for staff, and maybe even accounting functions. It can be considered to be a smart employee information database. The data interaction, the procedures that can be conducted and the reporting capabilities make the information contained in the system more available and accessible. It is an open, actionable database that allows all HR systems hosted on either the server of the company, the cloud or on that of an outsourced vendor to run smoothly. A *human resources information system* (HRIS) is also referred to as an HRMS (Human Resources Management System) because it relates to the efficient management and preparation of human resources.

A *human resources information system* comprises a broad variety of structures under its umbrella. It includes, for example, all aspects of employee database and directory management, applicant monitoring, benefits management, payroll processes, job scheduling, time and attendance, leaves tracking, electronic signatures, compliance protocols, customised insight reports, self-service employee, performance management, and mobile app HR processes. A *human resources information system* contains under its umbrella a wide range of structures. For example, it covers all aspects of employee database and directory management, applicant tracking, benefits management, payroll processes, work schedules, time and attendance, leaves tracking, electronic signatures, enforcement protocols, personalised insight reports, employee self-service, performance management, and HR processes for mobile apps.

## **Human resources information system processes and working components**

At the moment, because any contact that an applicant or an employee has with the company is collected and processed as data, all human resource functions deal with quite a data dump. To not only collect and store data efficiently, but to collect the information that would enable efficient workflow and increase efficiency, a human resource information system thus becomes critical in making sense of all this information. The majority of human resource information system solutions today provide tailored systems focused on the organization's specific requirements and development plans. Let us take a look at the six main human resource information system procedures and working components that are expected in some combination by most organizations.

- **Database management**

A ready-access database where all employee information can be easily processed and handled is the central offering of most human resource information system solutions. All personnel data can easily be inserted into the system by the HR team (or someone operating the portal). The argument is that all this data and related indicators can be obtained from it on demand from anywhere across the globe. The type of data collected on the system varies from reimbursement information, contact details for emergencies, and academic history to contact information presentation, learning assessments, and ratings for performance assessment. The database forms the core of all HR operations and could prove to be an efficient backup for a mostly paperless office online or cloud-hosted.

- **Time and labour management**

It is a time-intensive job to track the clocking hours of and a single employee. With most offices today allowing workers to either biometrically punch in or log in to input their hours, efficient management of this regular dose of data is needed. Managers will now grant requests for leave and the data can be connected directly to payroll. In this way, a non-intrusive yet powerful information system for human resources will maintain a close tab on punctuality and attendance.

- **Payroll functions**

Payroll is one of HR's most significant features. The number crunch can be made much easier with a lean human resource information system that allows easy downloading or uploading of employee hours and attendance data, and deposits to employees are made more seamless. This also contributes to fewer mistakes by decreasing human interference. Also, most human resource information system payroll software, especially for organizations that deal with multiple tax levels, leads to an improvement in tax compliance.

- **Benefits management**

Management of benefits does not concern only medical benefits and retirement savings, but all benefits-related questions, reviews, data, and communication. For both employers and workers alike, such applications provide a one-stop portal experience, add transparency, and allow smoother operations. The compensation regulations and policy impact any employee, and how this is handled determines the overall experience that the employee has at work.

- **Employee interface**

Most software for the human resource information system provides restricted access to employees by the user, but even that modest degree of self-service by employees is a step forward in developing a community where employees have more freedom of activity. A simple, integrated and timely user experience needs to be provided by the app that allows workers to update their personal information, review pay scales, adjust retirement compensation plans, update direct deposit information or download benefit election documents.

- **Talent acquisition and retention**

The acquisition and retention of the right talent are how an entity will expect to develop. With that context in mind, recruiting and retention are essential components of any HRIS and are rated as must-have features by most organizations. Bringing the right talent onboard is just the first step to the puzzle of talent. Employees also need to have the right preparation, job patching, and incentive plans to encourage growth, raise morale, and build satisfaction at work. HRIS instruments will enhance the experience of the applicant while also making it easier for recruiters to source, track and connect with the right talent.

## **Human resources information system functions**

As an HR tool, a *human resources information system* usually features modules to handle the following tasks:

- Master data management (MDM)
- Organizational management, such as positions and departments
- Employee and manager self-services
- Absence and leave management
- Benefits administration
- Workflows
- Performance appraisals
- Recruiting and applicant tracking
- Compensation management
- Training tracking (as opposed to a learning management system [LMS]) and organizational development
- Reporting and basic analytics

An HRIS offers a robust collection of features for human resource management to satisfy most HR needs. Without this to store data, unsecured or paper-based documents or spreadsheets are needed. Manual data entry can cause errors and it can be time-consuming and often confusing to manually cross-check documents and spreadsheets, particularly with a lack in standardization of how data is collected and processed. Even when a particular system is purchased to cover a procedure, such as the administration of compensation, it may involve manually entering adjustments to employee data to keep the system up to date. Data re-entry can be needed for each system if several systems are used or users may need to export data from one system, modify it and then import it into another system.

## **Benefits/Advantages of human resources information systems**

A *human resources information system* allows the HR department to spend less time on clerical duties, helps to ensure employee data is correct and can encourage workers to play a greater role in managing their information. A big advantage of a *human resources information system* is that it is possible to speed up recurring tasks with automation. When it comes to new job vacancies, *human resources information system* also increases the opportunity to enter broad applicant pools. This platform will apply higher application selection criteria, speed up the on-boarding process with mobile usability, and reduce the cost of paper.

A *human resources information system* makes it easy to sell up-to-date materials. With this convenience, business practices and procedures can be submitted simultaneously and immediately to all employees. However, human resources departments must have the right tools and resources in place to operate optimally. Inside the department, a *human resources information system* can be used to help human resources workers and managers enhance their productivity and the results of their efforts. There are many more benefits to *human resources information system* like:

- Expedition of recurring tasks through automation
- Improved ability to reach large candidate pools regarding new position openings

- Ability to quickly apply higher selection standards to several applications
- Speedy onboarding made possible by mobile accessibility
- Potential for greater employee engagement through self-service options
- Ease in distributing up-to-date materials concerning company policies and procedures
- Reduction of paper and related materials and storage – often yields cost savings
- Scheduling optimisation with an emphasis on compliance and immediate distribution to employees
- Improvements in training capabilities through integrations and development tracking features
- Improved collaboration throughout an organization, even when there are multiple company locations
- Empowerment of employees to change benefits information directly as changes occur
- Streamlining of open enrolment for benefits
- Reduction of errors within payroll systems and employee information databases
- Reduction in the cost of stored data in human resource
- Ability to make more informed decisions in real-time by using analytics and integration of organisational data
- A decrease in compliance woes aided by alerts and automatic reporting options
- Improved time and attendance tracking abilities and accuracy
- The higher speed of retrieval and processing of data
- Reduction in duplication of efforts leading to a reduction in cost
- Availability of accurate and timely data about human resources
- Better analysis leading to more effective decision making
- More meaningful career planning and counselling at all levels
- Improved quality of reports
- Better ability to respond to environmental changes
- More transparency in the system
- Self-service options creating greater employee engagement
- Open enrolment benefit
- Employee empowerment
- Collaboration throughout organizations improved
- Training capabilities improved
- Optimized scheduling
- Payroll and employee information errors reduced
- Analytics and organisational data making more informed decisions
- One-stop shopping
- Integration of data
- Improved accuracy is likely assuming data are entered and manipulated correctly.
- Automated reminders

## Disadvantages of human resources information systems

There are some disadvantages to using a *human resources information system* which are:

- **Security:** One of the greatest concerns is security. Systems must be configured to avoid

unauthorized access to and accidental disclosure of, sensitive and confidential data.

- **Expense:** Then there is the element of cost. This can pose a problem, especially for smaller firms. Acquisition costs and operating costs arise for every system.
- **Staffing:** Staffing. There's potentially the expense of employing an IT expert to operate the system for larger installations.

## Uses of human resources information systems

The main aim of the maintenance of the *human resources information system* is to collect, identify, process, document and disseminate the information needed for the organization's effective and efficient management of human resources. The following are some of the various uses of *human resources information systems*:

- **Personnel Administration:** It protects an employee's details. This may include the organization's name, address, date of birth, marital status, and date of membership. It also requires the name and address of the employee concern's next kinsmen. Such data determines the worker.
- **Salary Administration:** One of the *human resources information system*'s duties is to include a report containing details such as current salary, benefits, last salary increase and a potential increase in the proposed increase.
- **Leave/Absence Increase:** *human resources information system* is often used for the management of employee leave/absence. This is achieved by preserving each employee's leave history. An identity card can be given to any employee by writing the token number of each employee code on it. The entry and departure of the employee from the organization should be noted on the identification card. This decreases the chances of malpractice or monitoring in the estimation of salaries for each job.
- **Skill Inventory:** Another application of *human resources information system* is the documentation of employee abilities and the tracking of an ability database. Such a record of qualifications helps to recognise workers with the skills needed for certain roles or employment in an organisation.
- **Medical History:** The *human resources information system* is also used to preserve data on workplace health needed for purposes of industrial protection, accident reporting, and so on.
- **Performance Appraisal:** *Human resources information system* retains performance evaluation data such as the due date of the assessment, advancement opportunities, scores of each performance criterion, and the like to form a detailed summary of an employee. The textual information can be combined with the factual data collected from the *human resources information system*, and the combination of information can be used in the form of transition and promotion to provide training and impact employee mobility.
- **Manpower Planning:** *Human resources information system* is also used for preparing manpower. In terms of roles, it holds data on organizational criteria. HRIS links staff to the appropriate positions in the organization. It is often used to recognize vacancies and thus establish workers. *Human resources information system* may also help define a logical direction of development and the steps to be taken for progress/advancement of employees.
- **Recruitment:** Recruitment forms the most significant function of Human resources

management. Through documenting the specifics of events involved in employee recruitment, *Human resources information system* significantly assists in the recruitment process. These can include, for example, the cost and method of recruitment and time taken to fill the level of the position wise.

- **Career Planning:** *Human resources information system* promotes positional progression of workers by supplying required details such as which employees have been assigned to which positions. In other words, when preparing for succession, *human resources information system* helps.
- **Collective Bargaining:** *Human resources information system* can provide the up-to-date, appropriate and necessary information, facts and figures through a computer terminal and can thus promote collective bargaining. It can be collective bargaining, rather than thoughts and fictions, as "what if research." *human resources information system* can also help establish better interpersonal relations in the organization, in the same way.

## When should you get a human resources information system for my organisation?

A time will come when business becomes impractical (maybe even an enforcement issue) to monitor the details of all your employees in spreadsheets. Usually, as it becomes more difficult to obtain, update, and track data for each employee, we suggest that organisations with 25 employees or more get a *human resources information system*. Employees would have more projects, meetings, and KPIs to deal with when an organisation scales, and would compromise on team building, which is crucial in team success and collaboration.

Getting a *human resources information system* frees the HR department from administrative duties and allows them to concentrate on more employee interactive aspects. While the headcount recommended is 25, it will rely heavily on your organizational objectives. Some businesses may have less than 25 employees, but their management invests in workplace HR skills, or some CEOs may prefer their HR manager to concentrate more on strategic goals rather than organizational objectives.

Choosing the appropriate *human resources information system* is critical. A business that takes the time to invest in a *human resources information system* that suits its priorities, goals, purpose and values is a business that invests in its future and its progress. For the system to remain flexible and important over the life of the business or enterprise, it would be necessary to adapt any *human resources information system* to an organisation's specific needs.

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