



## **Justification for an HR Information System (HRIS)**

**Cost Avoidance:** eliminate future spending

- ❑ Avoid or minimize costs associated with recruiting-succession planning/applicant tracking
- ❑ Legislative compliance- failure to comply (fines, contract losses)
- ❑ Reduction of benefit administration fees
- ❑ Avoid/postpone staff increases, overtime and temporary employee costs
- ❑ Eliminate duplication of work (staff lists, organizational charts)-central source
- ❑ Reduction in turnover/training costs-increased morale of staff
- ❑ Improve the performance of a measured activity and reduce time and cost required to complete an activity

**Value Added:** qualify (rather than quantify) the benefits gained from the HRIS

- ❑ Data for senior management for better decision-making
- ❑ Perform "What If" modeling- forecasting ability
- ❑ Better employee communications, better productivity
- ❑ Streamline HR transactional tasks and free-up time for more important employee issues
- ❑ Faster access to meaningful information that was not available in the past
- ❑ Competitive advantage in being able to hire the best, and retain the best employees

The most important thing to consider when developing your cost justification is to relate the justification to the business strategy or mission. "A proposal that is founded on the needs of the business will have a better chance of being funded than one that simply focuses on technical requirements. This is also one of the first places to begin gathering critical management support. Demonstrating an understanding of the business needs and how the HR function fits into the larger picture of the organization will help gain support and, most important, will lead to a system that provides maximum pay offs to the company."

### **CORE POINTS TO STRESS**

- ❑ Identify the key role of the HR function and what will be required in the future
- ❑ List the reasons to automate
- ❑ Discuss success stories of other organizations (competitors)
- ❑ Identify the tools- either manual or computerized, currently available
- ❑ Describe the future resources needed to perform HR functions
- ❑ Outline a 3 to 5 year project plan
- ❑ Discuss requirements for connectivity to other hardware systems in the company (eg. payroll, accounting)
- ❑ Discuss and demonstrate how HRIS integrates into the corporate plan
- ❑ Quantify benefits including intangibles- remember senior management is distant from HRIS functions
- ❑ Do not focus on record keeping or administration, look at human asset management and bottom-line contributions