

# HRIS using Cloud Technology: Benefits and Challenges

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**Abstract**—The continuous development in IT field increase the dependency of various fields on technology. It shows that not even a single field or department remain immune to such technological breakthrough. Thus, Human Resource managers also cannot imagine life without this technological change which brings the concept of HRIS (Human Resource Information System Software). It allowed employees of HR department perform all HR functions like absence management, training, compensation, workflow management and reporting of work through software.

Moreover, the further development in technology has put forward one more technology named as Cloud Technology. This cloud technology use in HRIS set the organization to a new level. It brings the whole organization at one place as various information of different department can be accessed easily from one database. Therefore, this paper shows that how the use of cloud technology in HRIS makes work easier and faster of an organization. It also point out the benefits and challenges related to the cloud technology

## 1. INTRODUCTION

In this dynamic environment of technology various fields are getting affected. Nevertheless, the field of human resource management also influenced with the use of IT tools and latest technology. This give rise to HRIS refers to integrated system used to collect, retrieve, analyze and disseminate information in order to support various HR activities and decisions related to it.

HRIS as a field include many stakeholders. First are the HR professionals as they rely on it to do their job like record keeping, payroll, skills management and many more. Second are the managers who get the information from HR system related to performance goals and appraisal data including planning data such as shift plans and leaves. Third one is the employees using the system to manage their benefit system, update their own data, participated in training and automated performance appraisal processes. That is why HRIS can be easily called as “backbone” of modern HR (Hendrickson, 2003).

Moreover, with the use of latest technology referred as cloud computing take the HRIS system to the next level. It takes the organization and communication to whole new level.

## 2. REVIEW OF LITERATURE

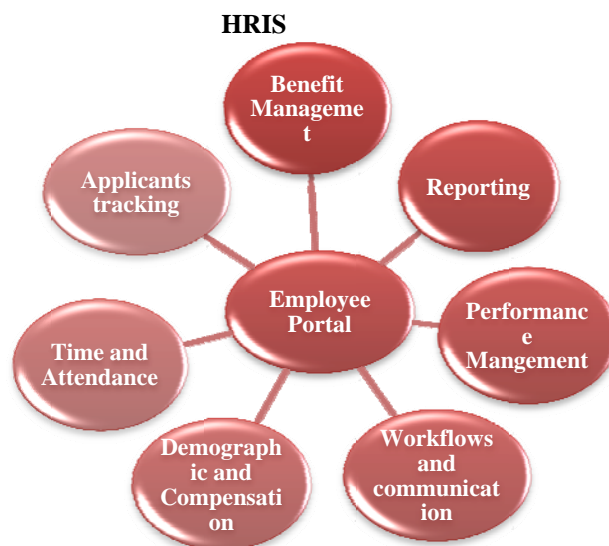
### 2.1 What is HRIS?

HRIS is a software package which helps human resource professionals in managing data. HRIS can be customized according to specific needs and requirement of the customer.

### Components of HRIS

HRIS has six components which are-

- 1. Database:** In this HR professionals could store the whole personnel data in the system and can be easily accessed from anywhere. Type of data which is included in database is compensation history, contact information in case of emergency and performance review.



- 2. Time and Labour Management:** It helps to improve the ability to track the punctuality and attendance. HRIS package allows employees to feed their own working hour data and on the basis of this it also allows the manager to

verify vacation request and the data directly store into the payroll.

3. **Payroll function:** This is another major component of HRIS model. HR can easily download and unload employee hours, and issue cheques or payroll deposits to employees. The HRIS payroll software improves tax compliance for location and multiple tax levels.
4. **Benefits:** Some HRIS packages offer employees to establish and maintain medical benefits and retirement investment through their software along with other benefits also for all their human resources data management needs.
5. **Employees Interface:** It is a part of database where employees can update their personal information; review pay scales, change retirement benefits and also easily access and download benefit related documents.
6. **Recruitment and Retention:** The most important component of HRIS is recruitment and retention as finding new talent, acquiring them and also retaining them is crucial part of HR system. HR also must ensure the training needs, proper compensation and benefits provided to the employees from the organization.

## 2.2 Cloud Technology

Cloud technology is the new buzz in the market. National Institute of Standard and Technology (NIST) defined cloud computing “a model that provides convenient, on-demand network access to a shared pool of computing resources like servers, networks, storage, application and services with minimal efforts and service provide interaction”(Majendran, 2013).

### Types of Cloud Solution

#### a) IaaS (First Infrastructure as a Service)

It is the most basic type of technology. In this system a virtual server is provided to the user by the vendor to deliver specific application. This type of service can be public or private. There is no problem related to memory or space and furthermore risk of losing data is minimized. However, it is not as advanced as vendor has partial control over the technology.

#### b) PaaS (Platform as a Service)

In this technology a platform is provided to the companies to build and develop on software solution to ease their work rather than focusing on hardware, operating system and database. With the help of this platform various HR activities can be done online like recruitment, screening and learning management.

#### c) SaaS (Software as a Service)

It is the most updated version of technology where large numbers of people are able to interact with the technology. The server usually provide the entire software to the user through an application which does not needed to be upgraded as it is all done by vendor automatically onto the cloud. The user has to upload and manage information that is stored in the cloud. No up gradation needs to be done by the user.

## 3. BENEFITS OF CLOUD TECHNOLOGY

Using cloud technology by the organization has multiple benefits-

- a) **Fast and safe:** With the help of this technology, employees can easily access information related to their different department. It means HR does not need to update the information for different departments on regular basis. Therefore HR can prioritize other activities which are related to HR department and thus the work done by HR is faster and more accurate. This technology also ensures more safety as compared to paper documents which can easily be destroyed and lost.
- b) **Easy Implementation:** Nowadays, cloud technology is easy to purchase and also it is to implement as there is no worries to install the hardware, looking space for that hardware and also contacting IT department to mange problems with the computer.
- c) **Decision making :** Various SaaS software are quite helpful to the managers in their important decision making supported by facts and figures as they are provided with add on services like graphical representation, dashboards and key indicators.
- d) **Better talent management:** HR can easily assess the potential of each employee in the organization with all the recruitment details, regular performance results and work information of the employees with the help of this technology. This in turn, they can plan for individual career development also along with training needs.
- e) **Career monitoring:** This technology work as a self motivator to the employees as they can see their records and keep track on their development instantly without the help of HR department.
- f) **One big family:** In any organization HR has to ensure that all employees are an equal part of it. With the help of this cloud technology different employees of different department can easily access information they need with disturbing the work of other department. This shows that an organization feel like a big family as they can share information with each other at any time within the organization.

- g) **Global model:** Cloud technology also prove as a global model because it allows the users to access information from anywhere around the world. It means employee can solve their queries and question within few seconds irrespective of which city or country does the employee is within.
- h) **Economical:** For traditional HRIS system, a particular hardware and specific software is required. But for cloud technology implementation there is no need for hardware installation which reduces the cost and make this technology more economical.

#### 4. CHALLENGES OF CLOUD TECHNOLOGY

- a) **Scope and understanding the technology:** As the cloud technology is new to the market so before adoption organization needs to gather information that whether technology can work for their form of business and is it profitable. Besides this employees also need training to work with this new technology. Thus, it will take more time and resources in research and decision making for this technology which leads to negative impact on the working of the company. Also many employees of the organization may not accept the sudden change and results in low morale, reduced productivity and conflicts between employee and employer.
- b) **Confidentiality and security issues:** Various companies choose public cloud instead of private cloud as it is more cost effective but these organizations are at higher risk as the information is stored on a public domain which can be easily accessible by the hackers. Moreover, such insecurity issue is also prevailed in private cloud solutions due to which the company needs to put in place a special mechanism to the third party so as to ensure security of their confidential data.
- c) **Dependency on third party:** With the use of cloud technology the company needs to share lots of information with the third party and also depends on it for managing their own data. This will increase dependency level of organization on third party and leave the organization under threat of exploitation.
- d) **Lack of accessibility:** This technology can be accessed through any smart phone, laptop or tablet around the world but it is useless without internet connection. It means that this technology is fully dependent on the presence of internet; if internet is not available especially

in less developed countries, this cloud technology will not work at all.

- e) **Not always all - encompassing:** Different cloud vendor provides different set of solution. These sets are not able to perform all the functions that a employee wants to perform through them. Specific cloud solution performs specific function only which increase expenses of the company.
- f) **Costs:** After installation of cloud technology, firm faces different cost increase like the cost of training, centralizing the IT services, improving competences in vendor management and cloud operation and compensating for the lack of productivity and possible losses to the firm.

#### 5. CONCLUSION

The combination of HRIS using cloud technology brings a revolutionary change in HR field. This technology breakthrough provides help in talent management, career planning, and payroll system and compensation management to the HR department which saves lots of time and resources of the organization.

However, this technology also faces some challenges which need to be solved before it gets established in the market. Furthermore, it shows faster acceptance by the companies in the market even though it has various flaws.

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