

A SYSTEMATIC REVIEW ON IMPACT OF HUMAN RESOURCES INFORMATION SYSTEM ON HUMAN RESOURCE STRATEGIES: A RESEARCH IN BANKING SECTOR

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Abstract

Organizations have to constantly monitor the changes around their internal and external environment in order to compete and maintain the business interests due to the pressure and brutal competitive conditions of technetronic age posed by globalization and Digital Revolution. Human Resources Information System (HRIS) has become an important feature of Human Resource Management (HRM) in the emerging economies including Tanzania. The system has been adopted by several organizations but evaluation of its contribution to organization performance is rarely undertaken. In this paper, we report on the usefulness associated with the Human Resources Information System (HRIS) in banking sector. This study reviews literature and provides a scholarly background to the study by including some contributions given by various researchers as well as different fields were taken into consideration with regards to online mobile adoption. 15 articles from 1996 to 2023 were extracted through systematic procedure of search, also exclusion and inclusion criteria were adopted for the study. Results were found that the HRIS has the potential to enhance the speed and quality of decision making and the realisation of the HR strategy, thereby enhancing organizational effectiveness. After reviewing the literature various benefits of using human resource information system in the banks are found such as data integration, one-time updation, Access to any number of people and accurate data. This paper also provides different suggestions for effective implementation of human resource information system to various managers, employees working in banking sector.

Keywords: Human Resource Management, Human Resource Information System, Organisational effectiveness, Banking Sector.

1. INTRODUCTION

The biggest asset of a company is its human capital, and efficient management of that capital is a fundamental source of competitive advantage. In addition to investing in technology, particularly Human Resource Information Systems (HRIS) to manage its HR, businesses all over the world have started to recognise the critical role that employees play in advancing the strategic focus and achieving the company's goals. In order to support HRM and managerial choices, the Human Resources Information System (HRIS) is a system that collects, stores, manipulates, analyses, and disseminates data on an organization's human resources (Kumar, 2014). HRIS is more than just HR-related software and linked computer hardware. To make the best use of it, departments must work together (Laudon and Laudon, 2018). The Management Information Systems (MIS), which are used to support an organization's operations, management, analytical, and decision-making tasks, are the source of the HRIS idea.

MIS is described as the systematic collection, maintenance, and retrieval of data (Prasad and Bhavsar, 2020). HRIS is a concept that makes use of the progress in information technology (IT) for efficient administration of the applications and functions of human resources. It offers a methodical process for gathering, storing, maintaining, and recovering data regarding an organization's human resources, personnel activities, and organisational features that are needed by the company. Although the importance of human resources (HR) to organisational success and sustainable competitive advantage is universally acknowledged, there is much disagreement over how well the HRM function works in any given firm (Yusoff and Ramayah, 2001).

According to the current study, an innovation's compatibility with the values, experiences, and needs of potential adopters helps to increase adoption. The likelihood that other individuals will adopt an innovation increases with how clear the results of the innovation are to them. Many companies still utilise HRIS as a key decision-making tool, particularly banks and tech companies. Any innovation's diffusion, whether it is a material commodity, a technique, or an ideology, has been compared to a liquid diffusing through another substance before reaching the entire volume. The adoption of new technologies is one of the many aspects of the human resource information system (HRIS) that have been the subject of countless studies.

The adoption of HRIS avoids the company from incurring additional costs due to poorly informed decisions that could result from incomplete data. Another advantage of employing HRIS is that it allows for simplicity in difficult situations, notably in compensation systems that are complex with many allowances and deductions. Another benefit of HRIS is that it makes it easier for employers to comply with legal requirements because information is readily available for decision-making. Another benefit of HRIS is that it helps HR Managers and Analysts create sophisticated reports and computer-based analytical tools, which in turn simplifies manager tasks and allows for informed decision-making based on critically analysed data. HRIS is typically adaptable and can integrate more specialised applications based on company requirements. HRIS has been applied to e-recruitment and selection, online training and development, payroll, benefit administration, leave management, performance evaluation, and labour relations due to its robustness (Kavanagh and Johnson, 2017). According to Gold et al. (2001), switching to an information-based organisational structure would improve organisational skills. However, managers' reluctance and information management in information-based organisations are related to the skill of managing information. Information management infrastructure and information processing processes are also important (Gold et al., 2001).

1.1. HR definitions mainly focused on these four aspects:

- **Content of e-HRM:** It includes all HR practises that can be supported by IT, whether administrative or transformative, as well as any sort of IT that can support HRM, including the Internet, intranets, and complex ERP systems. Researchers should explain how one form of IT and one type of HR practise fit up.
- **Implementation of e-HRM:** It involves the procedure by which organisational members accept and appropriate e-HRM. Researchers should consider how implementers of e-HRM will evaluate its success. Are we referring to user satisfaction, e-HRM diffusion, acceptability, appropriation, or adoption?
- **Targeted Employees and Managers:** e-HRM solutions were being actively used by line management and staff by the turn of the century, whereas HRIS was primarily geared towards the HR department up to the mid-1980s. Nowadays, thousands of people are browsing the Internet at any given time looking for jobs, requiring businesses to focus their e-HRM efforts on potential prospects (HR Focus 2003). It implies that contemporary e-HRM broadens its scope and addresses the needs of all stakeholders outside the confines of the organisation. Now, as the e-HRM target in their studies, researchers are expected to concentrate on a specific stakeholder group.

1.2. E-HRM Consequences

We emphasise a multidimensional viewpoint, considering e-HRM value creation as "subjectively realised by a target user who is the centre of value creation," along with the discussion on value creation and value capture (Lepak, Smith, and Taylor 2007). (ibid., p. 182). It indicates that someone is willing to pay money in exchange for the value they obtain from e-HRM, whether they are an individual employee, an HR professional, an entire HR department, an organisation, or a network of multiple organisations. Lepak et al. (2007) add that the exchanged money must be greater than the producer's costs (such as time, training, effort, money, and meetings devoted to e-HRM projects); it is roughly calculated as the difference between the new value (such as freedom from HR administration or less paperwork) and the users' alternative.

1.3. Global perspective on Human Resource Information System

From a global, African, and Tanzanian perspective, the human resource information system This paper examines literature and a case study to demonstrate how the use of internet technologies has enhanced HR functions and applications within organisations in the developed world with the implication that the same would occur if Africa and Tanzania, to be more precise, promoted the use of technology in HRM. According to (Chowdhury et al., 2013), the deployment of HRIS in banks made them more efficient and competitive than previously by saving time, money, and resources on tasks like training, hiring, and processing payroll. From the study he reported barriers including ability of HRIS to check for Nepotism, there at of unemployment and privacy problem where by 82.28% of respondents testified to that. He concluded by recommending that banks should install HRIS to be able to reduce the cost and time in HRM process in a considerable amount.

1.4 Meaning: Human Resource Information System

According to Tannenbaum (1990), an HRIS is a technology-based system that collects, stores, manipulates, analyses, retrieves, and disseminates relevant data on an organization's human resources. According to Kovach (1999), HRIS is a methodical process for gathering, storing, maintaining, accessing, and validating data on an organization's human resources, personnel activities, and organisational units that is required by the organisation. Additionally, Satish (2012) sees the human resource information system as a collection of procedures, programmes, tools, and modules that address both information technology and human resource management. HRIS is a concept that makes use of the advancements in information technology (IT) to handle human resource (HR) tasks and applications effectively.

1.4.1. According to Hedrickson, 2003, "HRIS can be briefly defined as integrated systems used to gather, store and analyse information regarding an organization's human resources."

1.4.2. According to Tannenbaum 1990, "HRIS ,One which is used to acquire, store, manipulate, analyse, retrieve and distribute information about an organization's human resources."

2. OBJECTIVES

Objectives of this study are divided into two major categories which have been discussed below:

2.1. General Objective

The general objective of this study was to assess the HRIS on the performance of Human resource management strategies and practices.

2.2. Specific Objectives

The specific objectives of this study were;

(i.) To explore the impact of Human Resource Information system on human resource strategies in banking sector

(ii.) To identify the functions and performance of HRIS at TRA.

(iii.) To examine the benefits, arise after adopting human resource information system.

3. RESEARCH QUESTIONS

We attempt to answer the following research questions that were seldom examined in the existing literature.

- What is the impact of Human Resource Information system on human resource strategies in banking sector? system?
- What are the appropriate strategies to improve performance of HRIS?

4. METHODOLOGY

On a survey of the literature, this study is built. We looked at journal articles from credible databases including Google Scholar, EBSCO, IEEE Explore, and EBSCO. We used the keyword "Human Resource Information System". After looking over the abstracts of the 50 articles we found, we selected 15 that were pertinent. We conducted the analysis, and the discussion that follows will focus on the outcomes and conclusions. Research papers that were published in reputable journals, review articles, and conference proceedings with high evaluation citation indices.

Master thesis was not included in this study and opinion research papers were also excluded.

Individual analysis was also done to evaluate are articles that did not suit the methodology of this study. To strengthen the review's validity and reliability only peer reviewed articles and conference papers were taken into consideration and dissertations, books, volumes were ignored. To abstract papers from databases terms like Human resource information system, online human resource system, E-human resource were used. We have included articles from 1996 to 2023. Total 15 previous studies have been included in the table (1) and approx. 50 papers were referred to study the literature.

4.1. Inclusion/Exclusion Criteria

To be selected in this systematic review, each study should satisfy the indicated conditions. Otherwise, the studies which are not relevant to the provided criteria are excluded from the final analysis. We have included only papers which have involved M-payment as a primary condition. We have involved banking industry as the theoretical background because we want to pursue research in case of banks. We made sure studies must human resource information system while consumers are paying for goods or services. Papers written in English language only are selected. Full-text articles are selected for the literature review analysis.

Table (1) represents various literature studies which have been done in this area related to different countries and with different factors. The first paper is related to year 2023 title "Human Resources Information System Importance on Organisational Performance In Banking Sector". It studied about the importance of human resource information system which have its influence on organisational performance particularly in banking sector. Another paper in 2020 which was related to the challenges related to electronic human resource system and its adoption in Tanzania. Other papers also were relevant to my literature review, they all are related to benefits of using human resource information system, its effect on organisational strategies and practices, challenges in its adoption etc.

TABLE 1. REVIEW STUDY OF SELECTED PAPERS

| TITLE OF THE PAPER | AUTHORS | YEAR OF PUBLICATION | JOURNAL NAME |
|---|---|---------------------|---|
| Human Resources Information System Importance On Organisational Performance In Banking Sector | Theodosia J. Magege, Dr. Charles Cleophace Ngirwa | 2023 | Business & Economic Review |
| Conceptualizing Challenges to Electronic Human Resource Management (e-HRM) Adoption: A case of Small and Medium Enterprises (SMEs) in Tanzania | Namrata Harsheel Shah, Francis Michael, and Henry Chalu | 2020 | Asian Journal of Business and Management |
| Elements influencing the success of Human Resource Information System | Dinusha Dissanayake, Nandasena | 2019 | Annals of Management and Organization Research |
| The Impact Of Hris Usage On Organizational Efficiency And Employee Performance: A Research In Industrial And Banking Sector In Ankara And Istanbul Cities | Ülhami Kaygusuz, Tahir Akgemcü, Abdullah Yilmaz | 2016 | International Journal of Business and Management |
| A Conceptual Paper On Importance Of Hris In Human Resource Management | Megha Raval | 2015 | Kaav International Journal Of Economics, Commerce & Business Management |
| Understanding Human Resource Information Systems & Its Importance In Organizations | Jigar Patel | 2015 | Abhinav International Monthly Refereed Journal of Research in Management & Technology |
| Assessment Of Human Resource Information | Witness Mulegi | 2014 | |

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|---|--|------|--|
| System On the Performance Of Human Resource Functions And Practices: A Case Of Tanzania Revenue Authority (Tra), Dar Es Salaam | | | |
| A Study of Issues & Challenges of Implementation of Information Technology in HRM | Sanchita C. Banerji | 2013 | Global Journal of Management and Business Studies |
| Managerial Perceptions of the Impact of HRIS on Organizational Efficiency | Nikhil Aswanth Kumar, Sanjana Brijball Parumasur | 2013 | Journal of Economics and Behavioral Studies |
| Human Resource Information System (HRIS): Important Element of Current Scenario | Barkha Gupta | 2013 | IOSR Journal of Business and Management |
| Electronic Human Resource Management: challenges in the digital era | T.V. Bondarouk & H.J.M. Ruël | 2009 | The International Journal of Human Resource Management |
| Measuring information systems success: models, dimensions, measures, and interrelationships | Stacie Petter, William DeLone and Ephraim McLean | 2008 | European Journal of Information Systems |
| A Conceptual Review Of Human Resource Management Systems In Strategic Human Resource Management Research | David P. Lepak, Hui Liao, Yunhyung Chung and Erika E. Harden | 2006 | Research in Personnel and Human Resources Management |
| The Impact Of Human Resource Information Systems: An Exploratory Study In Public Sector | Nicholas Aston Beadles II, Christopher M. Lowery, Kim Johns | 2005 | Communications of the IIM |

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|---|-----------------------------|------|-------------------------------|
| The Impact Of Human Resource Management On Organizational Performance: Progress And Prospects | Brian Becker, Barry Gerhart | 1996 | Academy of Management Journal |
|---|-----------------------------|------|-------------------------------|

4.2 Journal Wise Categorization

Table (2) has been presented which depicts the frequency of journal according to the different literature reviewed studies that have been used in our paper.

TABLE 2. JOURNAL WISE CATEGORIZATION

| JOURNAL NAME | FREQUENCY |
|---|-----------|
| Business & Economic Review | 1 |
| Asian Journal of Business and Management | 1 |
| Annals of Management and Organization Research | 1 |
| International Journal of Business and Management | 2 |
| Kaav International Journal Of Economics, Commerce & Business Management | 1 |
| Abhinav International Monthly Refereed Journal of Research in Management & Technology | 1 |
| Global Journal of Management and Business Studies | 1 |
| Journal of Economics and Behavioral Studies | 1 |
| The International Journal of Human Resource Management | 1 |
| European Journal of Information Systems | 1 |

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| Research in Personnel and Human Resources Management | 1 |
| Communications of the IIM | 1 |
| Academy of Management Journal | 1 |

5. DISCUSSION

The results and conclusions of the associated publications that we have included in this study are summarised and discussed in this part. Examining the most popular research journals, techniques, nations, and reasons for using human resource information systems that have an impact on HR performance strategies and the banking industry was one of the study's key research objectives. The primary goal of the study was to identify the many aspects that contribute to people's preparedness to adopt an e-human resource management system. The 15 publications that were included in the study and contributed to discovering these criteria by various authors are pertinent to this research. The findings show that managers' perceptions of how the HRIS affects organisational effectiveness are generally favourable, with the greatest degree of confidence being placed in the influence of the HRIS on time management and HR operations. Additionally, the literature analysis revealed that the effectiveness of human resource management has a significant impact on an organization's ability to succeed in the modern knowledge economy (HRM). HR information systems assist with tasks including locating potential employees, keeping complete records on current employees, and developing initiatives to enhance employees' abilities. The use of human resource information systems in banks has a variety of advantages, including data integration, one-time updates, access to a large number of users, and accurate data.

6. CONCLUSION

We conducted a systematic review of all HRIS studies that use the total number of studies gathered was 50 on online HR system in their industry but our main focus was on banking sector. Only 15 studies were discovered to meet the inclusion and exclusion criteria after applying them. The most common factors, journal name, technique, nation, participants, and publication year were used to group the evaluated studies. Five fresh discoveries are presented in this review study. First, 48% of the studies that were examined were carried out in the industrial sectors. Second, most of the research examined (80%) relied on questionnaire surveys to collect the data. According to evaluations employing correlation and regression test models, information systems used in human resources management in firms have a beneficial impact on organisational effectiveness and, consequently, employee performance. The outcomes demonstrate that a well-managed HRIS enables easily accessible information to be converted into increased information sharing, knowledge transfer, and management. Therefore, the HRIS has the ability to improve decision-making processes, including speed and quality, as well as the execution of the HR strategy, ultimately increasing organisational effectiveness.

7. LIMITATION

Despite its contributions, this study is certainly not without limitations, which can lead to future research directions. This study has been done only taking into consideration the relevant 15 papers. Results that we have found cannot be generalized. More researches are need be to done to cover this limitation. Also, we have not included each and every country who is involving in human resource information systems in their banking sector. While using various systems of handling human resources online, users and companies and banks face a lot of issues but they have not been discussed in these papers in depth. Another limitation is that this is only a detailed study of some of the existing literature related to banks and other companies who are adopting human resource

information system and which reflects their impact on human resources' performance and strategies, but results can be different when studies will be done in real scenarios using consumers surveys.

8. FUTURE DIRECTIONS:

The next suggestion was to strengthen the theoretical underpinnings of the research and carry out empirical data collection in actual online human resource management system settings in banks. The concept of acceptability should be established in addition to or in place of adoption intention in order to more accurately reflect real-world HR contexts. We made it clear that using a mobile payment service is typically simply one option out of many. This study has verified earlier research into HRIS, but it also paves the way for additional study in this area, which should concentrate on a variety of challenges. In light of this, it is advised that a thorough investigation be conducted in order to understand how HRIS can improve senior employees' (Directors, Managing Directors, and Senior Managers) performance, especially in organisations that have been utilising the system for a considerable amount of time. This will make it simpler to identify the levels of system users who directly benefit from HRIS (Corporate level, Business level, and Operational level). about offering the practical answers to meet such issues. Another tendency is that less focus has been placed on rural residents in these studies, which have focused mostly on users and customers in urban areas. Future studies may look into rural areas.

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