

HUMAN RESOURCE INFORMATION SYSTEM

A HRIS, which is also known as a human resource information system or human resource management system (HRMS), is basically an intersection of human resources and information technology through HR software. This allows HR activities and processes to occur electronically.

To put it another way, a HRIS may be viewed as a way, through software, for businesses big and small to take care of a number of activities, including those related to human resources, accounting, management, and payroll. A HRIS allows a company to plan its HR costs more effectively, as well as to manage them and control them without needing to allocate too many resources toward them.

In most situations, a HRIS will also lead to increases in efficiency when it comes to making decisions in HR. The decisions made should also increase in quality—and as a result, the productivity of both employees and managers should increase and become more effective.

HRIS is geared toward enhancing the capacity of HR management to:

- Absorb new and promising technologies
- Simplify workflow
- Optimize precision, stability and credibility of workforce data
- Simplify the deployment and collection of data

Components of Human Resource Information Systems (HRIS)

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.

Explained below are the various components of the HRIS.

1. Database

HRIS core offering includes a database to store employee information. HR professionals can input all personnel data into the system which can be accessed from anywhere, round the clock. Types of data that HR professionals collect in the database include compensation history, emergency contact information, and performance review. The core database can also be viewed as an online backup for paper files.

2. Time and Labor Management

Activities like time and labor management can highly time consuming. HRIS package allows employees to input their own hours worked and allows managers to immediately verify vacation requests, and the data is directly fed to the payroll. Time and labour management also improves the HR department's ability to track punctuality and attendance.

3. Payroll Function

Payroll function is yet another major component of a HRIS model. HR can easily download or unload employee hours, and issue cheques or payroll deposits to employees. Salaried employees can also be paid with substantially reduced risk of errors. The HRIS payroll software usually improve tax compliance for locations with multiple tax levels.

4. Benefits

Some HRIS employers allow employers to establish and maintain medical benefits and retirement investments through their software. Such applications allow employers to have one-stop shopping experience for all their human resources data management needs. Other HRIS packages facilitate medical benefits and retirement investment deductions for payroll but not the establishment of those benefits.

5. Employee Interface

Most HRIS packages allow for an employee to have limited user access. Employee users access a part of the database where they can update their personal information, review pay scales, change retirement benefit programs, update direct deposit information or download benefit election documents.

6. Recruitment and Retention

Finally, it can be said that recruitment and retention are the most important components of HRIS. It goes without saying that it is the anchor of all HR policies and systems. Finding new talent,

acquiring them, keeping them engaged and finally being able to retain them are the major task of a HR person. HRs also have to ensure that employees are not only able to do their work, but they are also provided with the required training; receives proper compensation and benefits from the organization.

Different kinds of HRIS systems & software

There are different kinds of HRIS systems and software. Because an HRIS encompasses all the functionalities for HR, all separate functionalities are part of the system. These functionalities include:

- 1. Applicant Tracking System (ATS)-** This software handles all the company's recruiting needs. It tracks candidate information and resumes, enables recruiters to match job openings to suitable candidates from the company's application pool, and helps in guiding the hiring process.
- 2. Payroll-** Payroll automates the pay process of employees. Contractual data is often entered into this system – sometimes combined with time & attendance data – and at the end of the month, payments orders are created.
- 3. Benefits-** Another functionality of the HRIS is benefits management. Employee benefits are an important aspect of compensation and are also managed in this system. More advanced systems offer an employee self-service model for employee benefits. In this case, employees can select the benefits they are looking for themselves. One may want more paternity leave, the other one a more expensive company car. This self-service approach to benefits is also called a cafeteria model.
- 4. Time & Attendance-** This module gathers time and attendance data from employees. These are especially relevant for blue-collar work where employees clock in and out. Back in the day when I worked in a supermarket, we wrote the time worked down on a piece of paper, which was then manually entered into the time tracking system by the manager. Based on this data, payment orders were generated and paid to all employees.
- 5. Training-** Learning and development is a key element when it comes to employee management. This module allows HR to track qualification, certification, and skills of the employees, as well as an outline of available courses for company employees. This module is often referred to as an LMS, or Learning Management System, when it's a stand-alone. An LMS usually includes available e-learning and other courses to be followed by employees.

6. **Performance management**- Performance management is a key part of managing people. Performance ratings are generated once or multiple times a year by the direct manager or peers of the employee.
7. **Succession planning**- Creating a talent pipeline and having replacements available for key roles in the organization is another key component of an HRIS.
8. **Employee self-service**- Employee self-service was already mentioned. Organizations are focusing increasingly on having employees and their direct supervisors manage their own data. Requests like holidays can be asked for by the employee him/herself. After approval, these are then immediately saved into the system (and registered to track for payroll and benefits purposes).
9. **Reporting & Analytics**- A much rarer module in HRIS systems is reporting and analytics. Modern systems enable the creation of automated HR reports on various topics like employee turnover, absence, performance, and more. Analytics involves the analysis of this data for better-informed decision making. We'll explain more about this in the section below.

Benefits of an HRIS

Using an HRIS has a number of clear benefits.

1. **Record-keeping**- An HRIS is a record-keeping system that keeps track of changes to anything related to employees. The HRIS can be seen as the one source of truth when it comes to personnel data.
2. **Compliance**- Some data is collected and stored for compliance reasons. This includes material for the identification for employees in case of theft, fraud, or other misbehaviors, first contact information in case of accidents, citizens identification information for the tax office, and expiration dates for mandatory certification. All this information can be stored in the HRIS.
3. **Efficiency**- Having all this information in one place not only benefits accuracy but also saves time.
4. **HR strategy**- The HRIS enables the tracking of data required to advance the HR and business strategy. Depending on the priorities of the organization, different data will be essential to track. This is where the HRIS comes in.

5. **Self-Service HR**- A final benefit is the ability to offer self-service HR to employees and managers. This enables employees to manage their own affairs. When done right, the HRIS can offer a good employee experience. Keep in mind that not all HRIS systems offer this in a user-friendly manner!

Working with an HRIS has multiple benefits for the organization, HR, and the employee. Using an HRIS becomes interesting when you have between 30 to 50 employees.

At this time, managing this basic information in Excel becomes cumbersome and simple procedures like approving employee holidays need to be standardized. Most of our readers work at large organizations. These organizations use advanced HRIS systems that we will discuss later in this article.