

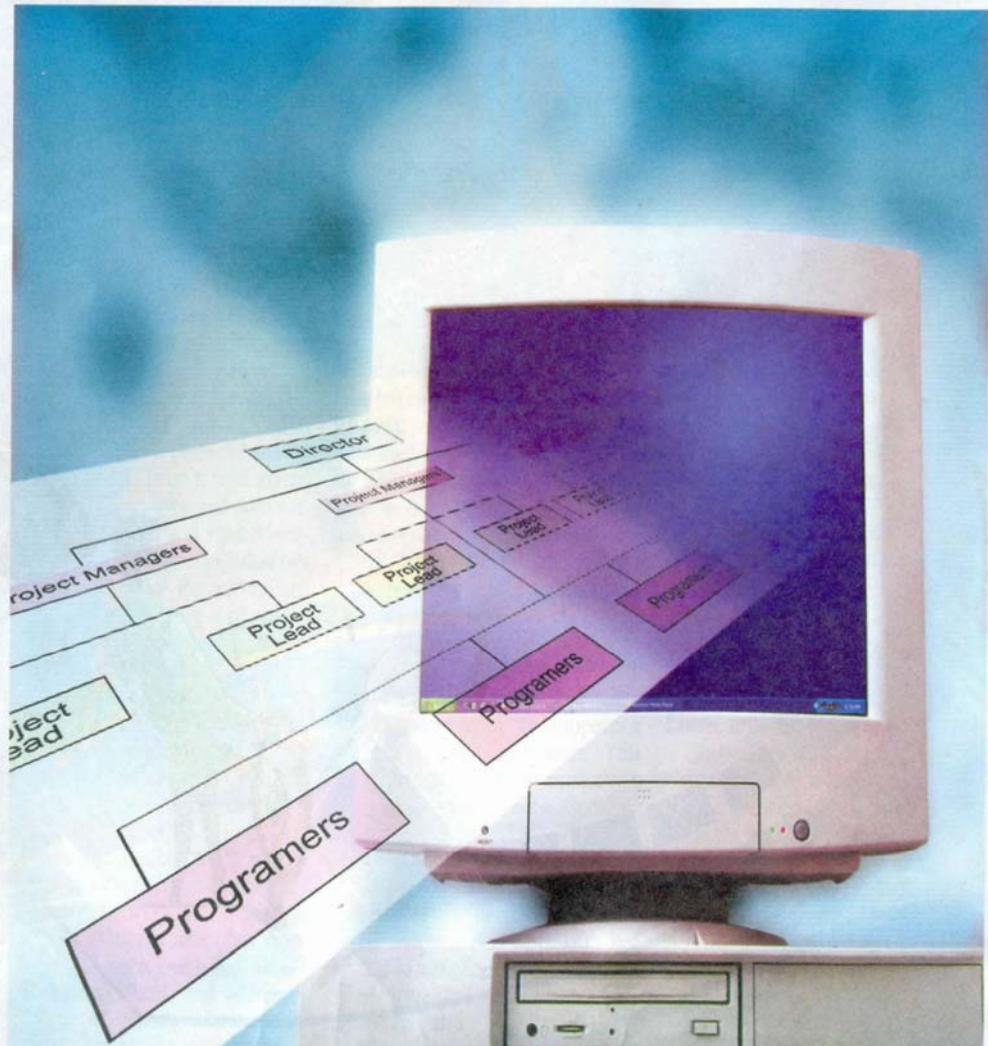
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TREND

# HRMS gains momentum

An HR Management System is an integral tool in a modern HR department's toolkit.

**Nivedan Prakash** examines the current market scenario and the changing needs of the industry





**A** HR Management System (HRMS) is the lifeline of any HR department. The greater the sophistication and linkages in a HRMS, the more effective an organization's HR department becomes. In today's volatile market where time has become more important, in some ways, than money, a HRMS is the tool that addresses the requirement well. It integrates almost all the modules of HR, ranging from manpower planning, recruitment, employee relationship management and performance management to career planning and tracking, workplace communication and systems.

Moreover, a HRMS is a key

repository of employee information and records. It enables the generation of various reports and accurate data that otherwise would have been time consuming and cumbersome. Data, such as the history of an employee, can be easily tracked using a HRMS. It also facilitates the formulation of policies, helps gauge the effectiveness of existing policies and recommends modifications.

It is a comprehensive employee database. As a part of an integrated HR solution, it facilitates auto-update of employee records, and, as a Web-based administrator tool, it allows the tracking of personal and professional information of all

employees in an organization. Instant access to data and a variety of reports make HRMS an invaluable decision support system for the HR department in any organization.

A traditional HRMS involves the department to take care of the administrative role of processing benefits and keeping employee records, but today it is very evident that the HR department is involved in developing and operating recruitment strategies, training and safety programs.

Iti Kumar, AVP-People Development, GlobalLogic, said, "A HRMS system, which can produce on time, accurate and user friendly reports, and which can be customized to ▶

provide reports to meet the business requirements, is very important because it has become the duty of our HR and payroll managers to produce a wide range of reports on a weekly, monthly or ad-hoc basis. A HRMS tool helps us to publish timely reports for the management which in turn helps them make timely decisions. We publish a live headcount report through an integrated module with the resource allocation status and pool status to management and all this is possible because of HR management system, which is the equivalent of SAP for us."

If employees are considered to be the most important asset of an organization, then the HRMS becomes the first priority for an organization. It helps minimize the transaction time for processing all employee-related functions which keep managers and HR staff occupied with routine issues enabling them to gain time to focus on their operational and strategic goals, improving the organization's top line, by partnering with the business.

In other words, HR Management systems act as glue between the employees of the organization and the HR function. Sid Vardhman Jain, MD-IBPS, India and Manila, Perot Systems, "Our experience at Perot Systems business process solutions group is that automation in the HR function not only enable savings in costs and quality but also fosters better employer-employee relations. When appropriately implemented, HRMS enable a new level of transparency in an organization. The



**Vani Sathvik**

VP-HR AND ADMINISTRATION, EKA SOFTWARE SOLUTIONS

HRMS plays an important role in the changing needs of the industry by enhancing organizational capabilities and managing systems as well as people. This paves way for matching the customer's and strategic needs

overall reduction in the HR administration workforce is just one of the many advantages that a sound HRMS brings."

Necessity is the mother of all invention and it has led the industry to develop a tool to maintain and manage complex HR data. A HRMS has become a vital ingredient to cater to today's trends and requirements.

### Current trends

Today's business trend is to empower customers, employees, managers, suppliers and vendors, with direct access to data at the enterprise level, through self-service mediums such as the Internet/intranet. The trend is becoming an essential element of an organization's ability to compete. Indian organizations are



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AVP - PEOPLE DEVELOPMENT, GLOBALLOGIC

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witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organizations. There is a need for multi skill development.

The role of HR is becoming all the more important. The role of the HR manager is shifting from that of a protector and screener to the role of a planner and change agent. We are now witnessing that the Human Resources function is increasingly becoming a more strategic business partner—assisting senior and mid-level managers by providing critical data on which to make business decisions. This paves the way for having a robust HRMS in place in an organization. Most organizations today, have a HRMS in place, catering to their varied needs. It helps to

*HR Management systems act as the glue between an organization's employees and the HR function*

## Trends in the HRMS space

<b>From transactional to strategic support</b>	<p>As an increasing proportion of organizations adopt a transaction-based HRMS which handles employee data management, payroll etc., the focus is shifting towards the automation of strategic processes like learning, performance and competencies management, compensation planning, career and succession planning. Analysis and business intelligence tools integrated with transactional HR systems can yield significant analysis which help in decision making. For e.g. analyzing the skill details of the resources inside the organization can provide vital information on missing skills and this enables the HR department to recruit smartly.</p>
<b>From recruitment to e-recruitment</b>	<p>The focus of recruitment software is growing beyond basic activities like receiving, filtering and distribution of resumes to candidate attraction, resume management and process management. Recruitment applications provide online self service functions reduces the number of paper-based processes, making life easier for applicants, recruitment vendors and HR departments in addition to reducing the time to hire. The use of ASP (Application Service Provider) model by many recruitment vendors provides an attractive choice for organizations that do not want to invest in their own recruitment systems.</p>
<b>Standardization of HR applications</b>	<p>Multinational companies are standardizing their processes and HR applications. This helps them in spreading best practices across the organization, management reporting, making data available for decision-making and reducing IT costs as these companies rationalize HRMS applications across countries.</p>
<b>Substitutes</b>	<p>Alternative delivery models of HR service such as Software-as-a-Service and BPOs have matured over the last couple of years. These have emerged as viable alternatives to an internally owned HRMS system for HR departments.</p>

Source: Hexaware Technologies

► manage relationships, streamline processes and improves the use of information to make strategic and operational decisions.

It is evident that whichever organization has an easy access to information and data, marches ahead and has an edge over its competitors. It is this advantage of data mining and managing that makes any organization successful in this information age.

The current trend is that large enterprises have started using HRMS software as they feel that data management is becoming a cumbersome task. Enterprises having global presence are finding that it is next to impossible to run the show without intelligent HRMS software. Some of the major trends affecting human resource management today are nurturing skilled resources, translating organizational strategy into action, managing growth, assimilating and leveraging technology and dealing with the changing nature of employer-employee relationships.

Getting a comprehensive system which takes care of all employer-employee as well as employee-employee interactions and links different organizational systems like finance, accounts, amongst others is the key here. In other words, like an ERP system, HRMS has to be robust and accessible from multiple locations since people in a mid-sized or large organization are spread across geographical locations. The trend is also towards the integration of database designs with process-driven systems, not only with HR but business-based systems as well.

Another trend of HRMS is to inte-



**Abhay Valsangkar**  
SENIOR DIRECTOR-HR, SYMANTEC CORPORATION

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and Performance Management System amongst others.

Abhay Valsangkar, Senior Director-HR, Symantec Corporation, commented, "The HR departments have to operate in a logical manner to stay in tune with evolving employee management trends along with routine tasks. HRMS has provided a vital link between human resource management and information technology. The dynamism brought about by HRMS has necessitated the need to have at least one HR automation tool. Organizations are exploring and are keen to deploy more IT tools of this kind. Given the demand, vendors are designing user friendly modules that incorporate capabilities for employees to easily access non-confidential information."

"Organizations and employees are looking forward to have an integrated approach of HRMS. HR, being a nerve system of the organi-



**Moorthi Chokkanathan**  
HEAD-INDIA AND MEXICO, DELIVERY AND OPERATIONS, HEXAWARE TECHNOLOGIES

**Every company is trying to recruit and retain the best talent. It is an exciting environment and, at the same time, very competitive and challenging**

requirements of MIS, payroll and benefits administration, but now it has been used for talent management as well.

It is because organizations need to have systems to address issues such as the performance of existing employees, gauging skills levels and working on enhancements wherever required. This could be achieved through TMS that are integrated with HRMS.

Commented Yeshasvini Ramaswamy, Director, e2e People Practices, "This is a recent trend that we are witnessing with more organizations adopting role-based competency frameworks, HR has evolved to helping their businesses manage and develop talents. With transformative HR interventions being offered by consultants today the up-gradation of HR software is logical fallout of this process."

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grate and use the system for various benefits like payroll, timesheets, benefits administration (salary reimbursements/bonus), MIS, recruiting, training, Leave Management System,



**Ravi Verma**

PRESIDENT-HR, NUCLEUS SOFTWARE

Modules should be upgradeable and it should be possible to integrate them with the other prevailing/upcoming technologies. For example, in a recruitment module support for video resumes will help reduce cost

zation, holds a special space," added Sanjay Parikh, CIO, Reliance Communications.

Businesses tend to hold the line on new technology investment during a recession. Business needs, however, are driving some future-minded HR departments to purchase a new HRMS despite the substantial upfront cost of acquiring the same. A typical system now offers broad functional coverage, vertical industry extensions, a strong technical architecture, training, documentation, implementation and process design tools. Although the HR department has long been seen as a necessary evil at best, the scope of HRMS has been extended to include recruiting, competency management, training, performance management, etc.

Meanwhile, HRMS has moved beyond the realms of complex enterprise human resource management systems to act as a talent management solution (TMS). Traditionally, HRMS was introduced to cater to the

## Changing needs of Indian industry

The industry is in need for state-of-the-art solution which is customizable and can be retrofitted into an existing IT infrastructure. More advanced and innovative tools are required as the HR function is continuously evolving. HRMS offer analytical reports.

Vani Sathvik, VP-HR and Administration, Eka Software Solutions, stated, "In the world of globalization and free markets, organizations are facing increasing competition and therefore faced with issues on how to ensure survival and competitive advantage. Meeting external pressures, measures such as mergers, acquisitions, strategic alliances, downsizing and restructuring are common responses. In a nutshell, the integral part of these responses is the method of using human resources (HR) more effectively. An effective way of managing the HR function using the technology gives a

### Changing needs of the industry vis-à-vis HRMS

<b>Adaptability</b>	The world is changing, countries are changing, organizations are changing and business models are changing. As organizations change and transform themselves, as new business models emerge, individuals also have to change and adapt and HR service delivery has to adopt. A HRMS should provide sufficient flexibility to adapt to these changes without draining organizational resources dry.
<b>Globalization</b>	It is not just MNCs setting shop in India or China. Indian companies are also acquiring companies in the West to gain a foothold in global markets or expanding their manufacturing and delivery bases in other countries. How do HR systems support seamless integration of employees of the acquired companies? How well these systems can facilitate the standardized HR processes in the newly acquired companies?
<b>Technology advances</b>	Globalization is all about connectivity and everyone is connected in this global village. We are all now part of the vast network of communication and technology. Both businesses and employees have to adapt and integrate with these ever changing technology innovations to improve their business value.
<b>Legal and regulatory compliance</b>	As corporate governance and data privacy is taking center stage, new regulatory frameworks that came into force in different countries have implications in the way we conduct business. Several countries have created or are constantly creating new regulations and we have to be aware of them. HRMS enables companies comply with these regulations.
<b>Changes in the workforce</b>	These have a big impact on the way we do business. There are more women in the workforce today than at any time in history. Many nationalities, generations, cultures form part of the workforce of an organization. They have different needs and interests. It is no more one-size fits all in terms of compensation, benefits, career plans or any other HR policies. Each one needs to be personalized. The way HRMS can provide individualized service delivery with standardized systems will determine its significance.
<b>War for talent</b>	Every company is trying to recruit and retain the best talent.

Source: Hexaware Technologies

*HRMS has gone beyond the basics to align with other resource management solutions. The industry is focusing on automating various people practices and is looking to integrate HRMS with these systems*

► competitive advantage to any organization. A HRMS plays an important role in the changing needs of the industry by enhancing the organization capabilities and managing people and systems paving the way for matching the needs of customers and executing strategic initiatives.”

“How can this tool enhance the productivity of existing modules? Modules should be upgradeable and it should be possible to integrate them with the other prevailing or upcoming technologies. For example, the recruitment module’s video resume feature will help reduce the cost of recruitment,” added Ravi Verma President-HR, Nucleus Software.

HRMS has gone beyond the basic requirements of managing headcount and payroll to align with other resource management solutions. The industry is focusing on automating various people practices and strategic dashboards, and is looking for the integration of HRMS with these systems.

Ramanand Padiyar, Global Head-HR, Kale Consultants, “In the past HRMS was closely guarded and only a few internal departments had access to it like the finance and accounts department or the payroll people. Today the need is more in terms of a system which has linkages across the organization and is also accessible to employees across locations, so wide usage and robust-

ness is required for meeting industry expectations.”

### Future Gazing

The purpose of a HRMS is to provide HR services and develop organizational capacity so that a fully qualified, technical competent, diverse workforce is in place to supply current and future competencies. In the future these systems will have to address health and safety, brain drain, privatization and outsourcing of the HR function, cross cultural values on account of globalization, work-life balance, usage of technology to make life easier, talent acquisition and management, and succession planning.

In the current competitive era where companies are having presence in multiple geographic locations and working in distributed models, HRMS is going to play a key role. It would play a crucial role in managing the huge resource database, financial details of the company, HR process implementation mapping, etc. Still many small and mid-sized companies are managing such information using Excel sheets but this trend would become obsolete as automation of various processes and alignment of those to the HRMS will be required.

Meanwhile, additional features will be covered in a HRMS and it will become more like an ERP for HR. In the future, there will be a significant

reduction in manual intervention within the various HR sub processes and the system itself would work seamlessly with individuals managing the interfaces in an effective manner.

HRMS alignment with other systems is maturing. Five years from now, it will have built-in intelligence and be closed linked with Payroll Management Software, career path detection and growth plan visualization, search and select skill alignment for various needs of organization, and control and maintenance of HR costs.

Rajesh Padmanabhan, Executive Vice-president and Global Head of HR, Patni, said, “In the near future, we see that the HR Shared Services (HRSS) Delivery Model is critical for efficient HR Operations. An HRSS cannot exist without an efficient HRMS in place. Technology and HR Shared Services model have to co-exist. The cost of a HRMS application is exorbitant without a HR Shared Services model and a HRSS model will not survive without a global HRMS.”

“Besides the modified versions of the existing HRMS, in time, the industry will definitely demand self service driven tools, which would empower supervisors. We will progress to faster tools in this space, which will be platform agnostic and operate in parallel with other front-end tools,” concluded Valsangkar. ■

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