

NPTEL ONLINE CERTIFICATION COURSES

Management Information Systems

Prof. Kunal Kanti Ghosh
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Week 6: Module 1

Information Systems for Marketing (Continued)



CONCEPTS COVERED

- **Information Systems for Marketing (MKIS)**
- **Business Processes and Subsystems for Marketing**

Information Systems for Marketing (MKIS)

❖ Marketing Research Subsystem

- The subsystem gathers data on
 - ✓ consumers,
 - ✓ markets and
 - ✓ competitors from the open market
- by conducting surveys

Information Systems for Marketing (MKIS)

❖ Marketing Research Subsystem

- It is used to collect primary and secondary data, and displays the results in the forms of reports
- It collects and analyzes key data about the,
 - ✓ marketing process of the organization, as well as
 - ✓ the scenario of the market and competition

Information Systems for Marketing (MKIS)

❖ Marketing Research Subsystem

➤ Areas of Marketing Research:

- ✓ Product Research
- ✓ Advertising Research
- ✓ Consumer Research

Information Systems for Marketing (MKIS)

❖ Marketing Research Subsystem

➤ Areas of Marketing Research:

- ✓ Sales Research
- ✓ Corporate Research
- ✓ Competitor Research

Information Systems for Marketing (MKIS)

❖ Marketing Research Subsystem

➤ Marketing Research Process:

- ✓ Define the problem and research objectives
- ✓ Develop the research plan
- ✓ Collect the information
- ✓ Analyse the information
- ✓ Present the findings

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

➤ Marketing managers need to determine

❑ the optimal ways to distribute their products and services through a combination of

- ✓ electronic,
- ✓ mobile, and
- ✓ physical channels

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

- For example, integrating an advertising campaign with other online and offline advertising initiatives may generally provide the best overall results
- Self-service kiosks may cut labour costs for retailers and thereby, reduce the customers' check-out times

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

- The promotion and advertising subsystem is often the most elaborated in the marketing information system, since it supports both
 - ✓ personal selling, and
 - ✓ advertising

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

➤ Media selection packages assist in selecting a mix of avenues to persuade the potential purchaser, including

☐ direct mail,

☐ television,

☐ print media, and

☐ the electronic media such as the Internet and the web in particular

➤ The effectiveness of the selected media mix is monitored and its composition is continually adjusted

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

➤ This subsystem,

- ❑ gives information about the success of each medium of communication and,
- ❑ helps the marketing department to formulate communication strategies
- ✓ based on the information of return on investment on each medium of communication

Information Systems for Marketing (MKIS)

❖ Promotion and Advertising Subsystem

➤ This subsystem gives detailed review reports on

❑ each rupee spent on,

✓ advertisement,

✓ promotion or

✓ publicity, and

❑ advertising techniques and analysis of their impact

Information Systems for Marketing (MKIS)

❖ Pricing Subsystem

- The subsystem uses advanced analytics to help managers take decisions on pricing of products/services
- Pricing decisions find support from this subsystem and access to databases that contain industry prices

Information Systems for Marketing (MKIS)

❖ Pricing Subsystem

- This subsystem provides an opportunity to
 - ❑ finely segment customer groups, and
 - ❑ charge different prices depending on,
 - ✓ the combination of products and services provided, as well as
 - ✓ the circumstances of the sales transaction
- Report on correlation of prices and sales

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- It records various data from different departments of a company which is regarded as a major source of information

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- Marketing managers depend on data from internal reports about,
 - ✓ orders,
 - ✓ sales,
 - ✓ prices,
 - ✓ costs,
 - ✓ inventory levels,
 - ✓ receivables,
 - ✓ payables, and so on

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- The primary process associated with internal reports subsystem is the order-to-cash cycle
- Sales representatives, dealers, and retailers are responsible for processing the orders
- The sales department prepares invoices and sends copies of the same to various departments while out-of-stock items are back-ordered

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- Shipped items are accompanied by shipping and billing documents that are sent to various departments
- Companies need to perform these steps quickly and accurately because customers favor firms that can promise timely delivery

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- Today many companies organize information in databases – customer databases, product databases, salesperson databases, and so forth – and then combine data from different databases
- ❑ The customer database contains every customer's name, address, past transactions, demographics, and psychographics (activities, interests, and opinions)

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- ❑ Sales data presented in a graphic format, provide regular sales trend information and highlight whether certain customer types need to be targeted or focused

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- ❑ Price information by product line and comparison with competitors help managers to monitor market trends;
- ✓ Analyzed by customer type, the subsystem helps to check price trends in customer groups
- ✓ Customer profitability analysis help identify high-profit and high-growth customers and target marketing efforts in order to retain and develop these accounts

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- Stock level data and trends in key accounts or distributors, focus on whether different outlets need support

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

➤ Market support information

❑ coordinate the effects of marketing promotions through,

✓ advertising,

✓ direct marketing,

✓ trade incentives,

✓ consumer competitions and so on

❑ and helps to determine whether decisions are being made effectively

Information Systems for Marketing (MKIS)

❖ Internal Reports Subsystem

- Competitive information and reviewing competitors' promotions and communications
- ✓ to see if the company is doing it better or worse than competitors, can improve market targets

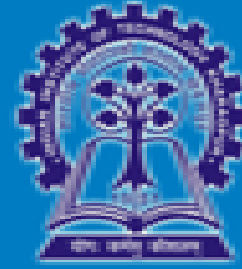
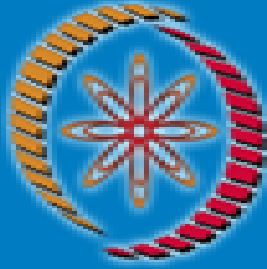
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Week 6: Module 2:
Information System for Sales & Distribution



CONCEPTS COVERED

- **Information System for Sales and Distribution (SDIS)**
- **Subsystems for Sales and Distribution**

Information System for Sales and Distribution (SDIS)

- ❖ Sales and Distribution Information Systems (SDIS) provide support for,
 - ✓ sales and distribution function of,
 - any organization's products and services

Information System for Sales and Distribution (SDIS)

- ❖ Sales function is concerned with,
 - ✓ contacting the customers,
 - ✓ taking orders,
 - ✓ selling the products/services,
 - ✓ Following-up on sales, and
 - ✓ providing customer support

Information System for Sales and Distribution (SDIS)

- ❖ Sales function is also responsible for,
- ✓ ensuring that the accounts receivables due to the organization is minimized

Information System for Sales and Distribution (SDIS)

❖ Subsystems of SDIS:

- Sales Forecasting
- Sales Force Automation
- Sales Order Processing
- Sales Analysis and Reporting

Information System for Sales and Distribution (SDIS)

❖ Master Data related to SDIS:

➤ In order to provide operational support to sales and distribution function, the information system requires the following important master data:

- ☐ Customer Master
- ☐ Material Master
- ☐ Condition Master
- ☐ Route Master, and so on

Information System for Sales and Distribution (SDIS)

❖ Sales Forecasting Subsystem:

- Based on the planned marketing mix and outstanding orders,
 - ❑ sales are forecast, and
 - ❑ a full marketing plan is developed
- *Sales forecasting* is an area where any quantitative methods employed must be tempered with human insight and experience

Information System for Sales and Distribution (SDIS)

❖ Sales Forecasting Subsystem:

- The actual sales will depend to a large degree on the dynamics of the environment
- Qualitative techniques are generally used for,
 - ❑ *Environmental Forecasting*
 - ✓ An attempt to predict the social, economic, legal, and technological environment in which the company will try to realize its plans

Information System for Sales and Distribution (SDIS)

❖ Sales Forecasting Subsystem:

➤ Sales forecasting uses numerous techniques, which include:

☐ Group Decision-Making Techniques

✓ that are used to elicit broad expert opinion

☐ Scenario Analysis

✓ in which each scenario in this process is a plausible future environment

☐ Time-Series Analysis

✓ for extrapolation of trends and cycles

Information System for Sales and Distribution (SDIS)

❖ Sales Force Automation:

- Involves equipping sales people with portable computers tied into the corporate information systems
- ❑ This gives the sales people instantaneous access to information and frees them from the reporting paperwork

Information System for Sales and Distribution (SDIS)

❖ Sales Force Automation:

- This increases selling time and the level of performance
- Access to corporate databases is sometimes,
 - ❑ accompanied by access to corporate expertise, either
 - ✓ by being able to contact the experts, or
 - ✓ by using expert systems that help specify the product meeting customer requirements

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Subsystem:

➤ This subsystem provides support at every stage of the sales order processing cycle in the context of the following activities:

- ☐ Enquiry by customer (Verbal/Phone/Mail/Order Form)
- ☐ Inform the customer about availability of material

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Subsystem:

- This subsystem provides support at every stage of the sales order processing cycle in the context of the following activities:
 - Informing the customer about the date by when the material can be delivered if the stock is not readily available
 - Sending quotations (price of the item, date of delivery, and other commercial terms) against enquiry

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Cycle:

- Order confirmation after doing the credit check of customer
 - Check for completeness and accuracy of order entry
 - Update the sales person's incentive

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Cycle:

- Inventory Sourcing (to define from where the material need to be sourced, externally from vendor or internally need to be produced)
- Locate the nearest warehouse from where order can be served and transmission of order information to the warehouse (or generation of challan)

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Cycle:

- Order is picked and packed at the warehouse
- Arrange transportation for shipment
- Billing and Invoicing
- Dispatch of Goods

Information System for Sales and Distribution (SDIS)

❖ Sales Order Processing Cycle:

- Receipt of goods by customers and signing proof of delivery
- Collection of payment
- Communicate order status to customers on a regular basis

Information System for Sales & Distribution (SDIS)

❖ Analysis and Reporting Subsystem:

- Analysis of Sales by Regions, Customer Groups, Sales Persons, and so on
- Sales Target versus Achievement
- Performance of the Sales Outlets
- Effect of Model Changes on Sales

Information System for Sales & Distribution (SDIS)

❖ Analysis and Reporting Subsystem:

- Seasonal Variations in Sales
- Market Share and Trends
- Costs of Sales Campaigns versus Benefits Achieved

Information System for Sales & Distribution (SDIS)

❖ Analysis and Reporting Subsystem:

- Timing of Special Sales Campaigns
- Report on Deployment of Sales Force, and
- Consequent Achievement of Targets

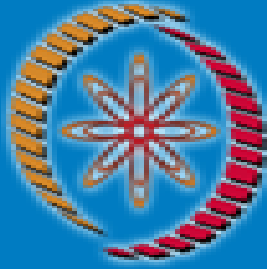
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Week 6: Module 3

Information Systems for Finance and Accounting



CONCEPTS COVERED

- **Information Systems for Finance and Accounting**
- **Business Processes and Subsystems for Finance and Accounting**

Information Systems for Finance and Accounting

- The finance function is responsible for
 - ✓ managing the organization's financial assets, such as cash, stocks, bonds, and
 - ✓ other investments
 - in order to maximize the return on those financial assets
- The finance function is also in charge of managing the capitalization of the firm

Information Systems for Finance and Accounting

- The finance function is also in charge of managing the capitalization of the firm
- In order to determine whether the firm is getting the best return on its investments, the finance function must obtain a considerable amount of information from sources external to the firm

Information Systems for Finance and Accounting

- The accounting function is responsible for maintaining and managing an organization's financial records –
 - ✓ receipts,
 - ✓ depreciation,
 - ✓ payroll, and so on

Information Systems for Finance and Accounting

❖ Strategic Information for:

- Methods of Financing
- Planning for Long-term Profits
- Pricing Policies
- Tax Planning
- Design of the Firm's Portfolio of Investments

Information Systems for Finance and Accounting

❖ Tactical Information for:

- Preparation of Short-term Budgets
- Variation between Budget And Expenses
- Monitoring Outstanding Payments / Receipts
- Monitoring Credit and Payment Status
- Monitoring Cost Increase and Pricing
- Knowing the Impact of Taxation on Pricing

Information Systems for Finance and Accounting

❖ Operational Information for:

- Periodic Financial Report
- Disseminating Budget Status to all Functional Managers
- Tax Returns
- Share Transfer
- Preparing Profit and Loss Account
- Tracking Payments and Receipts
- Maintaining Payroll and Provident Fund (PF) Accounts

Information Systems for Finance and Accounting

- The financial management information system (FMIS) finds extensive application in managing the financial matters of an organization
- An FMIS allows managers to evaluate the sources of funds that would be best suited for the firm, those that bear the least risk, and those that reaps the most gain/profit

Information Systems for Finance and Accounting

- The FMIS can also be used to decide how much money should be raised from equity and how much from debt
- Such a system has wide application in banks
- It helps to manage all the important daily transactional data from withdrawals to demand draft creation
- It also processes these data and converts them into useful information, and helps to store the information securely

Information Systems for Finance and Accounting

❖ General Ledger (GL) Accounting:

- It is a place to record all the business transactions occurring across the organization
- Acts as a repository of all accounting transactions
- ❑ All functions, namely AR, AP, and FA affect the general ledger in terms of passing accounting transactions
- ❑ Similarly, other functions like inventory and production also pass accounting entries to the general ledger

Information Systems for Finance and Accounting

❖ General Ledger (GL) Accounting:

➤ Provides reliable and relevant financial statements timely:

❑ Financial statements like,

✓ Profit and Loss Account

✓ Balance Sheet

✓ Financial Ratios

✓ Budget versus Actual

✓ Cash Flows

✓ Current month/quarter/year financial analysis with respect to corresponding prior period, and so on

Information Systems for Finance and Accounting

❖ General Ledger (GL) Accounting:

- The GL subsystem can produce the financial statements at any point of time for the decision-makers
- To consolidate financial statements of multiple units at different locations
 - Records all the transactions of various units (organizations may have several units or entities) at different locations
 - Generate periodic financial statements at the corporate level

Information Systems for Finance and Accounting

❖ General Ledger (GL) Accounting:

➤ To perform other control functions:

- ❑ GL subsystem also accepts standalone inputs such as adjustment transactions from one legal entity to another
- ❑ Revaluation of foreign currency at the end of each quarter is also taken care of

Information Systems for Finance and Accounting

❖ Accounts Payables (AP) and Accounts Receivables (AR):

- It is a place where the data pertaining to vendor payments is recorded, along with cash and money received from the customers

Information Systems for Finance and Accounting

❖ Accounts Receivables (AR):

- To ensure proper and prompt billing of the goods sent to customer
- To accurately prompt the outstanding dues, preferably in accordance with the age (total number of days by which it is outstanding from the due date)

Information Systems for Finance and Accounting

❖ Accounts Receivables (AR):

- To identify the potential risk situation with respect to issues of collection
- ❑ If the collection of a particular invoice is not realized within certain days (due to a default from sales function or the customer creates an issue like unavailability of funds), then in such a case, the subsystem,
 - ✓ marks this as bad debt and
 - ✓ logically the customer can be put in high risk zone for future reference

Information Systems for Finance and Accounting

❖ Accounts Receivables (AR):

➤ To manage the customer's credit notes

❑ Credit note is passed on to the customer's account when

- ✓ Wrong invoice is made, or
- ✓ Customer has returned the goods

Information Systems for Finance and Accounting

❖ Accounts Receivables (AR):

- To assist in the organization's collection efforts

- ❑ Collection is one of the most important activities for any organization and AR function plays an important role in sending reminders to the customers for payments

Information Systems for Finance and Accounting

❖ Accounts Receivables (AR):

- To provide detailed customer history and sales analysis data for computing the credit limit
- To assist in the cash management function
- ❑ The subsystem helps AR function to coordinate with cash management team to reconcile the bank statements

Information Systems for Finance and Accounting

❖ Accounts Payable (AP):

➤ To accurately record the liabilities

- ❑ The subsystem records the liability of goods or raw materials or services purchased from suppliers to know the expected outflow
- ❑ Liability is booked on the basis of receipt of actual bills from the suppliers

Information Systems for Finance and Accounting

❖ Accounts Payable (AP):

- To disburse the payments and maintain the complete records
- ☐ Once the payment is disbursed, the subsystem maintains a complete trail of all payments
- ☐ All relevant documents are maintained including purchase orders, bills from suppliers, payment vouchers, cheques, bank references, and so on

Information Systems for Finance and Accounting

❖ Accounts Payable (AP):

➤ To coordinate with cash management team

☐ The subsystem provides all relevant information in bank reconciliation

☐ The subsystem helps in preparing cash flow statements taking into account all the payments

Information Systems for Finance and Accounting

❖ Accounts Payable (AP):

➤ To take rejection of materials into account

❑ Based on rejection of raw material from suppliers, a proper adjustment document (debit note) is sent to the suppliers' account to reduce the liability, thereby decreasing the amount of payment

Information Systems for Finance and Accounting

❖ Accounts Payable (AP):

- deals with all payment-related issues covering
 - ✓ payments to the suppliers,
 - ✓ staff payments,
 - ✓ travel expenses,
 - ✓ incidental expenses for office work, and
 - ✓ payments to consultants and other professionals

Information Systems for Finance and Accounting

❖ Asset Accounting:

- The subsystem provides
 - ✓ *support for procurement of capital equipment*
 - ✓ *support for monitoring movements of fixed assets*
 - ✓ *support for the sale of fixed assets*
 - ✓ *support for maintaining fixed asset register which is a statutory requirement*
 - ✓ *support for calculating depreciation*

Information Systems for Finance and Accounting

- ❖ Financial and Accounting Information Systems also provides
 - ✓ *Support for managing the cash and bank-related processes*
 - ✓ *Support for monitoring the organization's regulatory requirements*
 - ✓ *Overhead cost control*
 - ✓ *Activity Based Costing*
 - ✓ *Profitability Analysis*
 - ✓ *Business Planning and Budgeting*

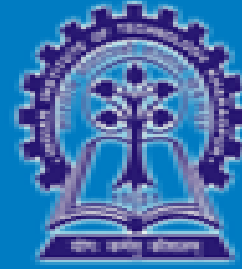
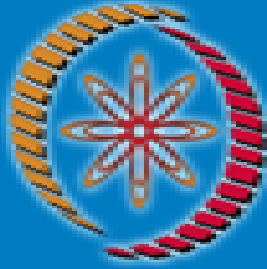
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Week 6: Module 4

Information Systems for Human Resource Management



CONCEPTS COVERED

- **Information Systems for Human Resources Management (HRM)**
- **Associated Business Processes and Subsystems for HRM**

Information Systems for Human Resource Management

❖ Organizations need to,

☐ find,

☐ recruit,

☐ motivate, and

☐ train employees

✓ to achieve their objectives and succeed in their workplace

Information Systems for Human Resource Management

- Human resources function is responsible for,
 - ✓ attracting,
 - ✓ developing, and
 - ✓ maintaining the firm's workforce

Information Systems for Human Resource Management

- In order to retain high performers, it is necessary to know,
 - ❑ how people feel about their
 - ✓ work environments,
 - ✓ their compensations, and
 - ✓ growth prospects
- In addition, maintenance of workplace health and safety is a prime requirement

Information Systems for Human Resource Management

- Human Resources Information Systems (HRIS) support activities such as,
 - ✓ Identifying potential employees,
 - ✓ Maintaining complete records on existing employees, and
 - ✓ Creating programs to develop employees' talents and skills

Information Systems for Human Resource Management

- Strategic HRIS identifies the employees' requirements such as,
 - ✓ skills,
 - ✓ education level,
 - ✓ type of position,
 - ✓ number of position, and
 - ✓ cost
- ❑ for meeting the firm's long-term business plan

Information Systems for Human Resource Management

- The other dimensions of HRIS include,
 - ✓ employment policies,
 - ✓ procedures,
 - ✓ communications, and
 - ✓ compliance requirements

Information Systems for Human Resource Management

- Effective HR compliance programs are a necessity for all of the organizations in today's competitive and legal environment
- HR professionals need to monitor workplace and employment practices,
 - to ensure compliance with numerous laws and regulations

Information Systems for Human Resource Management

- HRIS focuses on,
 - ✓ legal and compliance responsibilities,
 - ✓ employee development,
 - ✓ talent management,
 - ✓ hiring, and
 - ✓ succession planning

Information Systems for Human Resource Management

- Major goal is to make best use of the available human resources in the organization
- To attain this goal, the information necessary at various levels of management may be classified as follows:

Information Systems for Human Resource Management

❖ Strategic Information

- ☐ Long-range Human Resource Requirements at Different Levels
- ☐ Policies on Wages And Incentives such as Stock Options and Bonus
- ☐ Policies on Human Resources Development and Training
- ☐ Policies on Personnel Welfare And Facilities
- ☐ Policies on Outsourcing Non-core Functions

Information Systems for Human Resource Management

❖ Tactical Information

☐ Performance Appraisal

☐ Demographic Make-up of Personnel and Its Impact on Retirement

☐ Production Incentives and Its Relation to Productivity

Information Systems for Human Resource Management

- ❖ Tactical Information
 - ☐ Morale of Personnel
 - ☐ Absentee Reduction
 - ☐ Policies on Leave and Overtime
 - ☐ Policies on Personnel Deployment

Information Systems for Human Resource Management

❖ Operational Information

- ☐ Routine Assessment
- ☐ Skills Inventory
- ☐ Loans / Advances and Recoveries
- ☐ Attendance Record
- ☐ Overtime Assignment

Information Systems for Human Resource Management

- ❑ Recruitment is a process of
 - ✓ finding potential employees with the skills and talent needed by the organization,
 - ✓ testing them, and
 - ✓ deciding which ones to hire

Information Systems for Human Resource Management

☐ Recruitment

- Most organizations receive lot of applications for a job but might still have difficulty in finding the right person
- With millions of resumes available online (for e.g., LinkedIn), companies are trying
 - ☐ to find appropriate candidates on the “web”, usually with the help of specialized search engines

Information Systems for Human Resource Management

❑ Recruitment

- Companies also advertise thousands of jobs on the Web
- Online recruiting can reach more candidates, which may bring in better applicants at a lower cost compared to traditional recruiting methods

Information Systems for Human Resource Management

☐ Recruitment

- HRIS is connected to online job portals and through these job portals,
 - ☐ HRIS downloads and shortlists candidates (-via- screening and testing) for likely suitable positions in the organization
- The subsystem also helps in work force planning and in managing bench

Information Systems for Human Resource Management

☐ Recruitment

- Once recruited, the employees become part of the corporate HR talent pool, which needs to be maintained and developed
- Several activities are supported by IT through the following subsystems:

Information Systems for Human Resource Management

❖ Performance Evaluation

- This subsystem maintains important measures of performance for each employee so that the performance of the employee can be rated

Information Systems for Human Resource Management

❖ Performance Evaluation

- Corporate managers can then analyse employees' performances with the help of intelligent systems,
 - which provide systematic interpretation of performance over time

Information Systems for Human Resource Management

❖ Performance Evaluation

- The higher performers can then be rewarded and the lower level performers can be taken care of by appropriate training and development, or transfers and layoffs in some of the cases
- This type of information is very important for taking decisions on career planning of employees

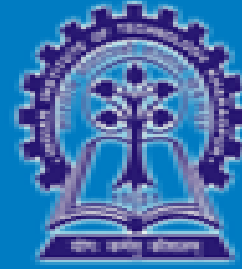
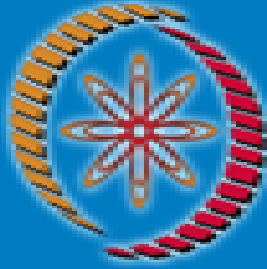
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Week 6: Module 5

Information Systems for Human Resource Management (Continued)



CONCEPTS COVERED

- **Information Systems for Human Resources Management (HRM)**
- **Associated Business Processes and Subsystems for HRM**

Training and Development Subsystem

❖ Training and Development

- Employee training and development are important activities of the HR department
- Major issues include,
 - ✓ planning of classes, and
 - ✓ tailoring specific training programs to meet the needs of the organization and the employees

Training and Development Subsystem

❖ Training and Development

- HR departments may build a career development plan for each of the employees

Training and Development Subsystem

❖ Training and Development

- HRIS may support the,
 - ✓ planning,
 - ✓ monitoring, and
 - ✓ control of training and development related activities
- by using workflow applications

Training and Development Subsystem

❖ Training and Development

➤ This subsystem gives detailed information about,

- ✓ Training Needs of Employees
- ✓ Details of Trainers
- ✓ Training Modules and Content
- ✓ Training Feedback
- ✓ Measure of Training Effectiveness

Training and Development Subsystem

❖ Training and Development

➤ Now-a-days, innovative developments are taking place in the areas of,

- Intelligent Computer-aided Instruction, and

- Application of Multimedia Support for Instructional Activities

Training and Development Subsystem

❖ Training and Development

- For example, companies conduct much of their corporate trainings over their intranet or –via- the Web
- Use of Learning Management System

Payroll Subsystem

❖ Payroll Administration

- This subsystem provides support for payroll preparation
- The process is typically automated meaning that
 - ✓ pay checks are printed, and
 - ✓ money is transferred electronically into the employees' bank accounts

Payroll Subsystem

❖ Payroll Administration

- Several components need to be taken into consideration while computing the salary pay-out of employees

Payroll Subsystem

❖ Payroll Administration

- ❑ These components might be,
 - ✓ tax deductions,
 - ✓ provident fund contributions,
 - ✓ leave and attendance data,
 - ✓ previous tax reports,
 - ✓ incentives and so on

Payroll Subsystem

❖ Payroll Administration

- This module helps to manage the payment process by,
 - gathering data on all those components as mentioned earlier

Payroll Subsystem

❖ Payroll Administration

- This subsystem draws data from other modules such as,
 - ✓ the performance appraisal module,
 - ✓ attendance module, and so on,
 - which are integrated to generate the net payable amount
- This module is also linked to a financial management information system for the clearance of funds

Payroll Subsystem

❖ Payroll Administration

- This module is also linked to a financial management information system (FMIS) for the clearance of funds

Payroll Subsystem

❖ Time and Attendance

- This module gathers data related to time and work
- It logs the number of hours each employee works every day, thereby, keeping tab on the efficiency levels of employees

Payroll Subsystem

❖ Time and Attendance

- This information can be used,
 - to analyse the efficiency at the workplace on a given work day, or
 - to calculate the average time required to perform a task

Payroll Subsystem

❖ Benefits Administration

- A major component of compensation is benefits
- Some of the benefits offered to the employees such as insurance or medical claims vary with the employees' job category
- This module can link this information to work out which benefit can be availed by which employee in a particular grade

Payroll Subsystem

❖ Benefits Administration

- Employees' contributions to their organizations are rewarded by,
 - ✓ salaries/wages,
 - ✓ bonuses, and
 - ✓ other benefits (these benefits include those for health as well as contributions for pensions)

Payroll Subsystem

❖ Benefits Administration

- Providing flexibility in selecting benefits is viewed as a competitive advantage in large organizations – this can be supported by this subsystem
- Some companies have automated benefits enrolments

Payroll Subsystem

❖ Benefits Administration

- Employees can self-register for specific benefits using the,
 - ✓ corporate portal, or
 - ✓ voice technology
- ❖ Employees self-select desired benefits from a menu

Payroll Subsystem

❖ Benefits Administration

- This subsystem specifies the value of each benefit and the available benefits balance of each employee
- Some companies use intelligent agents to assist the employees and to monitor their actions

Payroll Subsystem

❖ Employee Self-Service Module

- This module allows employees to access data on their salary, deductions, leave, and attendance
- It reduces the need for employees to continually approach the HR department to avail such data

Employee Relationship Subsystem

❖ Employee Relationship Management

- Companies are developing employee relationship management applications with a view to manage their employees in a better manner
- A typical such application is a call-centre for the employees' problems

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THANK

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