Role of Human Resource Management System in Increasing Employee's Efficiency

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Abstract

Researching business technology can be a daunting task and assessing the role of human Resources Management System (HRMS) in increasing employees' efficiency is also a very difficult task. It meets the unique needs of our business, and offers ease of acceptance by our employees. It is a system that lets us to keep track of all our employees and information about them. It is usually done in a database or, more often, in a series of inter-related databases. Human Resource Information Systems (HRIS), is a combination of two major management fields that impact the competitive advantage of companies — human resources and information system.

In many organizations, 50 per cent of an HR department's time is spent processing employee information and answering questions. The HR manager faces a dilemma on whether she/he needs to spend more time improving the overall work environment for the employees or help the management find ways to save on workforce-related costs, finding and hiring better talent and improving existing talent through training and development. But most days, they are trapped just doing paperwork.

This is where HRMS and payroll software come into play. The routine administration involved in day-to-day HR operations drains most of the available time and energy. An efficient HRMS and payroll software caters to their needs by automating core HR, benefits, and payroll processes for increased efficiency and productivity.

The payroll software can help an HR manager by managing compliance and risk of litigation, ensuring accurate and timely payroll etc. Payroll software helps you in computing Bonus/ ex-gratia, Gratuity, Provident Fund, Employee State Insurance, and Professional Tax & Labour Welfare Fund through some preset formulas and also helps in computation of returns.

Keywords: Payroll software, Performance Appraisal, HR work flow, Employees self service, Performance record

1. DETERMINING THE NEED FOR AN HRMS SOLUTION:

Prior to selecting an HRMS solution, we must identify our business needs, processes and short and long-term goals. HR professionals, who manage our current HR operations, in the process of management are also critical, as it will make impact embracement versus abandonment.

Regardless of the size of our organization, the daily management of payroll benefits administration, training and other continuously changes HR needs. Web-based HRMS platforms offer attractive options for many organizations, especially small and medium-sized businesses (SMBs) looking for a centralized, integrated and cost effective solution.

Empowering employees to self serve offers significant time-savings for the administrator or department. Using a Web-based HRMS, employees can easily access the system to print a pay stub, W-2's, enroll in employee benefits, view their paid time off, and update personal information. Providing real-time access to vital information equips employees and HR managers with tools to eliminate unnecessary HR workflow.

Effective use of HRMS and payroll software delivers three prolonged results: It improves results, increases efficiency and lowers costs. Demand for such products have increased over time as such software have helped companies to effectively deal with manpower projection to training management, attendance management, leave management to employee exit management and reduce the manual workload of administrative activities.

Companies who want to follow the growth path will have to implement these programmes sooner or later, so the question isn't whether HR technology will be accepted. The question is why should companies do it sooner rather than later.

Now, we come to the necessity part of HRMS. While larger organizations have started looking towards technology to speed up work and make their employees interaction more efficient, often it is smaller organizations or start-ups that are seen to be delaying its use. The fact is that they need it as much as a large organization does. Early implementation of HRMS or payroll can propel a company towards a more systematic work atmosphere and save a great deal of time for its HR to look into things it should. It not helps only HR to save a lot of time, but it is also pretty accurate.

Effective implementation of these systems is also essential. There is no 'set' way of using these systems to a company's benefit. These systems should be the part of processes and implemented to suit work requirements. One of the biggest mistakes HR can make is to be unclear about what a company wants out of software before buying it.

Currently human resource management systems encompass:
- Payroll
- Time and attendance
- Performance appraisal
- Benefits administration
- HR management information system
- Recruiting/Learning management
- Performance record
- Employee self-service
- Scheduling

- Absence management
- Analytics

Some other role of HRMS includes allowing HR to transition from an administrative department to a strategic management department. The strategic value aspect of the HRMS investment focuses on managing human capital by supporting functions such as recruitment, performance/competency management, employee development, and employee customer service. By executing well in these areas, companies can reduce employee turnover, reduce hiring costs, and improve individual performance.

HRMS plays significant role in online surveys. This allows companies to get fast information on their employees, policies, procedures, competition, and anything else they decide to survey. This also gives employees a sense of belonging and contributing to their company. Online employee surveys usually have an 80 percent return ratio, which is much higher than paper surveys.

Employees are becoming more self-sufficient in the workplace because of HRMS and the growth of technology. They are able to answer questions, download forms, enroll in benefits, change payroll options, and complete training on their own. This saves both time and money. An employee does not have to make several phone calls in order to speak with the one person who knows the answer to their questions. Answers are readily available, usually on the company intranet. This also frees up HR to focus on more profitable activities for the company, such as recruiting and employees development.

Growing trend includes improved methods for monitoring and managing employees' use of the Internet. HRMS helps management to improve productivity, reduce legal liabilities, and control IT costs. Companies are blocking e-mail that may be offensive in order to reduce legal liabilities. They also are blocking Web sites that are inappropriate for workplace viewing. This has improved productivity by reducing nonproductive activities.

HRMS providers have products for companies of all sizes. They provide profit by maximizing the services they offer. Therefore, they are going to target large companies that need more support. However, providers are still interested in small companies, and those that will need more support as they grow.

2. HRMS STRATEGIC: TO IMPROVE WORKFLOW EFFICIENCY:

HRMS workflow keeps the HR world moving! We all know that transactions require notifications and approvals; it will always be a necessary evil and part of the processes. Fortunately, most HRMS vendors provide extensive workflow functionality which enables automation and process efficiency.

Do you remember the early years of HR, when 'workflow' meant that an HR Professional was tasked with emailing a scanned paper form to someone to print and sign and scan again? Then, there was a question or the auditors came along, it was a matter of searching for that printed and filed paper or worse, through someone's memory skills and email box, as to where the form may have stopped. Many HR teams have benefited from the workflow capabilities in the current generation of HRMS.

As we build our processes, we define our workflow rules and routings to reflect our company's requirements. Does a requisition need to route to a Financial Controller for budgetary approval after a series of HR approvals? The HRMS knows the reporting lines and positions, so this routing

is automatic. Such HRMS system automation is an improvement over some earlier products where the transaction initiator needed to choose the relevant approver from a list or worse, where an administrator needed to manually maintain lists of transaction initiators and approvers and the relationships of who can approve what for whom. Without HRMS workflow, it guaranteed that someone will inadvertently choose an incorrect approver, thus sending sensitive HR data to the wrong place. Such maintenance and extra efforts are still commonplace in HR in companies without HRMS workflow implemented.

Another advantage of workflow is that we can allow for holiday designees and roll-ups so that a transaction is never 'stuck' along the way, as often employees do not know if someone further in the chain is unavailable to approve. HRMS workflow removes the guesswork there. Apart from that, workflow is saving the time of everyone involved in the processes by being delivered to an email inbox with a link to follow to make approvals in the HRMS, plus, our document storage can usually be integrated into these approval processes. Such integration can be a godsend in the event of an audit where a sample size of 30 off-cycle pay increases is chosen and our HR Partner needs to find the approvals for the transactions. With workflow inside our HRMS, this is normally an easy exercise of running a report to pull the transactions being requested.

3. THREE WAYS HRMS CAN HELP SOLVE WORKPLACE DISPUTES:

Workplace disputes can be a major headache for everyone involved. Time, costs and negative sentiment can spiral out of hand if the HR department is not in control. There is an important tool to have in our arsenal as an HR professional dealing with these disputes and that is our HRMS. An HRMS application can help to mediate disputes in the workplace and within the HR department too.

3.1 HRMS Is an Indisputable Source of Truth

Often emotions run wild during a workplace dispute and both sides will be convinced that they are right. Our HRMS provides a baseline, objective source of data to help guide discussions and keep resolution on track. Is an employee complaining of unfair treatment? Our HRMS will document whether the employee has had the same development opportunities in the form of training. Our HRMS should also have archived performance reviews; these can be extremely helpful in discovering if a new manager is not up to scratch and inflaming the situation, or whether there has been a track record of employee underperformance.

3.2 HRMS Attendance Data Can Settle Disputes Quickly

Workplace disputes often revolve around hours worked, lateness and scheduling. Is an employee being scheduled disproportionately on unfavorable shifts compared to peers? Or is an employee consistently clocking in late? Prior to having an HRMS, such disputes were often based on 'he said/she said' and finding paper schedules after the fact along with potential issues such as an employee punching another's timecard. If we have timekeeping integrated into our HRMS we can easily report on an employee's scheduled hours and attendance over a period of time. The black and white numbers can quickly quell any disagreements.

3.3 Your HRMS Has the Facts in One Place

In the past, in the event of a workplace dispute, there was often a scramble to assemble various HR data points by searching through the paper trail. Has an employee received disciplinary

notices due to infractions of the rules? Or has an employee received commendations due to solid performance in training junior staff members successfully? As HR, we need this data at hand, quickly and easily, to be able to diffuse the situation and determine the best course of action. If we do not have an HRMS storing this data, we'll have given the dispute a head start and will be playing catch-up for weeks or months.

4. BENEFITS OF HRMS SOFTWARE TO GLOBAL BUSINESSES:

Global growth, however, strategic is often an organic process; one country, territory or market at a time. Recruitment takes place as and when necessary. Local legislation is tackled on the hoof, often on a just in time compliance basis. Natural (and even sensible) as this type of expansion is, it can lead to fragmented HR systems. It not unusual for a global concern to have a different HRMS for each country and that, unfortunately leads to different service standards, multiple suppliers/vendors, and varying levels of efficiency when it comes to issues such as payroll, time and attendance, reporting and even just employee records. Making the shift to a more unified global HRMS offers a number of benefits.

4.1 Consistent Services

Operating a single global HRMS with a single records database offers all kinds of economies of scale. Firstly, all of our HR people (either in-house employees, outsourced service providers or a combination of the two) are drawing on a centralized set of records. Not only is everything in the same format, regardless of national boundaries, but this enables we to more easily tap our global data for analytics and reporting thus providing the C-suite with truly insights into the workforce. Secondly, we have uniform treatment of all employees with opportunities to deploy the same approaches to performance management, retention and payroll. Although, we retain the flexibility of using different systems where legislation or culture demand it.

4.2 A Global Image

A single, global HRMS with standard self-service functions for all employees irrespective of location creates a global internal brand and organizational identity. Put simply, everybody is working for the same employer and not a 'local version' that happens to share a logo with other country-based units. This offers benefits in terms of employee engagement and opportunities for easier cross-border collaborations.

4.3 Streamlining Suppliers

Going for just one, up to date HRMS automatically cuts down the number of suppliers and vendors that we have to manage. Upgrades, service level agreements, contract negotiation, all become so much simpler when we only have to deal with one supplier. Even if you deem it more practical to deal with a number of resellers (one per territory/country?) at least they are all providing the same system and potential complications are still reduced.

4.4 Reduced Costs

Unsurprisingly, the big driver for consolidating HRMS functions for a global business is saving money. More often than not the upfront costs can be reduced by negotiating for multi-country use of a global system as opposed to having multiple licenses and maintenance contracts. But with

improved legislative compliance and possible headcount changes, the indirect cost reduction may outweigh the upfront savings.

Of course, if we are currently in the position of running multiple systems around the world then the selection and implementation of a single system that is truly capable of meeting our current and future needs is far from challenge-free. However, given the potential benefits on offer, it may just be worth the trouble.

5. CONCLUSION:

Designing Human Resource Management Systems provides a framework for designing and implementing Human Resource Management systems in various kinds of organizations, even those with limited resources. The coverage of concepts and relevant theories pertaining to each system and sub-system—job analysis, human resource planning, recruitment and selection, performance management, training and development, 360-degree feedback, mentoring and executive coaching, and reward management.

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