

AUTOMATION OF THE HR FUNCTIONS ENHANCE
THE PROFESSIONAL EFFICIENCY OF THE HR
PROFESSIONALS-A REVIEW

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Abstract

In many organizations, the human resource department is responsible for many strategic tasks from managing the hiring to termination of employee, for example monitoring of employees' at all the levels, handling payroll, managing employee benefits and so on. To make this work easier organizations across the world are investing in HR automation for carrying out the best human capital decision. However all organizations are looking for such type of applications which would be like stream line to the HR processes, retain the data, control data, communication process enhancement, connectivity to all the areas of an organization and it should be useful for futuristic approach.

The aim of this conceptual paper is to know the automation of HR role in the professional development of HR professionals in any organization. The study presents the literature review, need for the study, objectives for the study, scope of the study, potential benefits of automation of HR and directions for further research have been discussed.

Keywords: *HRMS, HR Professionals; HR processes, HR functions, SaaS, Automation of HR Model.*

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Introduction

It's a global wide trend that has been under way for nearly a decade, the role and responsibilities of human resource managers shifting from administrative to strategic. That's why most of the organizations implementing Information Technology into human resources for the controlling of human capital and their potential usage for their business excellence in the competitive knowledge economy.

In today's business environment always demand success at any circumstances. Therefore, HR managers have to access all sort of data, whether it is related to the finance, sales, marketing, manufacturing, supply chain, customer relation and human resources data. Most of the companies are spending large amount of time for administrative purpose to cater the recruitment process to retirement process and so on. This administrative burden keeps away from the core business and its impact on the organization development. In general many SME (Small Medium Enterprises) have to use their human resources in productive purpose but paper work process delays the effectiveness; for example late payroll process, error in payroll process will cost the organization and hurt the employee morale. Because of this reason organizations need better tools to track important employee information, day to day transactions, employee relations, fostering a good work environment and facilitating employees with training and career opportunities.

HR automation is the process of transitioning paper based HR processes into streamlined computer based online system. It is based on the concept of self service. Self service enables business owners, managers and employees to perform HR related functions on their own at their convenience from their computer desktops. Employee self service put information directly into their hands those who need it most, this develops better relations with their workers because of this companies can catch their returns on investment (ROI). For example, employee self-service enables an employee to view pay slips, manage benefits elections, sign up for direct deposit and update their personal information, leave data, incentive data and so on. Self-service gives benefits like salary submission, rate changes, processing new hires and terminations for the managers. It also enables managers to create, track and manage a variety of employee attributes, salary, performance, competencies, absences and paid time off.

Literature Review

Most of the studies show that HR automation helps in achieving primarily four objectives i.e reduce on time spent on administrative work, cost reduction, self services and morale.

According to Altarawneh and Al-Shqairat (2010); Ball, (2001); Martinsons, (1994); Ngai and Wat, (2006); Ruel et al.,(2004) these researchers concluded that the HR automation make the streamline the administrative process, erase the errors and delete the repetitions and these applications support to HRIS in cost and time reduction process and it raises efficiency at task process.

Another piece of study of Cedar (formerly The Hunter Group) found that HR automation reduce cost by an average of 60 per cent in HR administrative processes.

The GIGA Information Group clarified that HR automation can reduce the time spend on administrative work from 40 per cent to 50 per cent by the HR managers.

In a study of University of Southern California's Center concluded that HR automation benefits the organizations as follows 20 per cent higher return on investment, 20 per cent higher return on assets and 13 per cent higher return on equity.

The piece of remarkable study conducted by the Society for Human Resource Management found that 60 per cent to 80 per cent of an HR staff time is tied to repetitive administrative tasks. Much of this time is spent answering employee and manager questions and gathering information for reports.

A survey conducted by IOMA's on HR management and cost control took the sample size of 149 respondents (HR professionals) from different areas of HR processes and procedures of recruitment and hiring through web based applications and intranet and they concluded that HR professional reducing cost control via web based applications and intranet 62.8 per cent and 54.7 per cent respectively.

Keil Colchester has given notable suggestion to the organizations to go with implementation of web-based / cloud solutions rather than software based hardware. You can chose any new software solutions for not only to streamline your HR processes, but also to enhance your company role as a leader by establishing your company as a workplace of choice that put the value of people at its core.

The Workforce Management shows that the software and technology still hold the key to increased productivity and efficiency-it can save employee's time help them work smarter and require less peoplepower.

Another remarkable study by Eric Krell concluded that HR professionals have to select such type of tool which would align company strategy; people strategy and business strategy integrate together. It has to enhance the development of company strategy, people strategy and business strategy as well.

According to the study of IOMA research found that human resource (HR) managers are given positive opinion on automation of HR and they expressed that automation improves the administrative and staff productivity.

Need for the study

The existing literature review reveals that some of the traditional functions of HR have been automated. Still it needs more HR functions to be automated for better functioning of the HR department if it happens it may enhance the professional efficiency of the HR professionals, therefore the present study is conducted in this direction.

Objectives of the study

The following objectives are designed for the present study and discussion has been done based on the secondary data

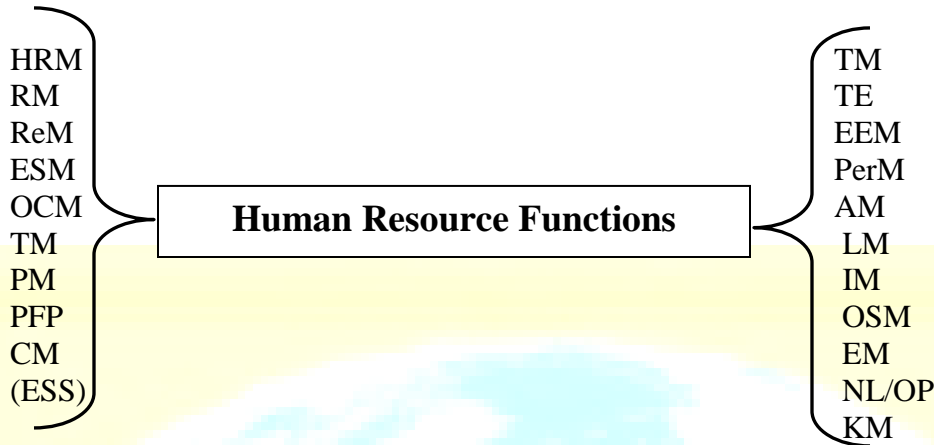
- ❖ To study the role of automation of HR on HR efficiency and employee morale
- ❖ To analyze HR automation impact on paperwork in all the functional activities
- ❖ To assess automation of HR usefulness in HR processes
- ❖ To study the HR professionals future requirements for effective work

The scope of the study

This study has been done on the literature review, case studies, white papers and the previous research studies have been taken.

From the literature review, the following framework model has been developed.

Model of Automation of HR Functions



Note: 1

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| HRM : HR Management | RM : Recruitment Management |
| ReM : Reimbursement Management | ESM : Employee Suggestion Management |
| OCM : Organization Change Management | TrM : Training Management |
| PM : Payroll Management | PFP : Policies Forms Publishing |
| EMSS : Employee & Management Self Services (ESS&MSS) | TM : Talent Management |
| TE : Travel & Expenditure | EEM : Employee Engagement Management |
| PerM : Performance Management | AM : Attendance Management |
| LM : Leave Management | IM : Insurance Management |
| OSM : Organization Survey Management | EM : Events Management |
| NL/OP: News Letters / Opinion Polls | KM : Knowledge Management |
| CM : Canteen Management | |

Potential benefits and uses of HR automation for the HR functions

Information retrieval: automation of HR functions reduces the time spent, retrieving information and increases accuracy. **Hiring process module:** provides many benefits for the organizations in the hiring process such as tracking & matching job profile of the job seekers, new hire and exiting employee information it can be useful in the communications process, such as new employee welcome emails and other related alerts and talent pool database maintenance.

Training module: it provides lot of information and reports about the training needs, requirements for the training, skills availability of the employees, gap between current and desired skills, standard training documents and trainers’ database maintenance. **Personal reminders:** automated HR systems useful in licensure/immunizations, supervisors and subordinate communications. They can retrieve and store personal information, such as address,

telephone numbers and tax allowances. **Time keeping and payroll:** automated timekeeping system tracks interconnection with employee's time card and it should be integrated with the payroll system. **Simplified benefits administration:** it gives many benefits like tracking, entitlements, notifying employees' coverage options and costs, etc. **Reduction of the labor costs:** it is like a single database that serves all HR functions and day to day needs. **Benefit information systems:** it is useful in organizing employee track record and their updates. **Employee self service:** it facilitates the access of employees' professional and personal details, such as emergency contact/address and request for paid time off & employees can update their information by their own accounts. **Improved service to key customers'** it provides answers for all queries of the customers faster with accuracy. On the other hand it generates variety of reports for the managers to resolve the issues of stakeholders. Automation of HR provides lot of key information it can be useful in the strategic planning. All organizations can save the overhead cost in the following functions like human resource planning, recruitment process, selection process, placement process, training and development process, compensation management, payroll management, travel management, welfare management and retirement management. Automation of HR brings all various documents under one roof it is easier for reduction of errors. This feature reduces many errors in payroll management, compensation management and travel management. Automation of HR is very useful in **Employee Engagement Process** in which it traces the employees' work gap, employees' turnover, employee productivity, training needs, skills gap, employee's needs and requirements and it is also useful for talent search. **Additional benefits with automation of HR in the organizations is as follows** (i) All organizations can reduce time and cost in recruitment process, (ii) Automation of the functions increase the efficiency and effectiveness in the performance management and compensation management and travel management (iii) HR automation built effective information process and it leads to the right decision making process. Another benefit is that its creates big communication platform for employees' to communicate for quick work (iv) HR automation generate N number of variety of reports these are very useful in SWOT analysis to choose best solution for the problem, (v) HR functions automation develops the professional status of the HR managers its give positive impact on the organizational effectiveness.

Administration of paperwork

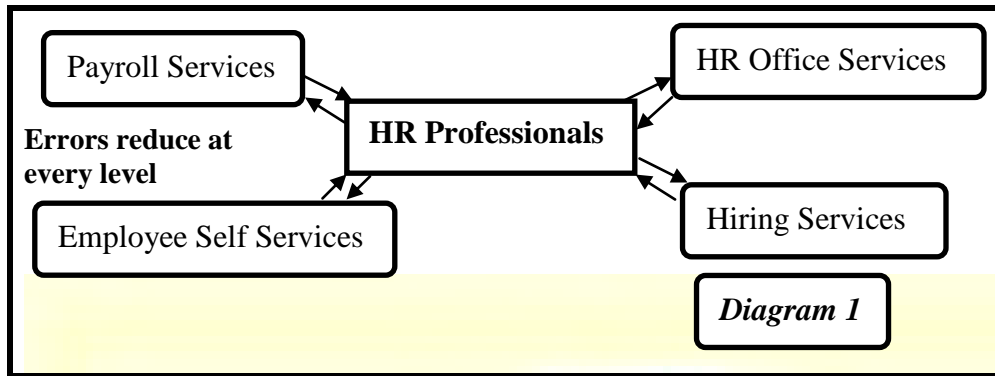
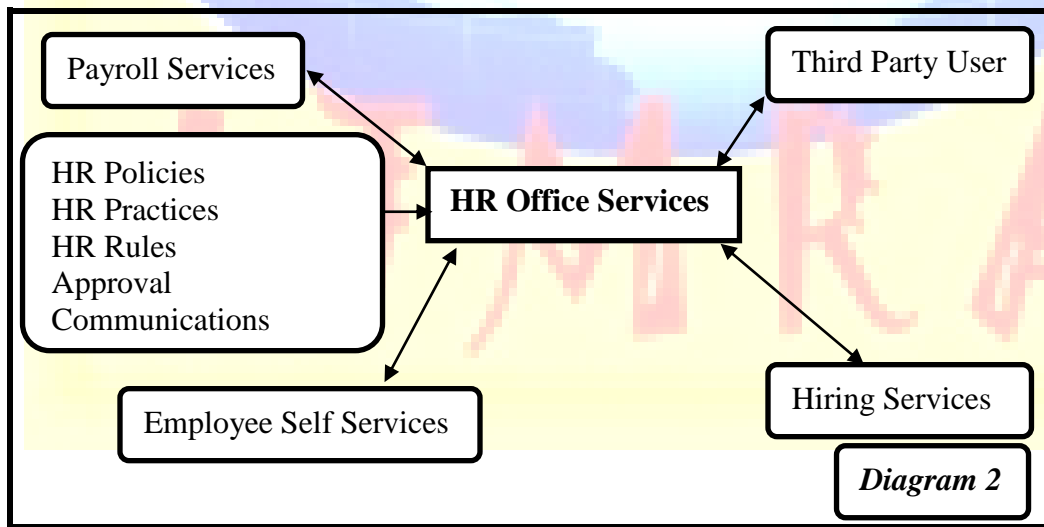


Diagram 1 shows clearly that automation of HR brings so many advantages in HR processes.

HR automation decrease large number of errors at every stage of HR processes. Through this you can eliminate paperwork and eradicate errors at the time of input data. Therefore HR professionals can concentrate more time on strategic tasks and on the other side you can delete expenses on travel. There is no need of fear about the risk because it keeps all your regular activities in automatic track.

Development of Efficiency and Organizational Morale



According to Diagram 2 it describes that HR automations develop work efficiency and employee morale in any organization.

It is very important to any employee that the information of the employees to be correct; it should be regularly up dated. It gives fundamental satisfaction to the employee and it ensures the employee morality towards the organization.

Automation gives easy access of reports of hiring, attendance, appraisal and payroll, its strengths the management process. Automatic alerts produce information about the tasks it is very easy for them to overcome with the right solution at the right time.

HR departments' recommendations for the organizations.

Most of organization expects work excellence from the HR department. The existing applications are not reaching to those expectations therefore the organizations have to consider following areas to be included for the automation into the existing system i.e (i) talent management (ii) knowledge management (iii) travel management (iv) research (v) applied personnel (vi) emotional intelligence and (v) voluntary benefits plans.

HR professional's suggestions for the organizations.

Adding software applications to streamline all of the HR functions may not make sense for any type of organization for that reasons all HR professionals are suggesting to the organizations to add the following functions into the existing system for the efficiency of HR departments.

Applicant Tracking: It should have company job portal and third party collaboration and N Tier integration applications. **Social Media** All organizations have to use social media sites i.e. Face book, Twitter, LinkedIn, etc. for talent search **On Boarding** new hire portal setup on boarding workflow. **HR office self services** It includes all options like automate and streamline of processes with paperless of signing management, auditing & storage and E-verify submission as well, **Benefit administration** it enables you to enroll online, compare plans, events update & administer COBRA online. **Time and Labor Management** module should cover the following areas like employee schedules, request and approve time off and expense reporting. **Performance & Compensation Management** module have to include the following feature areas like cascading goals, 360 degree reviews, establish and track progress against goals and monitor the review cycle, Email alerts and training and development alerts for each employee, health insurance, vacations days and so on. **Payroll Tax Services** module it should be suitable for business market of the global environment.

Conclusion

In present era in the HR departments, HRMS/HRIS is a tool to support HR processes. HRIS has to provide total support to the management processes at all the stages. Automation HR system should be very easy to access at large number of users and it should create reliable connectivity in all the functional areas to manage human resources. An organization have to implement web based technologies in human resources to manage all functions of human resource management like personnel administration, qualifications & employee training, career growth, job analysis, process of hiring and self services of employees'.

All organizations have to implement SaaS based HR applications so that staff can access their task even with out having to go to their offices. It is easier for them to retrieve and update the information and on the other hand it can be useful for future. It brings lot of data security for the organizations.

Directions for further research

Most of the organizations effectiveness and efficiency heavily depends on their human resources so that HR departments have to make use of their human resources knowledge, skills and abilities (KSA), therefore many organizations are looking for modern software solution for their human resources. To cater to this demand researchers and ERP vendors have to concentrate to design such type of software solutions it should be like HRMS centralized software solutions, HRMS/HRIS single integration database software solution, N Tier HRMS. Automation HR should be on browser based software solutions and SaaS based solutions. It should be useful for the corporate sector like IT, ITeS, banks, manufacturing industries and education industry.

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