

What is a Human Resource Information System?

Did your company finally become large enough to need an HR manager? This an exciting time for any business owner, but it also brings new challenges. After your new HR manager started work, he or she may have asked for approval to get a human resource information system. If you're like many business owners, this was the first time you'd ever heard of a human resource information system.

You may be wondering what these systems do, and why your business needs one now. Here's what business owners need to know about human resource information systems (HRIS).

What an HRIS Does

An HRIS is a platform that stores all your company's human resource information in one place. This includes core HR, like job classifications and personal information about your employees. It also includes automated workflows for employee onboarding tasks. Leave management, such as automated leave tracking and real-time leave calendars, are also part of an HRIS. The platform also helps you manage your employee benefits information, like plan member profiles, online enrolment, and legislative compliance.

An HRIS replaces your business's HR spreadsheets. Instead of using hundreds of spreadsheets to track HR data, everything is handled within a single cloud-based platform. While managing all your HR data in one place is certainly convenient, you may be wondering how else an HRIS will benefit your business.

How an HRIS Can Help Your Business

There are many benefits of using an HRIS. When your HR employees have access to an HRIS, they'll become more productive and efficient. That's because they don't need to juggle hundreds of spreadsheets anymore. They don't need to dig through filing cabinets to find the paperwork they need. The information they need will be easy to find within the cloud-based platform. This efficiency is how small businesses are saving time and money on HR admin.

Another major benefit is access to up-to-date data. When HR data is managed on spreadsheets or on paper, it's easy for information to become outdated. As you know, businesses can't make good decisions with outdated data. With an HRIS, you and your HR manager will always be able to see the latest data about employees.

An HRIS also makes it easier for your HR manager to track compliance. There are many employment laws your company needs to follow. These laws relate to things like minimum wage, hours of work, vacation leave, parental leave, pension plans, employment insurance, and benefits. Now that you have more employees, it's complicated to track compliance with spreadsheets. Even the best HR managers can overlook some details when managing compliance with spreadsheets. Those errors can be costly for your business. With an HRIS, your HR manager just needs to input all the laws your company needs to follow. Then, the platform will help monitor compliance for every employee.

How to Pay for an HRIS

Now that you know what an HRIS is and how it can help your business, you probably understand why your HR manager wants one. But, as the owner of the business, you always have to think about costs. Before you can adopt any new technologies for your business, you need to know how much they cost and how to pay for them.

In the past, HRIS platforms were expensive, and only the largest companies could afford them. Today, with the widespread availability of cloud-based platforms, that's no longer the case. Some cloud vendors charge a monthly subscription fee for access to the platform, while other vendors don't even charge for their platforms. Thanks to the latter type, even small businesses can now afford to start using HRIS platforms. Companies with as few as 10 employees now have access to these business-changing systems.