

APPRAISING ASSIMILATION OF KPI DASHBOARD IN HUMAN RESOURCE INFORMATION SYSTEM WITH REFERENCE TO BALANCED SCORECARD

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ABSTRACT --Human resource management is about the procedures and practices that encompass the human resource aspect within organizations (Dessler and Al Ariss, 2012). With the growing importance attached to HRM being a strategic partner, it is only imperative that more and more research is stimulated in the field of Human Resource Information System or HRIS. HRIS is a computerized system typically comprising a data base or inter related data base that track employees and their employment specific information (Gill and Johnson, 2010). Digital dashboards have become an integral component of HRIS, which provide real-time information, mostly in graphical format to executives to make strategic decisions in HRM. Different authors have identified different KPIs for evaluating performance of HR department that help in strategic HRM. The paper attempts to appreciate Digital Dashboard in HRIS with reference to KPI in strategic HRM using Balanced Scorecard concept.

KEYWORDS: HRIS, Digital Dashboard, KPI, Strategic HRM, Balanced Scorecard.

I. INTRODUCTION:

Human Resource Management is about the procedures and practices that encompass the human resource aspect within organizations (Dessler and Al Ariss, 2012). With the growing importance attached to HRM being a strategic partner, it is only imperative that more and more research is stimulated in the field of Human Resource Information System or HRIS. HRIS is a computerized system typically comprising a data base or inter related data base that track employees and their employment specific information (Gill and Johnson, 2010). HRIS can be briefly defined as integrated systems used to gather, store and analyze information regarding an organizations human resources (Hendrickson 2003).

Many studies came out with many functions that represent an HRIS. For example, HRIS functions include corporate

communication, recruitment, selection, training, employee opinion survey, compensation, payroll services and employee verification as well as general staff related information and demographics (Ngai and Wat, 2006; Beulen, 2009; Holincheck et al.,2007).

Human resource information system acting on more sophisticated information expert systems mainly support decision-making in managing human skills (Ostermann, H., Staudinger, B.,& Staudinger, 2009), (Nishad Nawaz, 2014). The use of human resource information system would allow for the human resource function to become more efficient and facilitate better information for decision making (Beadles, Lowery, Johns, Aston, & Ii, 2005), (Nishad Nawaz, 2014).

Usage of Information Technology has increased the effectiveness and efficiency of modern organizations and Human Resource Information System (HRIS) has become an inseparable part of modern organizations (Kapoor, 2012), (Nishad Nawaz, 2013b), (Nishad Nawaz and Anjali, 2012).

It is the requirement of HR executives to have real-time information about key aspects of HR on daily basis. Dashboard in Information Systems is a concept that helps in fulfilling this need to executives. Dashboards can be broken down according to role and can be strategic, analytical or

Operational, (Few S. 2006). Strategic dashboards support managers at any level in an organization, and provide the quick overview that decision makers need to monitor the health and opportunities of HR in the company. Dashboards of this type focus on high level measures of performance, and forecasts. Strategic dashboards benefit from static snapshots of data (daily, weekly, monthly, and quarterly) that are not constantly changing from one moment to the next. Dashboards for analytical purposes often include more context, comparisons, and history, along with subtler performance evaluators. Analytical dashboards typically

support interactions with the data, such as drilling down into the underlying details. The idea of digital dashboards followed the study of decision support systems and Executive Information Systems (EISs). In the initial phase, there were problems regarding data refreshing and handling. This Digital dashboards approach was considered impractical as information was often incomplete, unreliable, and spread across too many disparate sources. But later concepts and technologies like data warehousing, and online analytical processing (OLAP) allowed dashboards to function adequately.

It is important to note however, that despite the availability of enabling technologies, the use of dashboard was not popular till the emergence of concept of key performance indicators (KPIs), and the introduction of Robert S. Kaplan and David P. Norton's Balanced Scorecard (Eckerson

W. , 2010). A balanced scorecard is a strategic management system that leverages strategic non- financial performance measurements alongside the traditional financial metrics. This approach provides a more "balanced" view from four organizational perspectives: financial, customers, internal business processes, and learning and growth. By linking clearly defined HR department objectives and performance to the company's strategic business goals, the human resource balanced scorecard can serve as a way of focusing human resource staff on activities that will support the company's goals. It also demonstrates the strategic value of HR by defining and measuring its contribution in concrete, clearly understood terms.

In addition to alignment with company goals, the scorecard must also contain accountability, validity and actionable, measurable results.

Key Performance Indicators define a set of values against which to measure. These raw sets of values, which are fed to systems in charge of summarizing the information, are called indicators.

Indicators identifiable and marked as possible candidates for KPIs can be summarized into the following sub-categories:

- Quantitative indicators that can be presented with a number.
- Qualitative indicators that can't be presented as a number.
- Leading indicators that can predict the outcome of a process
- Lagging indicators that present the success or failure post hoc

Key performance indicators, in practical terms and for strategic development, are objectives to be targeted that will add the most value to the business.[3] These are also referred to as key success indicators.

II. KPI DASHBOARD IN HRIS:

KPI Dashboards provide at-a-glance views of KPIs relevant to a particular objective or business process. The dashboard is often displayed on a web page which is linked to a database that allows the report to be constantly updated. Assimilating KPI dashboards in HRIS allows HR managers

to monitor the contribution of the HR department in their organization. It helps to gauge exactly how well the department is performing, by capturing and reporting specific data points from the HR department within the organization, thus providing a "snapshot" of performance. By incorporating KPI Dashboard in HRIS, Management can get visual presentation of performance measures. It can identify and correct negative trends and also generate detailed reports showing new trends. Another major advantage of making more informed decisions based on collected business intelligence and align strategies and organizational goals. It thus saves time compared to running multiple reports. Moreover, by quick identification of data outliers and correlations can also be done, enabling quick decision-making in HRM.

A comprehensive research is available on KPI and HR scorecard. Although both visually display critical information, the difference is in the format: Scoreboards can open the quality of an operation while dashboards provide calculated direction. A balanced scorecard has what they called a "prescriptive" format. It should always contain these components,

- Perspectives – groupings of high level strategic areas
- Objectives – verb-noun phrases pulled from a strategy plan
- Measures – also called Metric or Key Performance Indicators (KPIs)
- Spotlight Indicators – red, yellow, or green symbols that provide an at-a-glance view of a measure's performance.

Even when there is a strategic link, on a dashboard, it may not be noticed as such since objectives are not normally present on dashboards. However, dashboards can be customized to link their graphs and charts to strategic objectives. The premise for an HR scorecard is that HR can and should develop metrics to demonstrate how HR activities impact profitability.

This can be done by identifying the critical deliverables for Human Resources, HR customers, define HR activities hat provide critical deliverables and also conduct cost-benefit analysis of activities that provide deliverables.

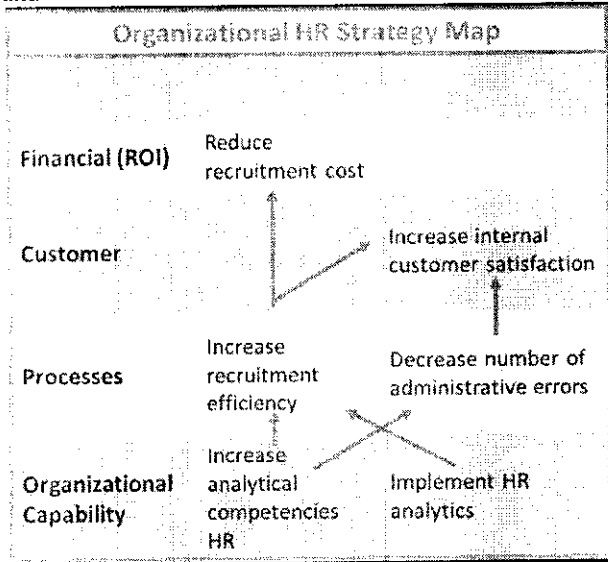
Organizational HR Strategy Map		KPI	Current score	Target
Financial (ROI)	Reduce recruitment cost	Recruitment costs in euro/dollars	0.5 M	0.4 M
Customer	Increase internal customer satisfaction	Internal client satisfaction (scale 0-10)	8.0	8.5
		Time to hire (days)	60	50
Processes	Increase recruitment efficiency	Average number of administrative errors per week	15	8
		% employees meeting "analytical job demands"	30%	40%
Organizational Capability	Increase analytics competencies HR	% HR employees applying HR-analytics practices	0%	50%

Based on the concept of Balanced Scorecard, (I. Gabcanova, 2012) has identified certain KPI in Strategic

HRM Labour costs, turnover rate, effective use of training budget, succession planning, retention of employees, CSR, flexibility, motivation, employee survey, online employee tools, mutli-skilling, leadership, etc.

According to Z. Kaščáková and L. Sojka(2012) ,the most used KPIs in organizations are quality, engagement, satisfaction, investments to education, attrition rate, profit per employee, average income, absenteeism and others.

Several researchers have developed templates to identify HR how the four perspectives of balanced scorecard are internally related as in the template developed by Toine Al and Irma Doze (2015).



Source: Toine Al & Irma Doze's, 'HR-Analytics' (2015)

The blue arrows in the template show the internal relationships between the KPIs. These are decided on by the executive board. It is very important that we identify a limited number of HR KPIs that will help the department and the organisation achieve their goals.

Depending upon the strategic goals, the organizational HR scorecard can be formed, consisting of KPIs that will help the organization realize its strategic goals.

III. HUMAN RESOURCES KPI TEMPLATE

Source: Toine Al & Irma Doze, 2015

Setting goals using HR KPIs provides us with a framework which helps to make better decisions and more purposefully drive strategic business outcomes.

Ladimeji (2017), top KPIs in HR are Staff engagement, commitment to talent management, Diversity, quality of leadership and adaptability. The author says that if HR is going to make the transition to being a valuable, strategic business partner, it needs to change the perception of itself as being an outsider. It needs to start rewriting the organizational sob story of HR, as an unimportant peripheral player, and start updating the mental database of the CEO with a new mission critical narrative about the HR Function.

A research conducted by Gesuele B., Romaneli M (2015),

the objective of which was to elucidate that human resources measurement performance systems may be measured by a balanced scorecard approach in order to improve the organizational performance as positively perceived by civil servants in USA. In accordance with previous studies, the researchers chose to implement one dimension of balanced scorecard approach: innovation, learning and growth because this perspective may constitute a driver for employees that feel to contribute to the agency ends. Innovation, learning and growth represent constitutive elements of organizational strategies value oriented. With regard to implementation of an effective leadership program as the first key performance driver, employees felt a high level of respect for their leader. Communications between employees and their leaders are positively judged and satisfying. With regard to key performance driver employees satisfaction only the 26% of employees respond to be negatively impressed. With regard to key performance driver implementation project plan for new knowledge and best practice, the 60% of the interviewed employees believe that their talent is well used in the workplace. The 54% of the interviewed employees consider that their training should be assessed. The employees consider their workload as reasonable and important in relation to the third key driver, employees work experience. The creativity and innovation are considered to be important for the most part of the sample (40%). They believe that organization could offer them the opportunity to improve their abilities (key driver indicator implementation new strategies and routine). The employees believe there is cooperation in the workplace and there are merit systems for gratification in relation to the key driver employees relation.

Thus, different authors have identified different KPIs in HRM using Balanced Scorecard approach.

IV. ASSIMILATION OF KPI DASHBOARD IN HRIS BASED ON BALANCED SCORECARD:

Based on the thematic analysis of the research articles reviewed, following KPIs need to be incorporated in KPI Dashboard of HRIS based on HR Balanced Scorecard approach to enable HR managers to get complete picture of important aspects of HRM and enable the organisation appreciate HR as its strategic partner;

Balanced Scorecard Perspective	KPI	TYPE: Lagging/ Leading Qualitative/ Quantitative
FINANCIAL PERSPECTIVE Objectives: Maximise shareholder value Maximise	Cost per hire	Lagging, Quantitative
	Total cost of recruitment	Lagging, Quantitative
	Expenditure on Recruitment compared to the budget	Leading(budget) Expense (Lagging) Quantitative

Minimise HR Costs	Cost of selection compared to budget	Leading(budget) Expense (Lagging) Quantitative
	Cost of employee orientation vis-à-vis Budget	Leading(budget) Expense (Lagging) Quantitative
	Cost per trainee vis-à-vis budget	Leading(budget) Expense (Lagging) Quantitative
	Cost of compensation and benefits of employees	Lagging Quantitative
	Cost of employee maintenance	Lagging Quantitative, Qualitative
	Turnover cost	Lagging Quantitative
	Cost to supervise	Lagging Quantitative

company	
Perception of employee about company	Lagging, Qualitative
Job Satisfaction index	Lagging, Quantitative
Results of Employee Surveys	Leading, Qualitative/ Quantitative
Employee Engagement index	Lagging, Quantitative

LEARNING AND GROWTH Objectives: Enhancing Performance-based Culture Organization Integration Nurturing Leadership skills	Employee Diversity	Lagging, Quantitative
	Number of Innovations	Lagging, Quantitative
	Employee conducted	Leading/Lagging, Quantitative
	Number suggestions received	Lagging, Quantitative
	Organization Health Index	Lagging, Quantitative
	% retention of new hires	Lagging, Quantitative
	Skills enhanced	Lagging, Quantitative
	% of potential retention	Lagging, Quantitative
	Leadership index, Leadership Potential index	Lagging, Quantitative, Qualitative
	Number of Performance-based rewards	Lagging, Quantitative

CUSTOMER SATISFACTION Objectives: Strategic Support to business High quality HR service to stakeholders	Time to fill Vacancy	Lagging, Quantitative
	Response rate for job postings	Lagging, Quantitative
	Transaction cycle time	Lagging (if benchmark already set, Leading), Quantitative
	Occurrence of grievances	Lagging, Quantitative
	Time taken to settle grievance	Lagging, Quantitative
	Employee Turnover rate	Lagging, Quantitative
	Average employment time in	Lagging, Quantitative

INTERNAL BUSINESS PROCESS Objectives: HR alignment	HR technology ROI	Lagging, Quantitative
	% training delivery	Lagging, Quantitative
	Cost per transaction	Lagging, Quantitative

with business strategies Optimize HR service through delivery channels Impart excellent training	Fraud Index	Lagging, Quantitative even type of frauds
	HRIS implementation	Lagging, Leading Quantitative, Qualitative
	Number of shortage/ surplus employees	Lagging, Quantitative
	Transaction Processing rate	Lagging, Quantitative
	Job description factor	Lagging, Quantitative
	Skill Change	Lagging, Quantitative
	Transaction Error rate	Lagging, Quantitative

V. CONCLUSION:

The researchers have attempted to identify KPIs in HR that need to be incorporated in the digital dashboards of HRIS based on review of articles on the topic. HRM is being recognized as a strategic partner of business and balanced card approach proves to be significant in identifying Key Performance Indicators in HRM. This will enable HR decision-makers to enhance their contribution towards the strategic growth of the business. While doing this though, it is necessary to create a cause-effect relationship between decisions of HR department and the results achieved. It also is important to align HR processes and decisions with the business Strategy. Scorecard must first be communicated throughout the organization weaving HR results into the rewards and recognition systems. There also needs to be a continuous feedback loop to enable learning from any error committed in decision-making.

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