AN EXPLORATORY STUDY ON THE IMPLEMENTATION OF HUMAN RESOURCE INFORMATION SYSTEM FOR BUSINESSES IN INDIAN PERSPECTIVE

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ABSTRACT

Human resources (HR) are the critical success factor of any organization operating in the 21st century. From the beginning until today, they have been playing a vital role to boost up organizations competitive capabilities for enjoying a competitive advantage and superior profitability over rivals. Smith & Kelly (1997) believe that ―Future economic and strategic advantage will rest with the origination that can most effectively attract, develop and retain a diverse group of best and the brightest human talent in the market place. The motive of this research paper is to contribute to the discussion on the implementation of the Human Resource Information System (HRIS) for businesses in Indian perspective. Moreover, the growth of businesses across the world has contributed to an increase in the use of Human Resource Information systems.

Keyword: Human Resource Planning, HR Systems, HR Implementation, HRIS

INTRODUCTION

From last few decades the market has been witnessing growth which is manifold from couple of years. The efficient use of Human resources in an organization to gain a competitive advantage in the marketplace requires timely and accurate Information. In today's rapidly changing business environment, organizations have to respond quickly to requirement for people. Organizations have been using Information Communication

Technology for achieving efficiency in human resource management and analyzing the information.

Information Systems (IS) are social systems which deal with the interaction of people and technology. An information system, including a Human Resource Information system (HRIS), is user-interfaced and designed to provide information useful to support strategy, operations, management analysis, and decision-making functions in an organization. The HR system is industry-driven and is a solution for every organization with specific goals. Human Resource Information System (HRIS) can provide support for all HR functions of an organization and can help conduct business operations more effectively, through their large online databases.HR systems are used to track (for example, employee performance, leave management, training and development, analytics). As a result, they can also reduce times and costs of operations systems which seen rapid adoption in all of the major industries (small, medium and large scale). Besides, the need to centralize and secure organizational data is a paramount concern that may lead to the implementation of HR systems.The HRIS system is "an Human Resource Information System designed to integrate and optimize the business processes and transactions incorporation"(Moon,2007)

Cloud computing is the framework which enables and convenient platform for on-demand availability of IT resources, which includes network, servers, storage, application and services. The above resources can be rapidly provisioned and released with minimal management effort"(Mell & Grance, 2011). This study explores the use of HRIS solutions (including cloud-based ones) for small and medium-sized enterprises.

LITERATURE REVIEW

Cappelli, P. (2001) says that using the Internet to support recruiting is central to how organizations attract potential job candidates. In this article, Cappelli outlines four keys to effectively managing the e-recruiting process. These include using the web to attract candidates, using technology to sort applicants, issues of discrimination, and how to identify and move to hire the top candidates quickly.

Dineen, B. R., & Noe, R. A. (2009) done the study of 348 job seekers, the researchers examined the ability of applicants to customize the order of information viewed on a recruiting website. The results of this research are to provide evidence that the ability for applicants to customize information will give an edge to a more accurate assessment of applicant fit with the organization and will reduce the number of poor fit applicants

Gueutal, H. G., Marler, J. H, & Falbe, C. M. (2007) discusses how technology changes in the field of HR are affecting the skills needed by HR employees. It focuses on how technology is reducing the need for the traditional HR generalist while increasing the need for specialists, including HRIS specialists and super content masters who can help employees navigate complex HR issues.

Hornik, S., Johnson, R.D., & Wu, Y. (2007) Says the use of more advanced technology can be viewed as a way for organizations to improve training outcomes. This article finds it may not be the technology itself that matters, but how the course design and technology fit with how the trainees like to learn. When the learners found a mismatch, they communicated less, were less engaged and performed slightly worse than when there was a fit.

Huang, F., & Cappelli, P. (2010) define the relationship between applicant screening techniques and the use of performance monitoring. Specifically, the authors find that employers who screen applicants for factors such as conscientiousness, which can predict work ethic, can use less expensive forms of monitoring systems.

Johnson, R. D., Hornik, S. R., & Salas, E. (2008) say that communication is an essential component of the creation of successful e-learning courses. This study found that individuals who communicated more performed better and were more satisfied with the course. Also, research shows that it is essential for learners to feel that they are in a shared learning environment. The more learners felt they were in a shared learning environment, the more satisfied they were with the course and the higher their utility judgments (i.e., the more they saw the value in the course).

Lievans, F., & Anseel, F., (2007).say the use of computerized in-basket tasks can reduce administration costs, improve realism and allow for more timely feedback. In this study, a cloning procedure is used to design a digital version of a paper-pencil in-basket test.

RESEARCH METHODOLOGY

Data was gathered directly from a survey of users of the Software Path website or partner websites. All data was gathered from active software selection projects between February 2018 - January 2019 unless otherwise specified in the methodology. The total sample size used for analysis was 1,028, although subsets of this may have been used where data coverage was lower. Budget data was gathered from active software selection projects as a projected five-year spend on the software. This data was then transformed to "budget per user" based on software user numbers gathered in the same sample. Budget data was gathered between February 2015 - January 2019. (Source: https://softwarepath.com/)As part of this research, an survey has been conducted to evaluate the use of a Human Resource Information System (HRIS). The survey participants have experienced HRIS users and interested in taking the survey. The research questions were prepared according to the perspective of the user.

RESEARCH QUESTIONS

Question 1: Timeframe for selecting HRIS

Question 2: Percentage of employees using HRIS

Question 3: Reason for implementing HRIS

Question 4: Budgets for implementing HRIS

FINDINGS OF THE STUDY

1. TIMEFRAME FOR SELECTING HRIS (PLANNING)

Fig 1. Source: https://softwarepath.com/
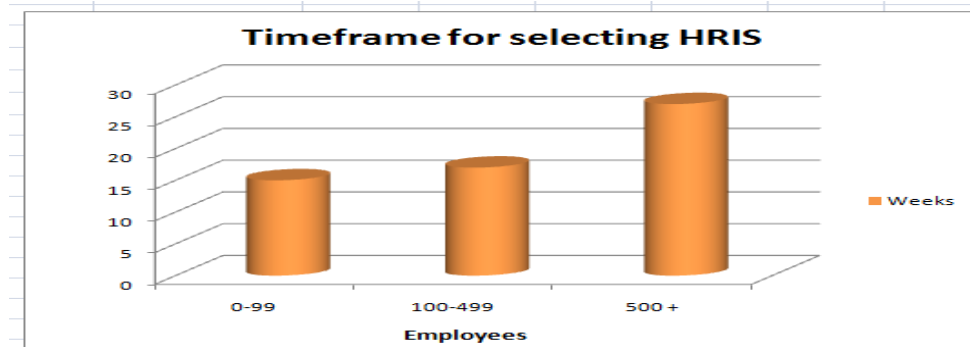
There is a significant increase in the timeframe for selecting HRIS as company size increases beyond 500 employees. Larger organizations typically have a higher number of stakeholders to consult during the selection process across multiple departments, and possibly even in different territories. On an average company spend 20 weeks selecting HRIS.
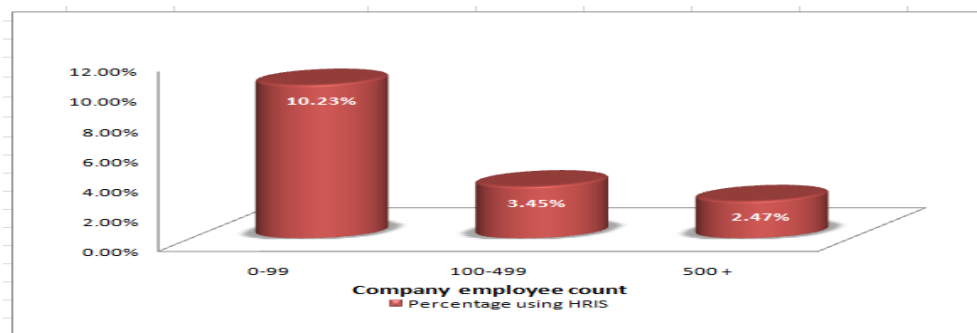
PERCENTAGE OF EMPLOYEES USING HRIS

Fig .2 Source: https://softwarepath.com/

The data shows that a small portion of the workforce is users of HRIS across businesses of all sizes. Users are responsible for managing the system and are usually members of the business' HR department rather than regular employees who may use an HRIS self-service HR functions. On average, 4.95% of employees use a company's HRIS system
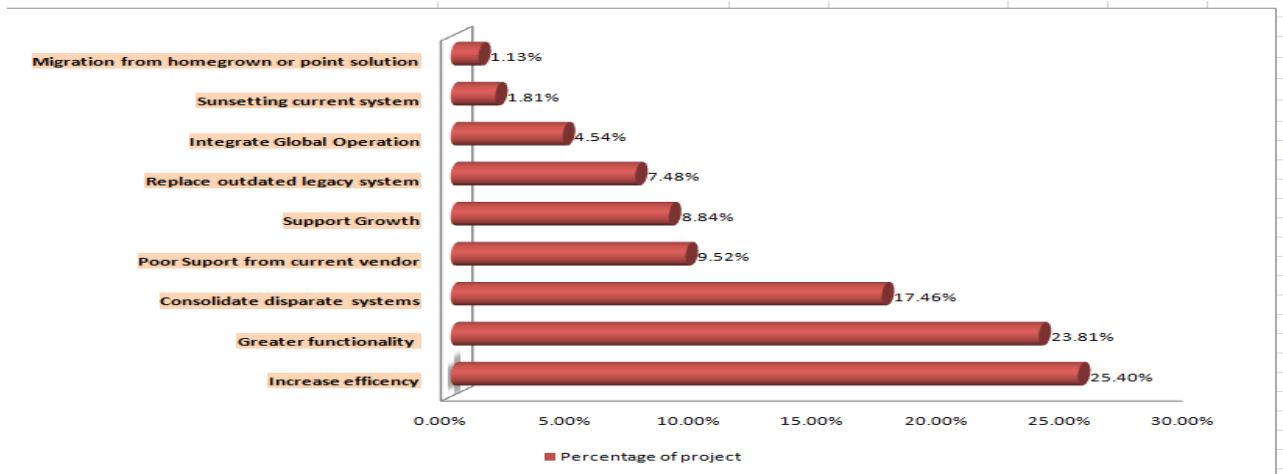
REASON FOR IMPLEMENTING HRIS (REQUIREMENT)

Fig 3 Source: https://softwarepath.com/

The most popular reason for implementing HRIS was to increase efficiency, closely followed by gaining greater functionality. Interestingly, almost 10% of businesses were searching for a new solution due to lack of support from their current vendor rather than a lack of functionality in their existing system.

REASON FOR IMPLEMENTING HRIS

No of Employee	Reason	Percentage
0-99	Increase efficiency	35.3%
	Greater functionality	19.6%
	Support growth	13.7%
100-499	Greater functionality	27.8%
	Increase efficiency	22.5%
	Consolidate disparate systems	14.6%
500 +	Consolidate disparate systems	24.5%
	Greater functionality	22.9%
	Increase efficiency	22.3%

Fig 4 Source: https://softwarepath.com/
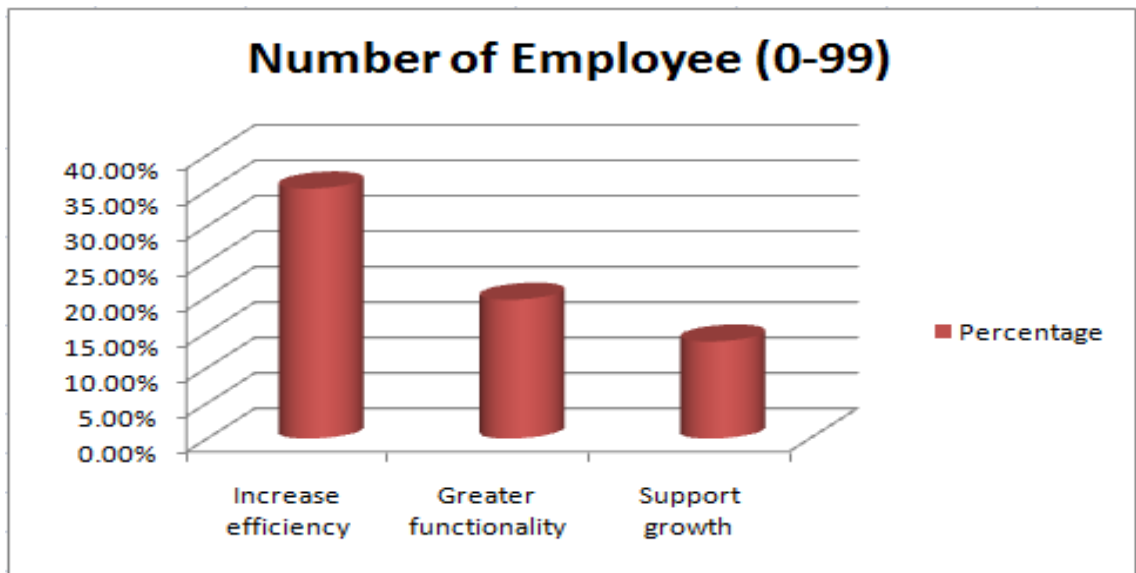
In small scale organization the reason for implementing HRIS is increase efficiency

Fig 5 Source: https://softwarepath.com
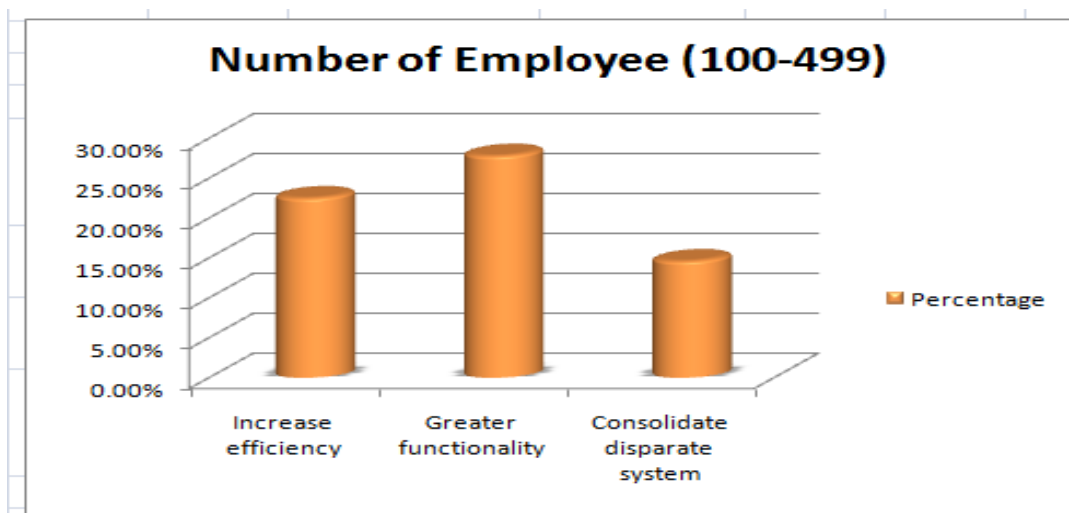
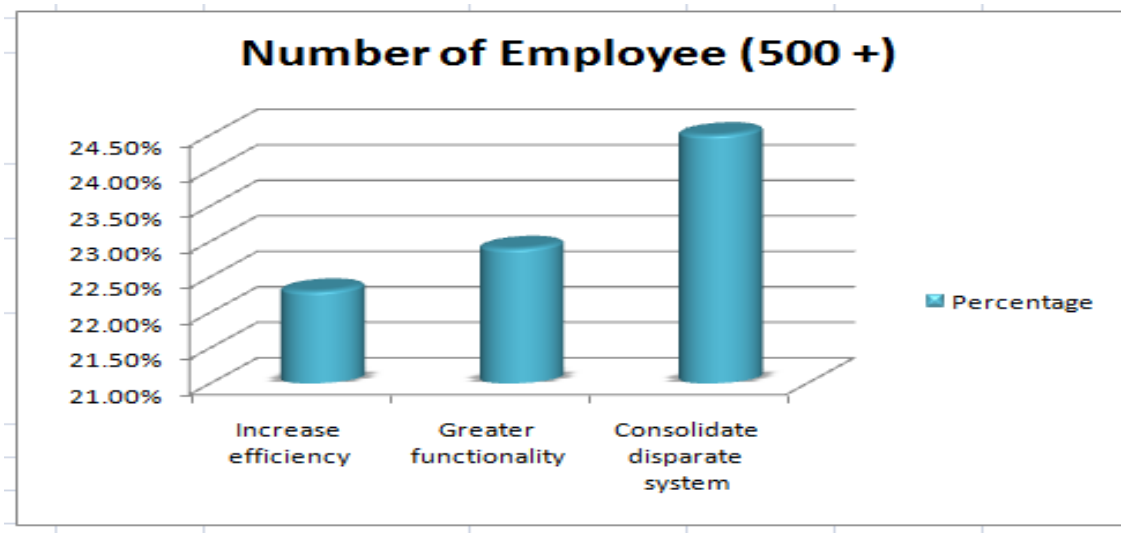In small scale organization the reason for implementing HRIS is greater functionality.

Fig 6 Source: https://softwarepath.com/

In small scale organization the reason for implementing HRIS is Consolidate disparate system

Fig 7 Source: https://softwarepath.com/
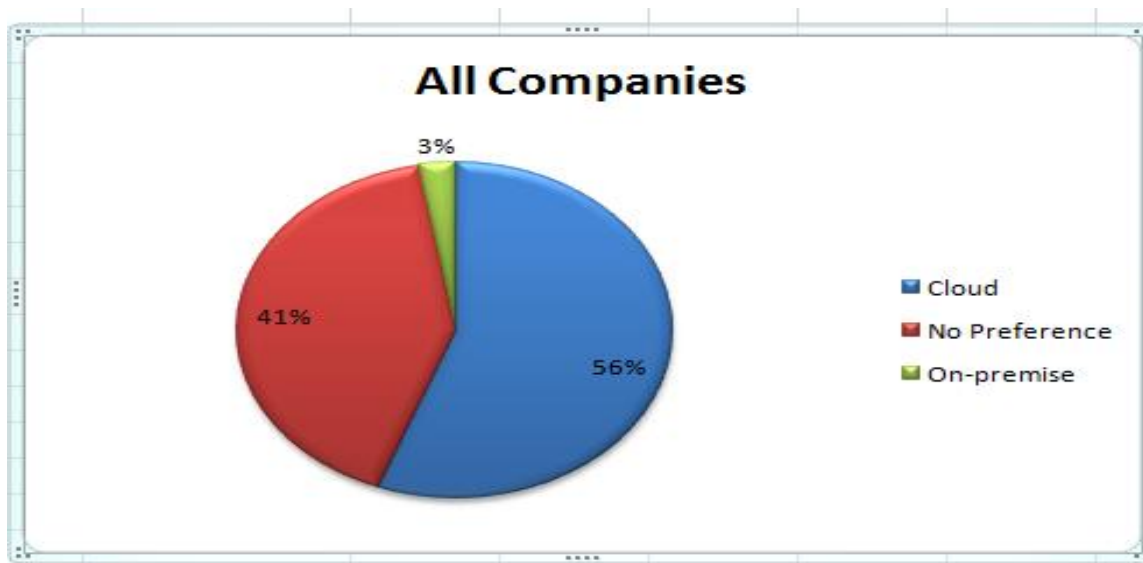
In above chart 56 % companies are prefer cloud option for HRIS implementation and 41% company are not having any preference for HRIS implementation

Fig 8 Source: https://softwarepath.com/

In above chart 53 % companies are prefer cloud option for HRIS implementation and 44% company are not having any preference for HRIS implementation

Fig 9 Source: https://softwarepath.com/

In above chart 57 % companies are prefer cloud option for HRIS implementation and 40% company are not having any preference for HRIS implementation
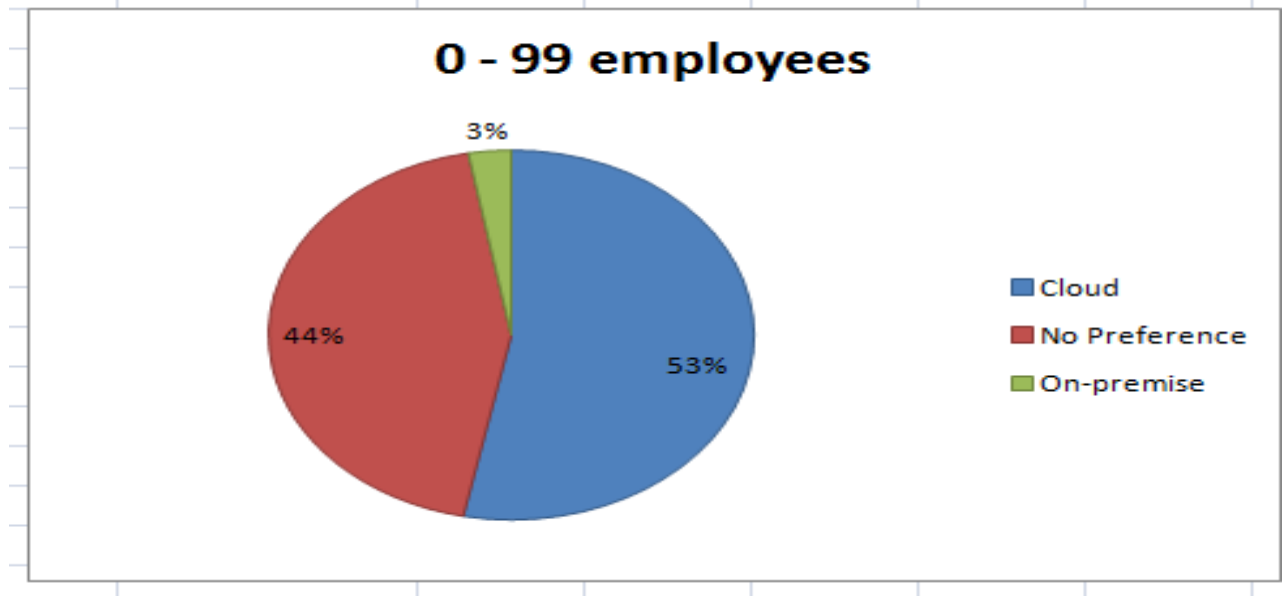

Fig 10 Source: https://softwarepath.com

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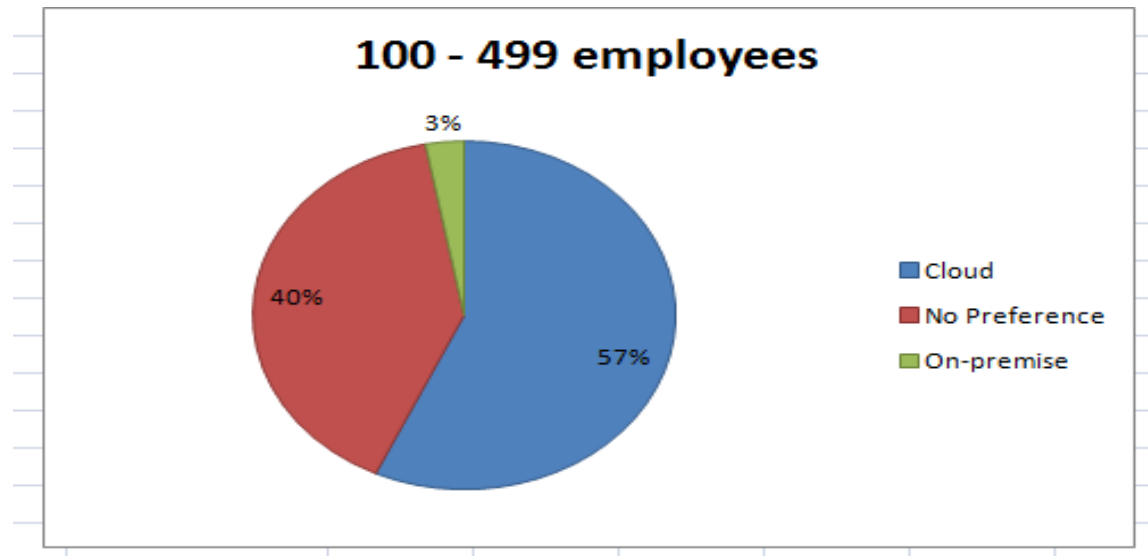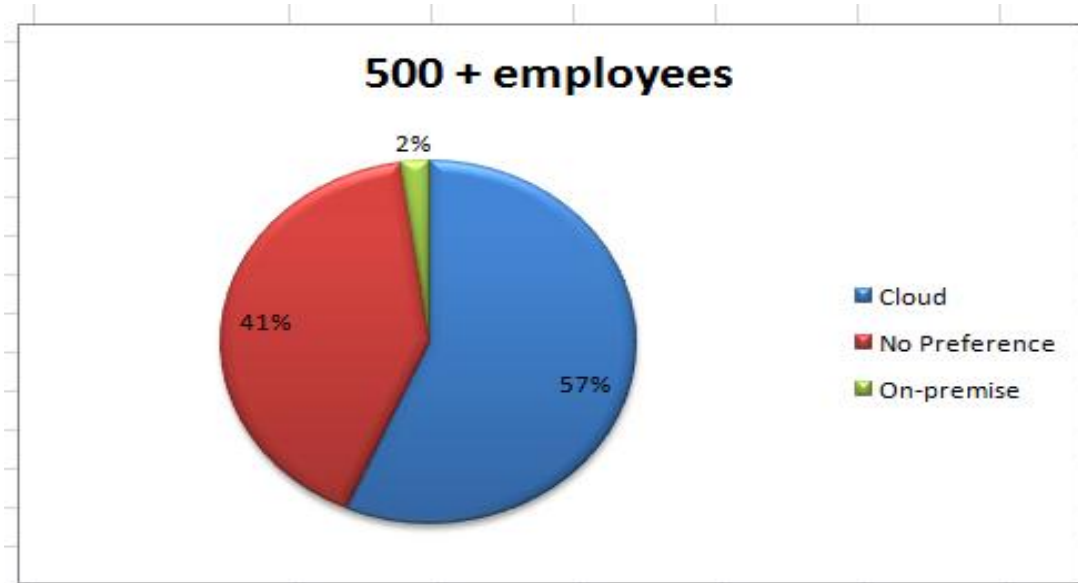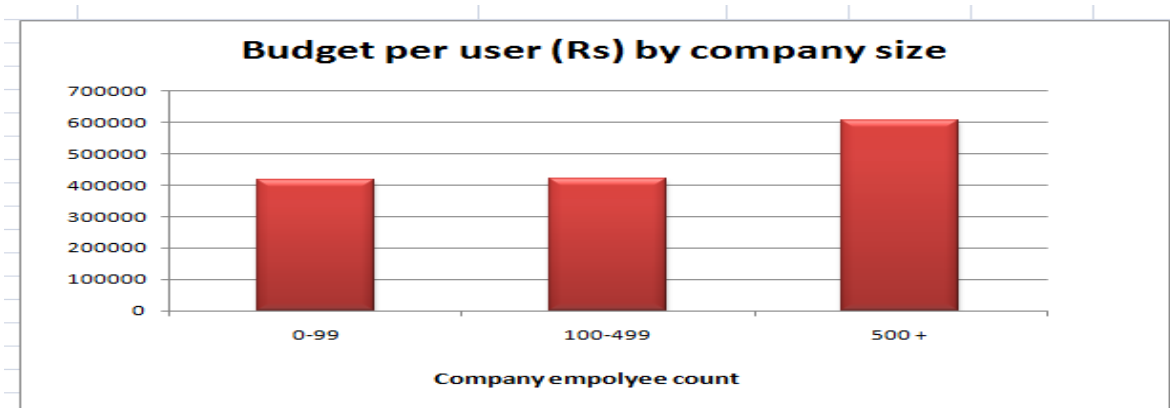**BUDGETS**

Fig 11 Source: https://softwarepath.com/

There is a significant increase in the budget per user when the business size increases beyond 500 employees. The main reason companies of this size implemented HRIS was to consolidate disparate systems, resulting in the need for integration across multiple systems with HRIS for interoperability, as well added support and data migration costs, which could explain the increased scope in the budget. The average budget per user for HRIS software is 4, 24,493 Rs.

Fig 12 Source: https://softwarepath.com/

On average, the budget for an on-premise HRIS is higher than the budget for a cloud-based system. This could be due to the large initial outlay for the licensing fee of the chosen system, as well as additional costs associated with hardware, and system updates.

SAMPLE INDUSTRY DEMOGRAPHICS HRIS

Sr.No	Industry	Percentage
1	Agriculture	0.49%
2	Architects & Designers	0.49%
3	Chemicals	0.49%
4	Construction	3.40%
5	Digital Agencies	2.04%

6	Distribution	2.14%
7	Education	2.72%
8	Electronics	0.29%
9	Energy	1.56%
10	Engineering	1.07%
11	Entertainment	0.88%
12	Finance	5.93%
13	Food & Beverage	2.33%
14	Government	3.79%
15	Healthcare	8.85%
16	Hospitality	2.33%
17	Insurance	2.72%
18	Law Firm	1.26%
19	Maintenance/Field Service	0.29%
20	Manufacturing	10.89%
21	Media	0.78%
22	Not For Profit	9.53%
23	Other	2.33%
24	PEO	0.29%
25	Real Estate	2.72%
26	Retail	2.82%
27	Services	15.37%
28	Staffing Agency	0.78%
29	Technology	7.78%
30	Telecommunications	0.68%
31	Transportation	1.46%
32	Utilities	1.17%

Table 1 Source: https://softwarepath.com

SAMPLE COMPANY SIZE DEMOGRAPHICS HRIS

Employee	Percentage
0-99	24.8 %
100-499	37.7 %
500 +	37.6 %

Table 2 Source: https://softwarepath.com/

The above table shows that the medium scale organization uses the Human resource Information system more compare to small and large scale organization The main highlight of this paper is on user participation in the context of HR systems implementation. Past research on HR implementation has focused on HR adoption, success measurement, implementation methodologies and success factors. There is a dearth of research as far as user participation in HR system implementation is concerned. In the current research, we try to explore the implementation and adoption of the Human Resource Information system for Businesses in Indian perspective. Following are the basis of the factors on which we explored the issue; there is a significant increase in the timeframe for selecting HRIS as company size increases beyond 500 employees. Larger organizations typically have a higher number of stakeholders to consult during the selection process across multiple departments, and possibly even in different territories. On an average company spend 20 weeks selecting HRIS. The data shows that a small portion of the workforce is users of HRIS across businesses of all sizes. Users are responsible for managing the system and are usually members of the business' HR department rather than regular employees who may use an HRIS self-service HR functions. On average, 4.95% of employees use a company's HRIS system. The most popular reason for implementing HRIS was to increase efficiency, closely followed by gaining greater functionality.

Interestingly, almost 10% of businesses were searching for a new solution due to lack of support from their current vendor rather than a lack of functionality in their existing

system. There is a significant increase in the budget per user when the business size increases beyond 500 employees. The main reason companies of this size implemented HRIS was to consolidate disparate systems, resulting in the need for integration across multiple systems with HRIS for interoperability, as well added support and data migration costs, which could explain the increased scope in the budget. The average budget per user for HRIS software is 4, 24,493 Rs.

CONCLUSION

The introduction of a new information system such as Human Resource Information System will change the way people work. The platform is new, and different interfaces, data entry is changed, and report formats are different. Users often find these changes unnecessary and therefore refuse to accept them. One of the ways to address and reduce the impact of these changes is to make change management approach and encourage user participation in the implementation of the Human resource information system. In this paper, we have reviewed past HRIS research intending to build an agenda for user participation in Human resource information system implementation. We conclude in the current research that as the organization size increases the timeframe of selecting HRIS will increase. Second, as company size increased the percentage of an employee using HRIS get decreased. Third the most popular reason for implementing HRIS was to increase efficiency, closely followed by gaining greater functionality. Fourth On average, the budget for an on-premise HRIS is higher than the budget for a cloud-based system

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