



Keeping up with the Joneses

Human resource information systems (HRIS) have long played an important role in the day-to-day functions of HR and payroll managers. However, in a world where technology changes at the blink of an eye, how do you select the best system for your company's needs? [Iain Hopkins](#) runs through the basics you need to know

Take a look around your office and then scan your neighbour's workspace. Ignore the mug of lukewarm coffee and remnants of morning tea, but there's a good chance there are papers everywhere, from unread reports to yellow post-it notes. Not to mention the unread e-mails in the inbox on their screen.

Looking beyond e-mail chains and paper trails, is there a better way to deal with HR and employee information? Human resource information systems (HRIS) provide evidence that technology can be HR's best friend.

Needs assessment

How can HRIS help your situation? "HRIS needs are dictated by the importance the company places on administrative efficiency, compliance and strategic direction," says Ari Kopoulos, national sales and marketing manager for HRIS provider EmployeeConnect.

HRIS suppliers have come up with innovative solutions to suit just about any business or industry. HRIS may be all-inclusive, covering a range of HR functions as well as payroll, or alternatively a company may opt for just one or two modules. HRIS can also have other benefits such as employee self-service (ESS).

"With a fully integrated system you've got things like a competency library, recruitment, performance management, remuneration planning and review, training, talent management and succession – and that would take full advantage of the potential of HRIS. But you could request just one or two of those components, depending on the needs of your organisation," says Kopoulos.

"The most common stand-alone modules are occupational health and safety, performance management and recruitment – and of course ESS and manager self-service are also popular," he adds.

An important part of the appeal of HRIS is that they are adaptable. "There's a broad range of companies using HRIS, from SMEs to larger companies. The complexity of their systems varies, but usually the use of the HRIS will be dictated by size," says Mathew French, sales manager for Snowdrop Systems.

French notes that a company's HR requirements, and therefore its HRIS needs, may also be dictated by its industry. "For example, mining and engineering companies require large amounts of specific workforce planning functions, like searching for qualifications and skills certificates," he says.

"They also require bulk recruitment functions if it's seasonal work or if it's a mobile workforce. They need to be getting the right people on board with the right skills at the right time," he adds.

Employee empowerment

The rise of HRIS as a vital tool for HR has coincided with the realisation that to be an effective force at the top end of any organisation in terms of strategic planning, HR managers need to make effective use of one key element: time. HRIS allows for employee (and manager) self-service – thus empowering employees and managers to handle traditional HR and payroll processes themselves.

"ESS is a big requirement for companies, and leading on from that is process automation – automating as much of the administrative process as possible. Self-service is about giving responsibility to employees and line managers, so that HR staff have more time to focus on strategy," French says.

For employees, browser-based self-service means the streamlining of HR processes. Policies and procedures can be posted online, as

Case study

Name: Stephen Ralphs

Job title and company: Payroll and HR manager, John Swire & Sons Pty Ltd

HRIS supplier: Sage MicrOpay

Company information

The Swire Group is a multinational commercial group with interests spanning four continents. In Australia, the company has 2,000 payroll staff, and has interests in aviation, transport and freight, shipping and real estate.

HRIS/payroll requirements

We are using a payroll program called MicrOpay Meridian and we have just started using an employee self-service system as well, called MicrOpay ConnX Employee Services Portal (or ESS). This is third-party software. The ESS in particular has been fantastic – it's been extremely well received by managers and users.

When was it implemented?

MicrOpay – July 2005; ESS – July 2006

Why Sage MicrOpay?

It needed to be a Windows-based system, which our previous system was not, and it also needed to sit well with our existing IT systems. We looked at about three or four other suppliers – some of them were price-prohibitive, and others were way too complex for end-users. It needed to be quite user-friendly.

Integration with IT systems and processes

Our IT team loved it because some of our subsidiaries also use MicrOpay. They were comfortable and confident with that and had an existing knowledge of the product from a technical viewpoint.

Overall benefits?

It's a better system, and it's easy for staff to use. One of the things I really like is that there's a number of functionalities we can keep purchasing as add-ons, eg appraisal systems, learning and development systems, which keeps the momentum of the whole payroll team up. For managers it's fantastic in the way that it's online and gives real-time reporting.

can company news. Employees can also undertake tasks such as viewing annual leave balance, requesting leave, checking timesheets and updating general information such as address details. At the line manager level, a self-service function can allow a manager to access and administer this information easily.

Implementation

The key to effective HRIS implementation is to gain buy-in from all interested parties in an organisation. "If there isn't buy-in from all of the different levels and departments, chances are the system won't be used properly and won't be designed properly. That's not just from a technical point of view but from a best practice point of view as well," French says.

Case study

Name: Gregg Brotherston

Job title and company: HR systems administrator,
Fuji Xerox

HRIS supplier: EmployeeConnect

Company information

Fuji Xerox sells new photocopiers and reconditions older photocopiers. The company also provides software solutions for document management. Fuji Xerox has 1,600 employees in Australia.

HRIS/payroll requirements

We have two systems, one is the core HRIS which is where the HR administrators enter their data for new employees and so forth, then associated with that is the payroll system. Then there's a number of modules like the training module, and an OH&S module which is available to the HR department. From that we have the EmployeeConnect web-based self-service system, which is available to all employees.

When was it implemented?

We started implementing the core HRIS in November 2000 and rolled out the ESS in March 2001.

Why EmployeeConnect?

When we first selected EmployeeConnect we had an empty system that we then customised and configured to our heart's content. We've come to rely more and more on EmployeeConnect's system because of its ability to be customised. It's incredibly flexible. In terms of managing employee data the business had never seen anything like it.

Integration with IT systems and processes

No problems at all. One of the key things we were looking for was an open database, based on our current server. We can actually send data from that out to other parts of the business, as well as importing in from other parts of the business. Because it's a web interface there was no requirement for technological change elsewhere.

Overall benefits?

We've had good feedback. I think if we tried to get rid of it there would be a lot of protest! It's been adopted very quickly into the business. It's great because it means people can access personal information about themselves that previously they would not be able to access.

Planning is vital for successful HRIS implementation. "We conduct a demonstration for the company, gather as much information as possible, and then make recommendations based on that information. Usually you can adapt the system to meet those requirements but in some instances it's more feasible and beneficial for the organisation to alter their process to meet how their preferred system functions, because if you try to customise a system to meet a strange process it can be quite expensive," French says.

Kopoulous believes the key to successful implementation is to use a phased approach instead of treating implementation as one single



Ari Kopoulous, EmployeeConnect

project. "Break it up into analysis planning, scoping, acceptance testing and then review. That way you can deliver success and show something tangible to management. Also ensure there's effective communication in place, and always include a change management and branding strategy for HRIS as a product," he says.

The road ahead

With technology changing rapidly, what is expected from HRIS in the future? There are several trends resulting from technological changes. "One trend will be based on outputs," French suggests. "Essentially in databases the amount of data captured is quite vast, with a huge array of information in the HRIS. But making that data more visible is difficult. HRIS will be utilising a dashboard environment, which is a reporting environment. People at different levels of an organisation will only see information that they need to see."

There is also work process automation and intranet self-service, involving the reduction of paper-based practices at the HR and line manager levels. Larger organisations are already using their intranet for online appraisals, career management, satisfaction surveys and staff training courses. On-demand e-learning is also becoming popular.

This ties in with the increase in flexible work practices, as French notes. "With self-service tools you can do the majority of functions via the web. In an intranet environment we can also set up administrator access so administrators have the option to work within the local area network or from home via the web," he says.

With mobile workers and telecommuting on the rise, HRIS must be



Mathew French, Snowdrop Systems

able to work via the web, mobile phone, WAP and PDA devices, with e-mail as a key component.

Integration is also going to play a more important role in delivering benefits company-wide. "The systems need to be able to communicate with other parts of the business," says Kopoulos. "So you'll need to ensure your HRIS vendors – if you have multiple vendors – have the ability to communicate with each other."

Kopoulos also believes HRIS has a role to play in building business intelligence. "That is, the ability to detect bias, look for trends, define probabilities of success, assess competencies and make sure HR compliance is being adhered to," he says.

Outsourcing

Outsourcing HR and payroll functions and accessing that information via an ASP (application service provision) system, whereby the provider delivers the application in an environment hosted by the vendor, is also becoming popular. There are a number of reasons why the ASP option might be taken. An ASP system differs from one that is in-house in its installation and support.

"There are a couple of ways we might conduct business with a client, and it really comes down to its business model," says Malcolm Ebb, general manager of Frontier Software. "One option is an in-house system, where the client is sold the software and we install it and they run it in-house from that point on. The software sits on their hardware. The second option is the ASP model. In that situation the software sits on our hardware and we look after IT infrastructure and support, and the client has access to it in the same way as if it were in-house."

A third option is to outsource payroll altogether, as Ebb explains. "In this case, the software sits on our hardware, the client has access to the system, but we run the process for it, so the client provides us with timesheets and everything that its payroll office might do. Those who are interested in this option take the view that it's not their core business – they're not experts in payroll so they outsource it to the experts."

Case study

Name: Angela Jones-Blayney

Job title and company: Manager organisational development, City of Sydney

HRIS supplier: Snowdrop Systems

Company information

The City of Sydney is a capital city council which is responsible for the commercial, financial and cultural hub of the core Sydney area. The city community includes around 150,000 residents, 350,000 workers and more than 450,000 daily visitors, as well as other government agencies, arts and cultural organisations.

HRIS/payroll requirements

City of Sydney purchased a training and development model and also a self-service module from Snowdrop Systems.

The selection process

A meeting was conducted with senior management of the City of Sydney in September 2005 to advise that HR were looking at a new learning management system as an alternative to the way we were currently dealing with the training administration needs of our staff.

A focus group was established to gather information from varying levels of management to give us an important insight on how we should proceed. The ultimate goal was to create a more user-friendly training administration tool to assist management and staff.

What selection criteria did you use?

We sent out nine specifications to training and development software providers to submit a solution for our training and development administration. Of the nine companies sent the scope, five responded.

We evaluated all the responses and the only package that met all of our requirements was the one from Snowdrop Systems.

Integration with IT systems and processes

We're currently in the development and implementation stage of our newly acquired learning management system and are working closely with the project manager dedicated to us for this purpose from Snowdrop and a project management team from our IT unit.

Experience so far?

To date we're very happy with the level of service we're being provided by all parties and know this will continue into the future, to ensure a seamless transition to our newly acquired learning management system.

The time may be now

With so many flexible HRIS options available, perhaps this is the time to consider your company's needs – and to get one step ahead of the Joneses. "Something that was adequate 10 years ago may not be adequate now," Ebb cautions. "It's a matter of identifying if you're having problems with a particular area of your system, or the whole system, and investigating if there's a better way to operate." **HC**

Case study

Name: Chris Lane

Job title and company: Payroll manager,
L'Oreal Australia

HRIS supplier: Frontier Software

Company information

L'Oreal Australia is a cosmetics, hair care and beauty product wholesaler that deals with fast-moving consumer goods, with a wide range of well-known brands such as Garnier and Maybelline under its banner. The company has approximately 1,800 full-time, part-time and casual employees.

HRIS/payroll requirements

L'Oreal Australia recently implemented Frontier's chris21 – a three-tier client/server product which is available for in-house, ASP or outsourced business models.

When was it implemented?

We went live on 1 April 2005. There had been a five-month implementation prior to that once we'd decided on Frontier Software.

Why Frontier Software?

We went through a tender process and we selected nine companies,

which we then short-listed down to four, based on specific criteria. Each of those four vendors was invited to spend the day with us, and they briefed various areas of our company with presentations to HR, IT, finance. This was so that everyone who had a stake in it could see whether it was suitable, even though payroll ultimately had the final say. We eventually selected Frontier because it fitted our needs the best.

Integration with IT systems and processes

Our payroll and HR system was stand alone from everything else. We did have to integrate our financial systems to provide costing data for the finance people, but that just uploads through Excel and it's easy – it's all self-balancing so it's great.

Overall benefits?

We can do a lot more statistical reporting and it's actually improved our productivity quite a bit because of that reporting.

The three main benefits would be:

- Ease of data transaction
- Superior management reporting
- Ease of integration to other systems

From all of that we get improved productivity for HR and payroll staff.