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THE IMPORTANCE OF USING HUMAN RESOURCES INFORMATION SYSTEMS

The Importance of Using Human Resources Information Systems

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Abstract – With the increasing effect of globalization and technology, organizations have started to use information systems in various functions and departments in the last decades. Human resources management is one of the departments that mostly use management information systems. HR information systems support activities such as identifying potential employees, maintaining complete records on existing employees and creating programs to develop employees talents and skills. HR systems help senior management to identify the manpower requirements in order to meet the organization's long term business plans and strategic goals. Middle management uses human resources systems to monitor and analyze the recruitment, allocation and compensation of employees. Operational management uses HR systems to track the recruitment and placement of the employees. HRIS can also support various HR practices such as workforce planning, staffing, compensation programs, salary forecasts, pay budgets and labour/employee relations. The results of the research give valuable insights about the success and effectiveness of HRIS in organizations. Also the results of the study are discussed in the context of the theoretical and empirical background of MIS and HRIS.

Keywords: Management Information Systems, Human Resources Information Systems.

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INTRODUCTION

For the organizations, information is as any other resource or asset. It must be organized, managed and disseminated effectively for the information to represent quality. Within an organization, information flows in four basic directions as upward, downward, horizontal and outward/inward. Taking into account that there is a huge amountof information flow in organizations, it will be possible to understand the importance ofinformation systems in organizations.The information systems field is one of the fastest changing and dynamic of all thebusiness processions because information technologies are among the most important toolsfor achieving business firms' key objectives. Until the mid-1950s, firms managed all theirinformation flow with paper records. During the past 60 years, more and more businessinformation and the flow of information among key business actors in the environment has been computerized. Businesses invest in information systems as a way to cope with andmanage their internal production functions and to cope with the demands of key actors in theirenvironments. Firms invest in information systems for the business objectives such asachieving operational excellence,developing new productsand services, attaining customer intimacy and service, improving decision making, achievingcompetitive advantage and ensuring survival.

2. MANAGEMENT INFORMATION SYSTEMS (MIS)

It is important to coordinate and control major functions, departments and the businessprocesses in an organization. Each of these functional departments has its own goals andprocesses and they obviously need to cooperate in order for the whole business to succeed. Firms achieve coordination by hiring managers whose responsibility is to ensure all thevarious parts of an organization work together. The hierarchy of management is composed ofsenior management which makes long term decisions, middle management which carries outprograms and plans and operational management which is responsible for monitoring thedaily activities of the business. Each of these groups has different needs for information giventheir different responsibilities. Management information system (MIS) is designed to assist managerial and professional workers by processing anddisseminating vast amounts of information. Management information system supplies information for strategic, tactical and operationaldecision making to all subsystems within the organization. This information provides anessential part of the feedback control mechanism in these areas and is necessary for therealization of subsystem objectives. Management informationsystem is any system that provides information for management activities carried out withinan organization. The information is selected and presented in a form suitable for managerialdecision making and for the planning and monitoring of the organization's activities.

3. HUMAN RESOURCES INFORMATION SYSTEMS (HRIS)

Along with the upsurge of computerized management information systems (MIS) inindustrialized countries' enterprises in the 1980s, HR functions increasingly started to deployhuman resource information systems in their daily work. HRIS were primarily seen as MISsub functions within HR areas intended to support the "planning, administration, decisionmaking,and control activities of human resource management. During the 1990s, along withthe adoption of more complex HR practices focused on a company's overall performancegoal, HRIS correspondingly evolved into more sophisticated information expert systemsfeaturing analytical tools to support decision-making in managing human capital. Information technology in the past decade drasticallychanged the human resources function. Providing support for mainly administrative activitiessuch as payroll and attendance management in the beginning, information technology todayenhances many of the recruitment function's sub processes such as long and short-termcandidate attraction, the generation, pre-screening, and processing of applications or thecontracting and on boarding of new hires. Online job advertisements on corporate web sitesand internet job boards, online CV databases, different forms of electronic applications,applicant management systems, corporate skill databases, and IS supported workflows for thecontracting phase are only few examples of the various ways by which information systemstoday support recruitment processes.In HR planning process it is easier to follow workforce gaps, the quantity and quality of the labour force and to plan future workforce requirements with the help of HR knowledgesystems. HRIS can support long range planning with information for labour force planning and supply and demand forecast; staffing with information on equalemployment, separations and applicant qualifications; and development with information ontraining programs, salary forecasts, pay budgets and labour/employee relations within formation on contract negotiations and employee assistance needs. Risk andsecurity management is another crucial function which can be derived by HRIS by followingprivate and highly sensitive individual data and multiplatform security aspects which areperhaps the most serious factors that need to be taken into consideration.HRIS is defined as an "integrated system used to gather, store and analyze informationregarding an organization's human resources' comprising of databases, computerapplications, hardware and software necessary to collect, record, store, manage, deliver,present and manipulate data for human resources function". An HRIScan perform a number of functions from the simple storage and communication ofinformation, to more complex transactions. As technology advances, the range of functionsthat an HRIS can undertake increases. Actually HRIS is directed towards the HR departmentitself, but the use of HRIS can provide a number ofbenefits not only to the HR function, but also line managers, and the wider organization. The use of HRIS has been advocated as an opportunity for human resourceprofessionals to become strategic partners with top management. HRIS allow HR function tobecome more efficient and to provide better information for decision making. The increased use of web technology to deliver HR will leave HR specialists more time forstrategic decision making and that outsourcing of people-management activities will liberateHR specialists to perform more strategic activities. The HR manager derives benefit from IHRS, todisseminate and execute the strategy within the organization. These systems enableemployees to manage much of their own HR administrative work. They can take care of manyroutine transactions whenever they wish, because automated systems don't keep office hours.In addition to their former operational role, HR professionals can also act as a competencymanager by arranging the right people to the right positions in the right time with their new. strategic architecture role. HRIS is thought to contribute tooverall business performance by fulfilling or at least supporting the tasks of data storage andretrieval, of serving as primary administrative support tools, of reporting and statistics as wellas of program monitoring. HRIS plays animportant role for any organization to effectively manage its human assets. Manyorganizations have adopted HRIS to assist their daily human resources operations. HRIS mustalign and satisfy the needs of the organization and its users in order to be successful.

However, HR departments need to recognize some of the current limitations of webtechnology and its integration to the HRIS backbone. Similar to most e-business ventures, security of private HR information is a top priority. Organizations looking seriously intointernet enabling of their HR businesses should evaluate the authentication, security, accessrules, and audit trails related to service providers' networks, servers, and applications. On the other hand there can be undesired and unexpected consequencesof HRIS. Undesired consequences refer, for instance, to an increase of quantity but a decreaseof quality of applicants in e-recruiting. Another important aspect of usinginformation systems is user satisfaction. It is often suggested as an indicator of IS success.Many IS empirical researchers have regarded user satisfaction as important proxy of ISsuccess and it is the most employed measure of IS success due to its applicability and ease ofuse. Within this literature, system and information characteristics have been core elements onuser satisfaction which is defined as the attitude that a user has toward an information system.

4. RESEARCH METHODOLOGY

The purpose of the study is to determine the relationship between the satisfaction ofemployees from HRIS and their perceptions of HRIS. Another aim of the study is to revealthe perceptions of employees for the dimensions that constitute HRIS and explain

the pointsthat should be developed. Also, it is aimed to reveal that if the HRIS perceptions ofemployees show difference or not according to their demographic qualifications (age, gender,seniority, position, education). The research has importance to determine the contribution andsuccess of using HRIS for HR employees.With the results of the research, it is possible to give valuable insights about the importance ofusing HRIS and the satisfaction level of HR employees from this system. There is a lack ofempirical study in the related literature. By considering the need of empirical studies in thisfield, it is obvious that both the theoretical and empirical results of this research will give an important contribution to the related literature.

4.1. Sample and Data Collection

HR employees from different sectors participated to the research n=40 The method of the research sampling is "purposive sampling" which gives theresearchers to use their own judgment to select suitable people for the sampleTwo scales were used in the questionnaires as measurement instrument of the research. Thefirst scale has 4 dimensions and 22 items that measure HRIS. Face validity is a judgment by scientific community that theindicator really measures the construct.The second scale has 3 items that measures HRIS satisfaction. The questions about socialdemographic qualifications such as gender, education, seniority, position and age wereincluded to the items for measuring HRIS and the questionnaire form was developed. Thequestionnaires were sent to employees via e-mail and collected by the same way.

Questionnaires were sent to HR employees who are working in different sectors such aspharmacy, fast-moving consumer and banking. HR employees replied the questionnairesfrom these sectors.

5. CONCLUSION

HRIS is an integrated system used to gather, store and analyze information regarding anorganization's human resources' comprising of databases, computer applications, hardwareand software necessary to collect, record, store, manage, deliver, present and manipulate datafor human resources function. The use of HRIS in organizations has various advantages formanagers especially in decision making processes. In this study, the HRIS perception andHRIS satisfaction of HR employees were investigated. According to correlation analysisresults, positive and high level relationships were found among all dimensions of HRIS andsystem quality, information quality and perceived ease of use which jointly constitute HRISsuccess. Also, it is found those employees' perceptions of HRIS show difference according totheir position and satisfaction of employees from HRIS shows difference according to

theirposition.The results of the research reveal that HR employees perceive HRIS useful and they aresatisfied with the system. It was found that both HRIS perception and HRIS satisfaction ofemployees show difference according to position variable. This finding may have its sourcefrom the limited access of HRIS functions depending on the positions of employees. Thusfuture studies should also consider the relationships between the access limitations toinformation content and functions of HRIS and user satisfaction. Overall present researchprovides valuable insights into the study of HRIS success.

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