

Strategies for implementing human resource management system: A solution for business improvement

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Abstract

Implementing a new Human Resource system is usually a little less painful than other business software systems. This is because the change is mostly confined to HR staff. The change no matter how little or big, is stressful and prone to resistance. Management should not downplay the importance of training and possibly process and procedure changes. These strategies can help companies select the best fit solution to meet their needs and ensure a successful HR system implementation. Finding a good HR system is as critical as selecting any other business software system that supports and enables the company's business goals and strategy. A successfully adopted and implemented Information system does not automatically guarantee full benefits. Information systems integrate and automate all business processes of an organization with the aim of increasing operational efficiency and improving the accessibility and flow of information across all departments. It is important that IT is operated as planned and thus provides the real-time information with a desired level of process integration. Any IT system pushes an organization toward full process integration and solves the fragmentation of information. Employees should be made aware of the benefits of new HR software, how it affects them personally as well as how the company can benefit. An ERP (Enterprise resource planning) software consists of many modules with each module is integrated with the major functional area of an organization. ERP software of HR is designed to include modules so that it is easy to access a particular option; it is easy to train staff, easy to provide security features. Such a module based design is more intuitive to use and staff find it easy to understand. This paper looks at an implemented HR module of ERP software in Indian organizations. The core aspect of the paper is an over view on the selecting an HR module of ERP software considering all aspects affecting the ERP system selection process.

Keywords: Information systems, Enterprise resource planning, systems implementation, Human Resource module, Vendors, India

Introduction

Strategies for Implementing Human Resource System

The continual pressure to reduce Human Resource costs has resulted in reduced HR staffing and decreased HR services. This trend poses a difficult challenge for HR managers and executives. In addition to recruitment retention and benefits, HR managers have to do more with less people. Fortunately, technology has been able to close this gap by enabling automation, reducing errors, and providing more services. Companies and public sector entities are realizing the advantages of HR Systems of ERP and have included these systems into their Human Resource strategies. The software technology sector has responded with a multitude of solutions, addressing different HR issues, and with different industries.

Implementing a new HR system is usually a little less painful than other business software systems. This is in large part because the change is mostly confined to HR staff. However, change no matter how little or big, is stressful and prone to resistance. Employees should be made aware of the benefits of new HR software, how it affects them personally as well as how the company can benefit.

Management should not downplay the importance of training and possibly process and procedure changes. These strategies can help companies select the best fit solution to meet their needs and ensure a successful HR system implementation. Finding a good HR system is as critical as selecting any other business software system that supports and enables the company's business goals and strategy.

How to select right Human Resource system?

- 1. Identify needs and goals:** The companies must first identify and prioritize their needs and goals. Self-evaluation about current environment, current culture and recognizing top critical issues can lead to targeted and measurable objectives as well as specific requirements. Growth strategies should also be considered as the targeted solution needs to meet not just the immediate goals but also future needs resulting from growth or business changes.
- 2. Identify a list of vendors:** With these requirements in hand, companies can now start to look at the HR packaged software field and identify a list of vendors that meet the businesses requirements and best suited for your company. The list should include solutions that meet both your specific business requirements and best practices that may benefit your enterprise.
- 3. Easy to use:** The HR System solution should be easy to use. Easy to use should also translate too easy to access to key information. Users should get the information that they need quickly, in the format and manner that is useful.
- 4. Shared data:** Data that is entered into the system should be easily integrated with other systems. If HR system is integrated to the ERP, CRM and other web based e-solutions, companies can enjoy the ultimate benefit of an all-in-one system that can decrease errors, reduces turnaround time, lower cycle times, and support management decisions. The ability to generate daily,

monthly, yearly and comparative reports is important to any HR Software.

5. **Web-based system:** Web delivery can be the main delivery of the HR System, which could include the traditional client-server architecture where system users must have the application loaded in their computers. Browser based, online web applications give you the convenience of portability (users can access the system from anywhere) and enables companies with multiple locations better accessibility. Many systems offer both means of access.
6. **System compatibility:** The technology behind the HR System must be easily supported and maintained. This often means newer technology that is popular, current, and versatile. Using an HR System technology that only a handful of people know or understand could limit the benefits.
7. **Reliability of vendor:** The vendor must also be viable, stable and committed to their product. This might mean looking into the vendor's financials, setting up mitigation tools such as bonds, and inquiring about the vendor's R&D budget and product road map. The HR System vendor should also be able to provide support, not just on how to use the system but on how to perform job tasks related to HR functions and activities of the organizations.
8. **Budgeted and scheduled:** Lastly, system administration and sustainability must be understood, budgeted and scheduled.

Top Human Resource Modules for ERP Systems

Human Resources is another widely implemented ERP module. ERP HR module streamlines the management of human resources and human capitals. ERP HR modules, refers to the systems and processes at the intersection between human resource management and information technology. A growing number of businesses are adopting enterprise resource planning systems in order to give their departments' accurate and accessible shared data. Most of major ERP vendors now offer their customers HR modules that help automate an array of tasks while generating crucial data for enterprise planning and optimization. Advanced HR module is integrated with knowledge management systems to optimally utilize the expertise of all employees. Here's a look at five top solutions, based on features and usability:

1. SAP ERP HCM: SAP AG's highly regarded ERP offers SAP ERP HCM. The solution is a versatile and extremely scalable HR module and designed to give companies in virtually all industries a full selection of HR tools. The software can automate virtually all fundamental, and most advanced, HR processes, including employee administration, payroll, reporting, talent management, performance measurements and real-time insight into just about any HR trend. It sets a goal to which other ERP HR module vendors can only aspire. SAP ERP Human Capital Management product is also good for most SMBs (small- to medium-sized businesses).

2. Infor HCM

Infor is the world's third-largest supplier of enterprise applications and services, helping more than 70,000 large and

mid-size companies improve operations and drive growth across numerous industry sectors. Infor HCM delivers complete insight into every aspect of employee management and provides effective and economical solutions to save money and increasing employee morale. Infor HCM (Infor's ERP), is a Web-enabled offering that brings a variety of capabilities and features than the average business needs. Infor HCM takes advantage of Web technology to provide an ERP HR module that can be instantly updated and easily scaled. The module has support for multiple languages, currencies, benefits, security configurations, tax definitions, and platforms.

It consists of three basic components

- **Work-Force Management:** This component help HR departments in cost-effectively handle complex work-force management challenges and also includes scheduling, time and attendance, absence handling and performance support.
- **Resource Management:** The features of this component include benefits payroll, administration, flexible spending accounts and compensation.
- **Talent Management:** This component of the HCM module provides work-force development capabilities that are focused on recruitment, planning capabilities, learning, employee performance and competency management.

In for HCM includes the following features

- **Payroll-**Get employees payroll done faster, secure and simplify payroll process without mistakes.
- **Benefits Administration-**Give employees' benefits options while cutting costs and reducing paperwork.
- **Human Resources-**See the patterns and trends that can improve company's performance.
- **Time and attendance management-**plan and optimize your time and attendance
- **HR management-**Energize and add value to human capital
- **Temporary work companies management-**a dedicated business solution

3. Sage Accpac HRMS (Human Resource Management System)

As a part of Sage Software Inc.'s Sage Pro ERP, Sage Accpac HRMS provides support for a variety of HR tasks, including benefits, training, recruiting and compliance. When it comes to time and cost-saving human resources solutions, this system offers the flexibility to choose the combination of software that meets unique business needs. Sage Accpac HRMS replaces paper-based, time-consuming, and error-prone HR tasks and increases efficiency in every aspect of HR administration—attendance, recruiting, HR benefits, employee self-service, and training. Sage Accpac HRMS can be customized to your needs, desired level of automation, and budget. Along with a comprehensive set of HR, benefits, recruiting, and training features, Sage Accpac HRMS also includes Web-based employee self-service, benefits enrollment, and workflow features to keep company's workforce connected at all times. It also comes complete with powerful reporting and analysis tools— including Crystal

Report Writer—to manage critical business information and customized insight on almost any HR issue. It's tailored for midsize manufacturing businesses.

Sage Accpac HRMS includes the following features

- Enforce company policy while minimizing errors
- Eliminate data entry from paper forms into Sage HRMS, formally known as Sage Abra
- Monitor and control forms throughout the entire routing process
- Accelerate HR and payroll transactional processing throughout the employment life cycle
- Reduce HR's dependency on IT support
- Keep employee information available and up to date across the enterprise

4. Oracle HRMS: Oracle HRMS is a integrated data model aims to supply a fast, immediate and accurate view of HR-related activities, including recruiting, payroll, benefits, performance management, learning, compensation, time management and real-time analytics. Oracle Corp.'s HRMS is designed to automate practically every HR-department function. Oracle HRMS is thorough and highly capable, but not suitable for smaller businesses. Oracle HRMS is a proactive management solution that helps control costs while developing and supporting an effective workforce.

Benefits of Oracle HRMS

- Design organizational models that match current and future business strategies and objectives.
- Manage salary proposals, and approve these by component.
- Use spreadsheets to export compensation and benefit details for comparison with external survey figures.
- Manage the entire recruitment cycle.
- Perform position management by defining and recording required skills, competencies, experience and qualifications for positions, jobs and organizations.
- Perform career management functions relating to the definition of competencies, assessments, suitability matching, graphical ranking, and succession planning.
- Administer and maintain benefits plans, coverage levels, and contribution allocations.

Features of Oracle HRMS

- **A single data model:** Oracle HRMS is part of the Oracle E-Business Suite, which delivers all functionality on a single data model. All the parts of the system are designed to enable effective business decisions by providing information and transaction results smoothly and efficiently.
- **Scalable global transaction architecture:** Oracle HRMS is a flexible and adaptable global platform, with configurable business rules and logic as well as country-specific localizations.
- **Powerful technology support:** It includes the world's leading database, comprehensive middleware, and robust collaboration tools to enable more efficient, effective worker information management and collaboration.

5. Microsoft Axapta Human Resource Management III

Compatible with the Microsoft Dynamics AX ERP and building on HR support provided by Axapta versions I and II. This module support with access to integrated, real-time information about employees, jobs, and specific skills across your organization, Human Resource Management in Microsoft Dynamics AX helps effectively manage and align workforce to help achieve business goals. Microsoft Axapta Human Resource Management is an agile human resource management system that will allow you to quickly adapt your organization to meet new challenges.

The software aims to help businesses create professional development plans focused on employee's goals and skills. The features include in this module with a development process that incorporates personal interviews, training curriculums, skills matching, skill-gap analysis and other components. There are three modules so you can start with the core functionality and implement more modules as your business grows. The three modules are:

- **Microsoft Axapta Human Resource Management 1:** Core administration for employees and human resource professionals.
- **Microsoft Axapta Human Resource Management 2:** Recruitment and absence management.
- **Microsoft Axapta Human Resource Management 3:** Strategic human resource tools.

Key Benefits

- Provide a uniform framework for people managers to reach employee development goals
- Initiate and follow up on development plans
- Identify skill gaps to determine required employee development

Microsoft Axapta Human Resource Management III includes the following features

- **Personalize Role Centers to speed productivity:** Provide quick access to common tasks, reporting data, and key performance indicators (KPIs) from the convenience of a home page.
- **Increase organizational insight:** Maintain your organization, job, and position hierarchies, and have the flexibility to make changes based on business needs. View line organizational charts for functions and reporting relationships, and manage matrix- and project-based assignments.
- **Attract and retain talent:** Recruit and preserve talent with powerful tools to streamline the recruiting process, and help maximize employee potential through training and development programs.
- **Store and access your employee information in one place:** Give your human resource team efficient access to the employee and job-related information they need to manage employees and teams across your organization. Easily track a history of employees, positions, and organization units by effective date.
- **Provide convenient, online access with Employee Portal:** Give employees online access to a host of information, such as training, personal data, and

performance. You can also manage recruitment, track applicants, and much more.

Conclusion

ERP allows workforces to share knowledge quickly and to build collaborative, interactive relationships via mobile, help desk, portal, and voice channels. It also enables organizations to ensure that resources are not wasted on ineffective projects, thereby increasing profitability via more efficient workforce management. HR module improves each employee's contribution to corporate goals by aligning employee skills, activities, and incentives with measurable business objectives and the strategies to reach them. At the same time, by fully leveraging integrated ERP tools, organizations benefit from improved insight into and control over increasingly virtual workforces. In addition, they can adapt their workforce and IT investments more quickly and easily in response to changing business conditions. The enterprises must align all corporate resources including human capital with the enterprise's overall business processes, goals, and strategies.

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