Course Name: AI in Human Resource Management

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Lecture 12: HR Administration Application

Hello learners, welcome back to the course on AI in human resource management. Today, we move to the third lecture of the fourth module, where we'll be looking into one of the most regular activities any HR role has. That is HR administration and its application. So, we'll try to look into those instances where AI is aiding HR administration application. I'm Dr. Abraham Cyril Issac I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati.

Now, when you talk about day-to-day HR and HR administration generally, it looks into the operational activities of HR. It takes care of the relevant workforce management, what is happening, maybe it is with respect to payroll management or maybe in a very normative way, how the employees are being motivated, how they are aligned with company values, etc. It may be related to the training and development needs of the individuals. What the onboarding orientation schedule of the organization is.

So, let's understand HR administration first and understand how specifically AI is enabling HR administration application. So, when you look into HR administration specifically, as we have already seen, it is more about handling the day-to-day operational aspects of the workforce. Now, when you look into HR administration, you will understand that it can have a wide range of activities, like recruitment. It can have onboarding. It can have payroll processing.

It can have things like benefits management and ensuring even the compliance with labor laws. Now, efficient HR administration ensures That employees are typically motivated. They are aligned with the company values. Please recollect the strategic intent discussion

we had, where the individual objectives need to be in alignment with the organizational goals or organizational objectives for that matter.

So when you look into HR administration or HR administrators, particularly, they are responsible for formalizing agreements. They are responsible for decisions made by other departments, like, let's say, for recruitment, for training, for strategic planning, etc. So they play a very critical role in implementing organizational goals. Let's look into this case, for instance.

Implementing a structured onboarding program, let's say with 30, 60, or 90-day checklists for new hires. So this ensures that the new employees have clear objectives and support during their initial few months. So leading to better retention rates, quicker integration into the company culture, etc. Will be the add-on benefits that we get when we have a close watch and close help or monitoring with the new workforce or about the new workforce. Now, when you look into the importance of HR administration application,

Effective HR administration plays a critical role in maximizing employee productivity and aligning workforce management with organizational goals. When you look into the key reasons why HR administration is crucial. We can definitely point out that employee motivation is particularly important. We talk about properly managed HR practices that lead to higher levels of employee engagement or satisfaction, for that matter, which can undoubtedly enhance productivity. So this is one of the critical reasons why HR administration is crucial.

Another could be legal compliance when you look into staying compliant with labor laws. Reduces the risk of legal disputes and associated costs. So when you're looking into legal disputes, definitely it is warranting some associated costs, which you can definitely prevent with HR administration application. When you look into legal Talent attraction and retention is another reason.

A well-structured HR administration system actually helps attract top talent and retain valuable employees by creating a positive work environment. We also have reasons like data-driven decision-making by analyzing the HR metrics Allows organizations actually to make very critical informed decisions regarding, you know, workforce management,

regarding strategic planning and whatever needs of the organization be. It also has an element of cost efficiency. Streamlining HR processes through automation actually leads to significant savings in cost, allowing resources to be redirected towards growth initiatives. Now, when you look into the HR administration application, let's dissect this from the perspective of different areas. We'll try to understand the scope. And the focus and responsibilities associated with that.

So let's look into the differences per se. When you're looking into the first one, which is HR administration per se. You see that the scope is operational and administrative tasks relating to managing employees. This is the critical scope. The focus will be more reactive, more ensuring smooth daily operations and compliance.

I'll take a moment here to explain reactive. You know, many a time we don't plan for the employees. The exigencies are many a time we as an organization, you must have observed in your organization also. Most of the focus is reactive. It should have been proactive.

It should have been pragmatic. But again, when there is a backlash, when there is something to be done, HR administration interferes. And that is where the things become reactive. It has happened. Dimension of being reactive again. The responsibilities can be anything from payroll to benefits. You know, it could be including the fringe benefits, onboarding, compliance, even record management to a certain extent. When you look about the second area, HRM, it's a broader function.

Encompassing various aspects of workforce management is the scope of HRM, as we all know. Again, the focus would be on strategically aligning HR practices with organizational goals, which we understand as strategic intent to a certain extent. The responsibilities would include talent acquisition, employee relations, training and development, performance management, and compensation. Then we have the third, HRD. Specifically, HRD focuses on developing employee skills and competencies.

The focus would be long-term. The focus would be investing in employee growth for organizational success. You have career development, training, and succession planning

as the responsibilities of HRD. So, I'm just trying to underscore HR administration first. When you're looking into administration management,

This is yet another significant aspect. The scope includes overseeing general organizational operations beyond just the mere HR functions. It focuses on broad management processes across the department. So, this is vital when it comes to administration management. Logistics will be a responsibility.

Office management would be another responsibility. So, basically, facilities management, administrative support, and a host of responsibilities. So, it is not just HR. It is going beyond processes across the departments, as I already mentioned, is the focus of administration management. When you look into something very specific like an HR generalist,

An HR generalist is all about managing various HR functions across the organization. The focus is versatile. It handles multiple aspects of HR. It can have many responsibilities, right from recruitment, policy implementation, employer relations, benefits, etc. You also have the HR specialist role.

The scope is a specific area within human resources, but that said, the focus would be on deep expertise in a particular function with responsibilities such as developing specialized programs. You know, conducting targeted recruitment, analyzing compensation structures, addressing complex employee relation issues, etc. These all pertain to the HR specialist. Now, let's understand the functions of HR administration applications. When you look into HR administration applications, their function, what we understand is that employee data management happens to be the first and foremost function of HR administration applications.

HR administration applications centralize employee information, allowing HR professionals to maintain accurate and up-to-date records. Please note it includes things like personal details, job titles, performance evaluations, and even payroll data for that matter. A centralized database simplifies access to information, enhances data accuracy, and even supports compliance with legal requirements. When you look into recruitment and onboarding, you have applications that streamline the recruitment process by

automating job postings, applicant tracking, and interview scheduling, which is all about recruitment and onboarding. We talk about recruitment and onboarding.

You see that they facilitate a smooth onboarding experience for new hires by providing a structured workflow that guides them through necessary paperwork. Different training schedules related to them and introduction to team members. This efficiency typically helps organizations attract and retain top talent. When you talk about payroll processing, you have significant HR administration applications being outlined here, which automate payroll calculations. Ensuring timely and accurate salary disbursements while managing deductions for certain taxes and benefits associated.

So, by integrating payroll with time tracking and attendance data, these systems typically reduce errors and save time for HR staff. When you look into benefits and administration, you see these applications manage employee benefits programs, including Things like health insurance, retirement plans, and leave entitlements. What we understand is that they enable employees to enroll in benefits, make changes during open enrollment periods, and access information about their benefits easily. This functionality typically enhances employee satisfaction by providing clarity and accessibility regarding their compensation packages, for that matter.

You also have aspects related to performance management as one of the functions of HR administration applications. HR administration applications support the performance management process by enabling goal setting. Continuous feedback and performance evaluations. So, they help to track employee progress against, you know, some goals and objectives that are being set, facilitate regular check-ins between managers and employees, and assist in identifying Training needs, training requirements, and all areas for improvement, totally.

So, what we understand with respect to another function would be what we have discussed in detail about compliance, compliance with the labor laws of the region. Ensuring compliance with labor laws and regulations is a very critical function of HR administration. Application has already underscored. Please note, these systems provide tools for tracking, you know, compliance-related activities, generating reports for audits,

and keeping HR policies updated in accordance with changing legislation. So, this reduces

The risk of legal issues and associated penalties. We also have time and attendance tracking. You know, HR administration applications often include features for monitoring employee attendance, managing leave requests, and tracking the working hours of individuals. So, this functionality If you ask me, it typically helps organizations manage workforce availability effectively while integrating attendance data with payroll systems for accurate compensation. You have employee self-service portals. Many HR administration applications include self-service portals where employees can access their personal information, request time off, View pay stubs, and update contact details independently.

So what happens is that this specific feature empowers employees to take charge of their HR-related tasks. While reducing the administrative workload on HR staff. So we have looked into the functions of the HR administration application. This was the key theme of today's lecture. Now let's look into the benefits of the HR administration application.

So when you are trying to understand HR administration, its applications, and how it has been enhanced, you have to understand how it is benefiting. Benefits with respect to efficiency, enhanced employee experience, and employee engagement, for that matter. You have data being properly calculated and critically analyzed. You have increased accuracy, for that matter.

You have certain cost savings associated with your HR administration applications, making things standardized and streamlined. You have a certain eye on data security because now things are not handled by merely human beings or the human element interaction, or human interaction is very less when it comes to these things, and the possible scalability. So these are some of the benefits. Let's look into that in detail now. When you look into the benefits of HR administration, as I mentioned, increased efficiency happens to take the front seat. Automations of routine tasks specifically reduce administrative burdens on HR staff, allowing them to focus on strategic initiatives. When you look into the accuracy part, the improvement is there because centralized data

management minimizes errors associated with manual data entry and enhances data integrity.

You have employee experience being enhanced, and this is because of the self-service features that empower employees to manage their own information, improving satisfaction and engagement overall. You have a clear indication with respect to cost savings. You know, streamlining processes, as I mentioned, like standardizing things, leads to reduced operational costs. That's a no-brainer.

Allowing organizations to allocate resources more effectively. There are critical implications in terms of data security, which are the benefits of that. Advanced security features protect sensitive employee information from unauthorized access. And I would say, last but not least, the most important would be scalability. You know, many HR applications can grow with the organization, accommodating increasing numbers of employees and expanding functionalities as required.

Now, let's quickly look into some of the popular HR administration applications. Again, some of them we have discussed in the previous modules already, but I like to refresh it. Some of the new ones I would like to introduce. The first one, BambooHR, which we have already seen, is all about employee tracking. Payroll management, performance management applications are also associated with that, and even an ATS, applicant tracking system, is facilitated by BambooHR.

You have BambooHR as the first option, then you have TriNet Cinefits. When you are looking into Cinefits, you have payroll processing, compliance tracking, and benefits administration as some of the key functional aspects of Cinefits. You have Gusto, which we have seen. Gusto is all about compliance assistance, payroll processing, and employee benefits management, as I discussed in my previous module. Feel free to go and explore this.

But again, there are some trial versions. I will definitely recommend you to go for a trial version, look into that, and see how effective it is. Again, see how useful it is for you, and what your actual requirement is. Let's say you have something like Namely. Namely

looks into time tracking, employee surveys, payroll, etc. As part of these applications or these calculations and metrics.

You have Kissflow. Kissflow looks into the automation of the onboarding process, leave requests, and even exit interviews are facilitated by Kissflow. You have ADP Workforce Now, which looks into time and attendance tracking and typically payroll processing. You have Orange HRM. I'm giving you a plethora of options.

You can actually go, as I mentioned, explore things, whichever is suitable for you, whichever is right in terms of the resources you have or the cost parameters. You can always opt for that. And also, please look into the key functional areas. So my intention here is to match. Each tool with the necessary functional area so that you get an understanding of what is required and which one to go for.

You have Orange HRM. Which looks into performance evaluation and employee records, and you have Deputy, which looks into scheduling, time tracking, and payroll integration for that matter. Again, when you look into the tools, you also have to look into the best practices for effective HR administration. Now, the first and foremost I would like to put in is regular compliance audits, you know, regularly perform audits to assess and update HR administration practices ensuring that they align with the evolving labor laws and regulations. We just concluded a session on labor welfare and industrial relations which had run in the previous semester. You'll see that in the case of India, they have been coming up with clear labor courts. So there are some evolving labor laws, so again

If your organization needs to stand the test of time, it needs to actually sync in with the present-day law structure. So that is where these regular compliance audits play a crucial role. Now, maintaining compliance actually minimizes legal risks and safeguards employee rights. You also have some employee self-service portals. You know, it offers employees these portals that allow them to update their personal details,

Request leave and even view paystubs. So these employee self-service portals typically give employees more control while also lightening the administrative load on HR teams. It also has leverage in terms of Automated reporting, you know, leveraging HRMS tools to produce automated reports on HR metrics. These reports provide essential insights into

workforce patterns, enabling organizations to make data-driven decisions and typically to develop a more effective HR strategy.

You have some data security measures, you know, establishing strong data security protocols to actually safeguard sensitive employee information. So it's essential to comply. You know, if you are a multinational company, you know, you have to look into the data protection regulations like maybe the GDPR or HIPAA for that matter, protecting data. Ensures both trust and legal compliance. So this is what I wanted to underscore, not only trust but also legal compliance.

So many times we tend to see or we are myopic in seeing just one of these. Either some of the organizations go in for centralized data management for legal compliance for that matter with respect to, you know. So generally, we go in for data security measures with respect to legal compliance sometimes or some organizations specifically go in for increasing trust. But please note that it does both things. It actually protects data, ensuring both trust and legal compliance.

You also have centralized data management as one of the best practices. Keep a centralized system for employee records. This typically allows HR administrators to efficiently access and even manage essential HR data, ensuring improved accuracy and easier accessibility. You should have a clear-cut employee feedback mechanism. Create channels for employees to actually share feedback.

In the HR administration process, this input can actually highlight areas needing improvement, enhancing employee satisfaction and optimizing the procedures. So let's now look into a typical case study. This will give you a practical implication of what is exactly happening in terms of HR administration application. This is with respect to streamlining. Streamlining payroll management at Hyatt Clothing.

So let me introduce you to the topic. The background is something like this. Hyatt Clothing is a seasonal chef manufacturer based in South India, employing over 300 workers and producing around 2000 shirts per day. Under the brand, partnered with top clothing brands, the company sought an efficient way to actually manage the payroll, employee data, tax deductions, and attendance. Because not only the payroll

management, but it also tried to have a look into the employee data, tax deductions, and even attendance for that matter. So the client requirements were pretty clear when you are looking into Hyatt specifically. It was all about managing the monthly salary calculations, the tax deductions, including the ESI and PF for that matter, and the attendance tracking.

Handling planned and unplanned leave was a client requirement. You know, overtime had to be calculated, and other attendance variables needed to be also calculated. You have to provide, you know, salary compensation. Another requirement was to provide salary consumption reports by designation, by sort of department, and multiple branches. The solution was interesting.

You know, I Square Business Solution Private Limited developed a fully customized payroll management system actually for Hyatt Clothing customers. It did a lot of these activities, including, let's say, salary calculation based on hours worked, attendance, and leave based on, you know, different aspects with respect to how employees are coming and going, their leave patterns, etc. Salary calculation was done. Tax deductions and compliance management were taken care of. Employee profile creation and updates in a secure manner.

The cloud-based system ensured a lot of privacy and security. Attendance tracking integrated with biometrics for seamless payroll processing was yet another important aspect. Now, when we look into the results specifically, what we see from this case study is that it streamlined the payroll processing. You know, eliminating manual spreadsheets. So that was the biggest relief. Even today, we see organizations juggling through manual spreadsheets, which is taking a lot of toll in terms of employee work hours. You have reduced payroll processing time and improved accuracy.

Another significant result was the secure data storage with automatic backups in the cloud. So preventing any sort of data loss. And finally, it improved the financial management and time savings for the HR department. So what was the impact? Highly improved payroll efficiency, budget control to a certain extent.

It was simplified budget control. Improved accuracy in salary and tax calculation. The switch from manual spreadsheets to the automated payroll system helps save time and

energy while ensuring smooth operations across multiple branches. So when you look into typical case studies like Hyatt. It shows that, you know, things which otherwise required a lot of time, certain things which required a lot of cost or involved a lot of people had been streamlined, had been actually standardized.

And the requirement in terms of the time, cost, labor, or whatever be the other extraneous requirements were quite low. So please note, ladies and gentlemen, that AI is facilitating the HR administration altogether. AI is actually improving the efficiency. It is looking into the data privacy. It is taking care of the data security.

And please note, real-time updates into the cloud-based system are actually ensuring data safety and real-time data backup. So, this is what AI is doing today toward HR administration. We had an exhaustive discussion regarding that. I hope you had some great takeaways from this lecture. See you all with another topic in the next lecture.

Till then, take care. Bye-bye. Thank you.