Human Capital Information Systems: An Introduction

Hayel T. Ababneh¹ & Fayiz D. Shrafat²

¹ Al Al-Bayt University, Business Department, Jordan
² Department of Management, The Hashemite University, Zarqa, Jordan

Correspondence: Hayel T. Ababneh, Al Al-Bayt University, Business Department, Jordan. E-mail: hayelababneh@aalu.edu.jo

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Abstract

This article seeks to look into the needs of users of Human Resource Information Systems (HRIS) in Jordan. Its primary purpose to analyse the existing and future functionality that will help HRIS to improve the performance of the HR function and the value of human capital. This paper takes the opportunity to improve the understanding of the future of HRIS and its impact on transforming the approach to HRM and introduces a new concept: Human Capital Information Systems (HCIS). HCIS is potentially a new paradigm for HRIS development which indicates a shift in thinking about its future potential. Personal interviews were used to collect data from HR professionals and managers in the telecommunications companies of Jordan. Through considering the influence of culture, religion, human and other contextual factors on users’ attitudes towards the use of HRIS, newer functionalities are expected to facilitate the further development of new more employee-centred systems.

Keywords: Human Resource Management, HRIS, HCIS

1. Introduction

Before the 1960s computer systems had been used for a very limited purpose in human resource management and were used only for accomplishing administrative tasks such as monitoring employee records and payroll activities (DeSanctis, 1986). After this era, in the 1970s, most large USA organisations developed some form of personnel data system (DeSanctis, 1986) that could provide managers with information relevant to HR needs (Hennessey Jr, 1979). After a decade the percentage of organisations that had HRIS increased to 40% (Richards-Carpenter, 1982) and it has now become a major management information systems sub-function in most large organisations (Chien and Chen, 2008).

The level of use of HRIS is determined on the basis of the complexity of the tools being used. As discussed by Evans et al., (2006), the use of HRIS passes through three generations. The first generation of HRIS involves an initial level of use which is mainly transactional such as payroll processing and providing the employees with training information. The second generation of HRIS allows the undertaking of HR practices that were not feasible previously. It involves moderate improvements in the way HRM functions are practiced such as improvements in performance appraisal and recruitment. The third generation of HRIS enables HR to perform some practices that could not be performed before such as regular measurement of the effort that people put into their work.

Several surveys indicate the continually increasing number of organisations adopting HRIS and the intense dependence on its applications within the organisations. The use of HRIS has increased significantly in the past few years. Now HRIS have a wide range of uses and are considered to be vital in collecting job information, recruitment, employee selection, training and performance management (Chapman and Webster, 2003).

Recently HRIS has been used to support decision-making as a way to gain competitive advantages (Broderick and Boudreau, 1992) while Martinsons, (1994) shows that HRIS was used mainly to carry out routine tasks like filing and recording. Similarly, in UK SME’s (Ball, 2001) reported similar results in which HRIS is still used for operational rather than strategic purposes. More recent research shows heavy use of HRIS and more focus on it for strategic decision making (Hussain et al., 2007).

As the result of the complexity of the competitive environment many organisations are seeking ways to improve