

Using your HRIS properly can save time and improve department effectiveness



# HRIS in 2009:

## doing more with less ... or nothing

Despite sizeable investments, some organisations fail to fully leverage the benefits that HR Information Systems (HRIS) can offer. **Teresa Russell** looks at the process of realising efficiencies and returns on investments in HR technology

**H**RIS automates transactional HR in the areas of personnel record-keeping, benefits and payroll – particularly for companies moving from manual systems that are error-prone and time consuming – starting with payroll and Employee Self Service (ESS).

InterOil Australia Pty Ltd is Canadian-owned, but has corporate headquarters in Cairns. The company’s main business is oil and gas exploration and production in PNG. It owns an oil refinery there and commands a 60 per cent share of PNG’s downstream market (petrol stations).

Steve Grey, InterOil’s HR services manager, says that the majority of the company’s 650 staff is skilled workers. “A global payroll system to replace three different systems used in PNG and another in Australia was the most urgently required HRIS need. We couldn’t even work out staff turnover without accessing individual employee files using our manual systems,” he says.

Carly Clonan, national HR manager for Kings Transport and Logistics, replaced her company’s payroll system in late 2007 because its software provider was withdrawing support, hoping to move Kings to its web-based system. “We

### HR questions in cost cutting

In cost-cutting mode, HR will be asking the following three main questions: What can we outsource? How can we optimise the systems we already have? How can we tie that all together from both an interface and data standpoint?

Source: [billkutikradioshow.com](http://billkutikradioshow.com)

needed to create efficiencies and centralise the HR function as well as replace unsupported payroll software,” she says.

Kings is an Australian-owned and operated metropolitan and intrastate transport and warehousing company. It now has 359 direct employees working in office or warehousing roles, as well as 1500 subcontracted drivers. Kings has trebled in size through organic growth in the last five years.

### Meeting needs

Every organisation has particular needs (and budgets), which often dictate HRIS vendor selection. Grey says that InterOil

needed a global payroll system that had an easy report-writing system, used low bandwidth, had been tested and would be supported in PNG – a developing country with “unique issues”.

In a previous role, Grey had used Frontier Software in PNG, although not the global version of Chris 21 that he eventually chose. There were time pressures to have the new system operational by the new financial year, giving the vendor just three months from scoping to completed implementation.

Clonan says that ease-of-use was Kings’ primary requirement, as well as

### expert view

#### HRIS in 2009

Bill Kutik, technology columnist for *Human Resource Executive* and co-chairman of the USA’s annual HR Technology Conference, is a guru of HRIS. In a recent episode of his bi-weekly webcast on HRIS, The Bill Kutik Radio Show, he and his guests made some predictions about the immediate future of the HRIS market.

Kutik told *Human Resources* that the most important thing for organisations to do now was to use a systematic way to identify its best employees. “There are a lot of opportunities in a downturn. You can get rid of the deadwood that needs pruning in tight times. But you must make sure you are ‘riffing’ (from RIF – reductions in force) the right people,” he says. Kutik believes that performance management is the most important thing to get right in 2009, and also says that quite a few organisations have yet-to-be-implemented modules in their Oracle or Peoplesoft systems. “People will spend a lot on optimising what they already have this year,” he adds.



operating within a “modest” budget to get both a payroll and ESS module. Sage MicrOpay’s Meridian system was the best fit. “Transport remains a traditional field. Some of our older Gen-X’s and baby boomers initially had difficulty accepting the new technology. Once we demonstrated how easy the ConnX [operating]

**“Once you use it, you will wonder how you ever managed before – and you never look back”**

system was to use, the transition was easy,” she says.

The document section of the ESS module includes training records, a staff asset register, performance management alerts, templates and storage, employee manuals, organisational charts, a national staff directory and internal vacancy notices.

#### Implementation

InterOil implemented its payroll system for Australia and PNG 18 months ago, a recruitment module in August 2008 and a competency-based training system in September 2008. Grey will be extending the system to include ESS, health and safety, environment and performance management in the future.

“The implementation went very smoothly. It helped that I had used the system before and that Frontier had experience working in PNG,” says Grey, whose project team consisted of three staff from HR, the IT manager and finance. They used a total of 53 vendor project team days, completing the project under budget in terms of time and cost.

Clonan and her payroll assistant ran Kings’ payroll implementation themselves. “I had heard about another company where implementation of an HRIS was rushed and not properly tested,” she says.

“All the employees’ private data was available for everyone to see. So we tested it thoroughly to ensure privacy was maintained and did a slow rollout, training all staff on ESS at each site,” says Clonan. The whole system was rebranded i-Kings just after implementation.

#### ROI and payback

Neither InterOil nor Kings have done formal Return On Investment calculations to compute the value of the HRIS to their respective companies, but both Grey and Clonan believe their original business case

justifications have been validated since implementation.

InterOil’s managers now have access to accurate information about overtime, sick leave and salary comparisons to manage their people better.

Clonan says there have been obvious cost savings in time, paper, postage, printing and reduced errors. “Since implementation, we’ve grown from 260 to 359 staff without needing any additional HR resources. We can still manage a weekly payroll with one part-time staff member who now has time to assist HR with other functions,” says Clonan. “Once you use it, you will wonder how you ever managed before – and you never look back.”

#### vendor news

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