

# Human resource management

[Business](#), [Management](#)



The employees of a company are considered as the most important one of its factors of production. A company with efficient workers is more likely to be successful as the work of the employees has a direct impact over the performance of the entire organization. The management of the organization's most valuable assets-the employees, is known as Human resource management. Human resource management involves the process of recruitment, selection, training, compensating and maintaining the work force in a way that they are best able to achieve the objectives of the organization.

This paper will focus upon the case of Investment associates, Inc. and the cost-benefit analysis of the new HRIS system. Discussion Since, Investment associates, inc. is a consultancy firm, its main asset is its employees and human resource. A Human Resource Information system is a technological solution to the tasks of human resource management. This software provides a real-time automated solution to data entry, data tracking, and data information needs of the Human Resources, payroll, management, and accounting functions within a business.

The factors that are included in HR metrics include employee attitude, employee turnover, recruitment, retention, training and development. Metrics allow companies to make decisions based on facts rather than intuition. (Jones & George, 2007) Due to the nature of Investment Associates, inc. HR metrics are reliable source of employee data. With the implementation of an HRIS the HR metrics would improve immensely. The employee turnover metrics such as cost per hire, turnover cost and length of

employment can be calculated quickly and efficiently through an online solution of HR information.

Similarly, the recruitment and retention metrics would be aided and information can be gathered swiftly. Performance appraisal is an important element for Investment associates, inc. and due to the increase in the number of employees, a manual performance appraisal would be extremely time consuming and tedious. HR metrics are imperative for the company and for proficient use of these metrics and measurements, an HRIS system would be a sophisticated solution.

In today's highly competitive and aggressive organizational environment, companies are often faced with complex decision especially regarding the implementation of new technology. In order to ensure a successful return to an investment a cost-benefit analysis is carried out which is focused on matching the costs of a new system with the benefits that it would provide to the operations of the organization. (Mishan, & Quah, 2007) The costs that would be incurred due to the implementation of the new system are rather direct.

The system would be costly and would require a large investment by the company. The users of the system would need time to get used to the new automated information system and sometimes employees are reluctant to change this would hamper the productivity of the HR functions for some time. Moreover, with an automated system there are dangers of break downs and system seizure which could lead to loss of information and lack of access if the system is inactive. On the contrary, the benefits of the system would be through its performance in the long run.

The system would hold all the pertinent information regarding the employees, hence, it would provide an easy access for any kind of data concerning the employees, this would aid the hiring process and also promote better communication with all employees. Thus, in today's competitive environment, an organization requires effective recruiting, selection, training, compensation, and employment programmes, along with effective information systems to support these programmes. It also requires the means of monitoring who is leaving the organization and for what reasons.

The accountability of each employee would be clear and this would aid the process of performance appraisals. Due to the implementation of the computer-based applications for financial analysis and tax reporting, it would be easier for Investment associates, inc. to implement a HRIS as it has already created an IT base in the company so there would be less training costs involved. An HRIS system aids the reporting process and saves the time spent on extracting and analyzing individual employee data which would be more cost-effective in terms of quicker decision making.

Lastly, an HRIS system would enable the company to comply with federal laws regarding the employees and protect itself from potential fines and litigations. Cost-benefit analysis is often subjected to accuracy issues. The reliability of the analysis depends on the accuracy of the costs and benefits that have been taken on. For an HRIS it is not easy to accurately measure the benefits of the system as they are difficult to be expressed in pure monetary terms. (Nas, 1996) However, for a firm like this, it is possible that the benefits be analyzed on non-monetary terms as well.

Another problem of cost-benefit analysis is that not all the results of the HRIS can be predicted before the actual implementation. Some of the results may be noticed in the long run and hence, it may not come up in the cost-benefit analysis. The company can however, gain information from firms that have already implemented a similar system and analyze its long term performance. Often it is the case that cost benefit analysis cannot offer a match of the project with the direction of the strategy of the firm.

Many projects contribute little to the main strategy of the company, whereas the cost benefit analysis would indicate that the net future return is positive. To accurately estimate the results of the analysis and make the right decision, it is vital that the basic objectives of the firm are kept in perspective. Variance estimates would make it easier for the company management to make decisions based on facts. It would give a more factual representation of the factors involving the implementation of the new system.

Since Investment associates, inc. is still a growing company it would need to be more vigilant while taking an investment decision. Conclusion In the end it is important to understand that with the passage of time and the advent of information technology, companies that are successful in their use of agile technology are gaining more competitive advantage. The use of information systems is inevitable and HRM being a very important aspect of Investment associates, inc it is necessary that the decision is made in favor of the implementation of an HRIS system.