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What is an HRIS? An HR Practitioner's Guide

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A Human Resources Information System, or HRIS, is the most used software in HR. In this article, we will give an overview of what an HRIS is, its main functionalities, and everything more you need to know to have a basic understanding of the HRIS.

Contents

What is an HRIS?

HRIS stands for Human Resources Information System. The HRIS is a system that is used to collect and store data on an organization's employees.

In most cases, an HRIS encompasses the basic functionalities needed for end-to-end Human Resources Management (HRM). It has a system for recruitment, performance management, learning & development, and more.

An HRIS is also known as HRIS software. This is a bit confusing as it implies that different systems can have different software running on them. However, this is not the case. The HRIS is, in essence, a software package.

The HRIS can either run on the company's own technical infrastructure, or, what's more common nowadays, be cloud-based. This means that the software is running outside of the company's premises, making it much easier to update.

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identification information for the tax office, and expiration dates for mandatory certification. All this information can be stored in the HRIS.

- **Efficiency.** Having all this information in one place not only benefits accuracy but also saves time.

- **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.

- **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.

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:

- **Applicant Tracking System (ATS).** This software handles all the company's recruiting needs. It tracks candidate information and resumes, enables

Other commonly used names are *HRIS system* and *HRMS*, or Human Resources Management system. These are all different words for the same thing. Collectively, these systems are also called Human Capital Management systems, or HCM. In this article, we will use the terms HRIS and HRIS systems interchangeably.

What Is an HRIS? | AIHR Learning Bite

In this learning bite, we explain what an HRIS is!

Benefits of an HRIS

Using an HRIS has a number of clear benefits.

- **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.
- **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

recruiters to match job openings to suitable candidates from the company's application pool, and helps in guiding the hiring process.

- **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.

- **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*.

- **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.

- **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.

- **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.

- **Succession planning**. Creating a talent pipeline and having replacements available for key roles in the organization is another key component of an HRIS.

- **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).
- **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.

Reporting and analytics in an HRIS

The common characteristic for all HRIS systems is that they have been designed as **transactional systems**. They are databases that record a company's transactions. An example of a transaction is when an employee joins the company.

The employee record is entered, and the person is considered 'active'. If a person leaves the company three months later, a new transaction is recorded, setting the person's status to 'terminated'.

The fact that these systems are designed as transactional systems, makes them bad at data reporting and analytics. They simply haven't been designed for this. In addition, not all HRIS systems have all the above functionalities build-in.

Some functionalities, like payroll, LMS, or ATS could also be recorded in external systems. This makes HR reporting even more challenging, as it means that data is dispersed into multiple systems. In order to report data, a new layer needs to be added on top of all HR systems to report and analyze the HR data.

This is the second reason why the practical use of reporting and analytics for these systems is limited. Be aware of this when you are talking to HRIS providers, as they often tout their systems to be excellent in data reporting and analytics.
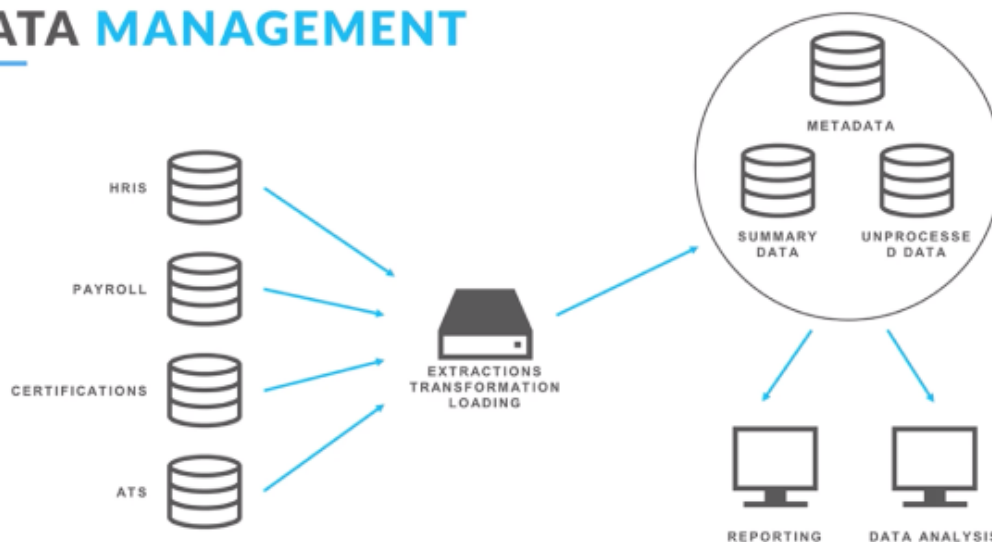
HRIS suppliers

There are thousands of HRIS suppliers. Gartner's Magic Quadrant below lists the 11 best-known Human Capital Management suits for midmarket and large enterprises. These include Workday, Oracle, SAP, ADP, Ceridian, Kronos, and more. Listing all the HRIS suppliers would be impossible, so we decided to explicitly mention the four HCMs that are considered to be leaders.

Source: Gartner (August 2018)

Cornerstone

Cornerstone OnDemand is the only company not listed in Gartner's Magic Quadrant. As one of the largest providers for Small and Medium businesses, they offer different suites including recruiting, learning, performance management, and an e-learning LMS.

Workday

Workday is arguably one of the best-known HRIS out there. Founded only in 2005, it has grown to global HRIS giant with over 10,000 employees. Workday specifically tailors to mid- and large-sized businesses.

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SAP

SAP is better known as an ERP, or Enterprise Resource System. These are systems that keep track of a company's resources, which include among other things financial assets, orders, and people. In 2011, SAP acquired SuccessFactors, making SAP SuccessFactors one of the major players in the HCM market, especially for large companies.

Oracle

Oracle HCM Cloud was released in 2011. It includes modules on talent management, workforce rewards, workforce management, and work-life solutions.

Ultimate Software

Ultimate Software was ranked by Forbes as the [7th Most Innovative Growth Company](#). The company provides one system of records for HR, payroll, and talent management. Systems include time and attendance, onboarding, performance management, compensation, succession management, and more.

HRIS specialist & HRIS analyst

In terms of job functions, there are two job roles that involve the HRIS. The first one is the Human Resource Information Specialist. The HRIS specialist is responsible for implementing and maintaining the HRIS for the organization.

This also involves on-the-job training to HR professionals in the use of the system. This function is usually in the IT arm of the HR department.

The HRIS analyst provides support for the HRIS. This includes researching and resolving HRIS problems and being a liaison with other parts of the business, like finance/payroll.

As an analyst, you are also involved in the generation of standard and ad-hoc reports and improvements of HRIS processes. This means improving the employee experience in using the systems, coming up with user-friendly innovations, and implementing new policies to be reflected in the system.

HRIS certification

There is no specific HRIS certification at the moment. People interested in working with HRIS systems are advised to study IT and HRM. IT is useful to understand the intricacies of the system while HRM helps to understand the processes that the HRIS is supporting.

Combining both helps to make better decisions when it comes to system implementation.

HRIS implementation in 6 steps

We could write multiple articles when it comes to HRIS implementation. For this article, we will provide a high-level overview. For more information, we recommend the Digital HR Certificate program, as that program provides much more information about software implementation.

Software implementation can be divided into multiple stages.

1. **Search.** In the search phase, the specific demands of the different stakeholders inside the company are inquired about. Based on these requirements, a long-list of compatible vendors is made. Based on initial inquiries, a shortlist is created. These vendors are invited to create a proposal. At the end of this phase, a compatible provider is selected.
2. **Plan and align.** In this phase, you choose an implementation partner, create a steering committee and an implementation team. The steering committee usually consists of senior delegates from the vendor/supplier, the HR director from the company, the internal project manager, and preferably a senior user from the business. The implementation team is concerned with day-to-day implementation.
3. **Define and design**. In this phase, user groups are specified and processes and workflows are mapped. Here the functional and technical requirements for infrastructure, system, and security are further defined.
4. **Configure and test**. In this phase, a core test team is created. This team is tasked with testing the system and suggesting improvements. After this, a user acceptance test is created by bringing in a number of users to provide final feedback.

What does HRIS stand for?

HRIS stands for Human Resources Information System. The HRIS is a system that is used to collect and store data on an organization's employees. This often includes an Applicant Tracking System (ATS), payroll, benefits, time & attendance, training, performance management, employee self-service, and so on

What is HRIS?

The Human Resource Information System is a system used to collect and store data on an organization's employees, like their name, address, age, salary, benefits, time and attendance, performance reviews, and more. This data is valuable input for data-driven decision-making in HR.

What is an HRIS analyst?

The HRIS analyst provides support for the HRIS. This includes researching and resolving problems and being a liaison with other parts of the business, like finance and payroll.

What is SAP HRIS?

SAP is an Enterprise Resource System. These are systems that keep track of a company's resources, which include, among other things, financial assets, orders, and people. SAP's HRIS module is called SuccessFactors.

What are some HRIS systems?

The best-known HRIS systems include Workday, Oracle's PeopleSoft, SAP's SuccessFactors, Ultimate software, Ceridian, and ADP. Garnter (2018) identified these

5. **Train and communicate**. Before the Go-Live moment, technical staff needs to be trained, communication plans need to be created, and Frequently Asked Question and other support documents created to benefit the software implementation and uptake.

6. **Deploy and sustain**. This is the last phase where everyone is made ready for Go-Live. Once all support processes are in place, the system can Go-Live. Feedback needs to be constantly collected and training material updated with the evolving systems. Constant, accurate communication is key here.

By following these six steps, you can select and implement your HRIS. Again, if you want to go into more detail, check out the [Digital HR Certification program](). This program has courses on Design Thinking in HR and on building and implementing a Digital HR Strategy. These elements are essential when it comes to defining user requirements and implementing a software solution.

How to Implement an HRIS in 6 Steps | AIHR Learning Bite

In case you want to skip the section above, this learning bite explains how to implement an HRIS in 6 steps!

FAQ

providers as HRIS leaders.

Source: Gartner (August 2018)

I hope this article gave you a good overview of what an HRIS is, its main functionalities, and how to implement such a system. If you have any specific questions, feel free to ask them in the comments!

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Erik van Vulpen

Erik van Vulpen is an expert in connecting HR processes to business results through qualitative and quantitative methods. He is globally recognized as a thought leader in the People Analytics and Digital HR space. Erik is a regular speaker at conferences and trained dozens of HR leadership teams to embed innovative and data-driven HR practices in their organization. He is also an instructor for the AIHR Academy, as well as one of its founders. Contact Erik at erik@aihr.com or connect with him on LinkedIn.

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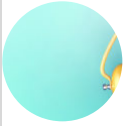
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👤   **Dody Rose** • 4 months ago
     Dear Dr. Erik van Vulpen,

     Please I need your advice.
     Is the HRIS can impact on / influence Organization Performance through a Mediating
     Factor of "Human Capital" ?

     Waiting your feedback please.
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        👤   **Erik van Vulpen** Mod ➔ Dody Rose • 3 months ago
             That sounds like the topic of a thesis! The HRIS can impact org. performance, this
             has been shown in research. Human Capital is a requirement for this relationship
             - without it it will be hard for an HRIS to add value. I wouldn't categorize it as a
             mediating factor though - it is an enabler. If you are looking for a conceptual
             model I would put integrated HR practices or high performance work practices
             related to HR IT as a moderating variable between the HRIS and organizational
             performance.

             Best of luck!
             Erik
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