



# A human resource information systems and its impact on a hotel's organisational performance

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## Abstract

The hotel industry represents some of the greatest businesses worldwide. The most competitive sector in hospitality is the hotel sector, and it focusses mainly on quality customer services and in delivering guests needs and wants. However, there is growing concern in the tourism industry in general about current and future major staff shortages increasing. Focusing on human resource (HR), especially the Human Resource Information System (HRIS), which can record and report the employees' data is the prospective solution to this problem in Iraq. HRIS systems must be used to collect, to record and store, to examine and recover, all the data related to an organization's human resource activities. A few of the recent researches that discussed HRIS technology and its impacts on hotel organizations, show that it is indeed growing and developing. By using an information system an HR manager can reduce the cost of administrative work, grow productivity, and importantly shorten the response time so as to improve decision-making, the quality of the customer service offered to guests. Furthermore, such studies emphasized certain types of information technology and information systems have become very important for most organizations if not all. The aim of this paper is to address the need to use HRIS in hotel performance in Iraq and specially the importance of HRIS for customers' and their ultimate wellbeing and satisfaction. In any case it also contributes to the efficacy of employee activities.

**Keywords:** HRIS, hotels, people analytics, human resources, information systems.

## Introduction

Nowadays people travel to different destinations all over the world. The hospitality industry and especially the hotel sector faces many challenges in developing their performance and accommodating the customers from different countries with their many cultures influences. The investment by global investors in the hotel sectors is an effective business in the tourism industry. The income and reputation of the hotels depend heavily on the goodness of the services they provide in a limited time frame. There are diverse factors influencing the performance of the hotel and the services and quality provided to their customers. The vital factors are effective hotels human resources and effective systems of operation. (Kovach & Cathcart, (1999) state that "HRIS as a systematic procedure for collecting, storing, maintaining, retrieving, and validating data needed by organization about its human resources, personnel activities, and organization unit characteristics".

In other industries, an HRIS has proved its ability in the management of a business and in developing the employees, thus HRIS represents the solution for the many HR problems. It can help in managing the employee work-cycle, such as selection, payroll, achievement management and succession planning. Moreover, in the last decades, the world saw fast growth in the field of technology, and now many of these technologies can be applied successfully in HR management. However, a small amount of research has focused on HRIS technologies in hotels management. This paper confirms a wide scope from the HRIS technologies, which can support the management and development of the hotels' sector HRIS (Addis, 2003; Alomari & Elrehail, 2013; Alzghoul et al, 2016).



In this paper, the researcher reviews the HR technologies that can progress the hotel organizations such as the management systems based on the cloud; the intelligent service tools; the changing from automation to productivity; corporate electronic learning; the analytics tools for customers feedbacks. The results recorded in this paper draw from the author's background reading in HRIS and People Analytics (It is, also known as HR or talent analytics, and this method of analytics can assist managers and decision-makers in making a conclusion about their workforce) (Bersin, 2015). HRIS must meet the needs of the various levels of management within an organizational matrix. When it works well it can enable an integration of policies and measures used to accomplish the firm's human resources needs and expectations as well as the measures required to operate the relevant computer software and the related hardware applications effectively and efficiently (Hendrickson, 2003).

### **The importance of the research**

The importance of this research is based on:

- 1- Specifying the importance of using modern HRIS technology in management in the hotel sector.
- 2- Specifying the importance of human resources in making a good impression on customers about the quality of services that are provided to them.

### **Problem statement**

The current development in the business economy and the increase of competition between companies and organizations in term the globalization concepts, have all been caused by the quick growth of communication and information technology. One of the most competitive global industry investments over all the word is the hotel sector. There are many features facing the performance and development of hotel organisations which directly affect customer satisfaction and which entice the people from all over the world to visit a certain hotel. The most vital feature is of course, the human resources. Thus hotel organisations must enter the computer application system as an essential part of their organisational management and apply these systems in human resource selection, management and training to get the best performance they possibly can. So then the technologies can also be used to research and develop a conceptual strategic framework thereby refining human resource management and identifying the important HR related issues (Perrin, 1992).

### **Related work**

Human resources is an essential feature in every small or big organisation, and this feature impacts directly on the organisation's business development and in achieving their goals. Human resources can be defined as the people or the workers who are employed in the organisation to perform different duties versus getting rewards or wages (Denisi & Griffin, 2005).

But Beckers and Bsat, (2002) define the human resource function as a scope of personal practice that causes professional and practical processes in managing organisational staff. Some define human resource management as all the planning, developing, controlling, and maintenance procedures in addition to human resources, so as to achieve the organisations diverse objectives. But, human resource needs efficient management to perform the required duties at a point in time. In any organisation, the HRM department is an important part and one of its responsibilities is to control the workers' transformation. Before the use of HRIS, the duty of a human resource manager was to sustain the functions of human resource departments which were 'steered' somewhat manually.



The high average of staff transformation and also turnover is a common problem in the hotel sector. The latter is estimated to range between 60% to 300% annually compared to 34.7% in the manufacturing industry (Walker & Miller, 2010). Nowadays, the hotel business is showing a greater desire for development and this causes huge competition between the hotels in developing their services and performance aimed at attracting more customers, therefore developing the HRIS to be effective becomes an essential feature that distinguishes hotels from one another.

The HR department can control the management functions effectively by using HRIS. Many authors debate and specify the importance of HRIS in an HR system developing and improving its performance in different industries, especially in the hotel industry. They define the HRIS as a key trait for a top quality human resource system (Hayes & Ninemeier, 2009; Ferguson, 2006). According to Jersey et al., (2006) and also Wah (2000), when any organisation has effective HRIS their employees are likely to have the ability to understand their roles in the organisation perfectly and they are better at using their information and practical skills in serving the customers. In addition, they have the ability to cooperate with each other more and share all the information and knowledge amongst them. They are more able to take the correct decisions and less likely to quit from the organisation. Generally, they feel more empowered and more pleased, and will have more motivation to serve the customers well. An important feature is globalisation, in which workers can deal with customers from different cultures, languages and countries far more efficiently.

Therefore in this paper the researcher discusses the most important HRIS that any organisation should have and especially hotel organisations, as this will cause an improvement in their performance and perhaps even dramatically so.

### **Research Methodology**

The author depended on his background reading in HR and HRIS literature to specify the most important HRIS that hotels ought to have in order to improve the hotels HR ability toward increasing the performance and quality in general. In addition to that the People Analytics method is used to reach the previous goal. People Analytics is a method to analyse the people and each person hired to do certain work should have data or personal and qualification information which can be analysed by the HR specialist person. Thus, in this research many interviews were conducted with hotel workers in different positions and categories. The five star hotels located in Baghdad the capital of Iraq, point out that the most important human resource information systems should be used by the five star and high quality hotels and this should be common practice.

### **The hotels organisation HRIS**

By applying the proposed research methodology, in this section the most important human resource information system technologies hotels should have are discussed and specified in detail.

### **The cloud-based HRIS**

Recently most hotels organizations use HRIS to perform the HR operation core work such as time monitoring, scheduling, and organisation strategic management in different HR categories such as employee staffing, training, development and workforce planning (Elrehail et al., 2016).

The most important factor in involving the HRIS in hotels organisations is not merely looking at these organisations on best quality customer services to gain more income, but also the



technologies developers are producing in different information system technologies precisely developed to suit the growing global hotel sector.

The new information system technologies are based on the cloud. Actually the number of hotel sector organisations which use the cloud-base information system grew from 29% to 50% in 2015, the reasons for that shift are improved user experience and easier upgrades. The previous percentage will probably increase dramatically in the next ten years, because at that time all the human resource information systems will depend on cloud idea (Elrehail et al, 2013).

### **The transform from automation concept to productivity concept**

Automated paper-based work is one of the prime goals of HRIS technologies. This will cause an increase the organisation productivity and lead to a better work environment in different organisation tasks and departments (Maheshwari et al., 2017). Productivity is defined as the ratio of Gross Domestic output to the number of worked hours. To reach the productivity growth target, is done by investment in new equipment and managing programs and this makes employees use their time more efficiently. The advanced technologies enable the staff to work in a smart environment or with more agility. Today especially the young age employees are using different devices and applications efficiently such as emails and Workplace by Facebook, to communicate and collaborate effectively. The Facebook Workplace can be used to simplify the daily routine tasks, for example requesting a repair to be done by sending the picture of the damaged device. Also, this helps to communicate between employees and the managers. All of these ideas will help a hotel to perform its mission of serving the customers more effectively (Kenton, 2018).

### **The constant performance management tasks**

Performance management of the hotel organisation workers is essential for maintaining the quality of service that is provided to the customers. In addition, performance administration can often be used to attract staff and reduce high staff turnover. But, evaluating the performance of a hotel's employees is a challenging task, because of the shortage in the procedures and the lack of commensurable goals and conflicting performance checks which are usually caused by this.

Adoption of the classical Human resource information system helps a hotel's organisation to preface the performance management operation, and to handle some of these performance management challenges. For instance, using an electronic performance human resource management system will reduce the manual errors, reduce the misplacement and the costs. The next generation of human resource information system performance management will help in aligning the workers' goals with a hotel's mission and there will be continuous monitoring of what the staff accomplishes in real-time, not the individual worker but also the teamwork performance (Elrehail, 2016; Chang, Wang & Hawamdeh, 2019).

### **The intelligent personal-service tools**

The spread of personal service tools has authorised hotel managers and employees to be involved in some human resource practices that were previously implemented by human resource managers. This will result in the changing role of human resource sections from supporting functional department to business sections implicated in decision making. Human resource information system protocols should be influenced by the social media and take into account the features that are found on Google, LinkedIn, Facebook in order to produce high quality hotel organisation (Makridakis, 2017).



## **Corporate learning**

Using the modernistic technologies in hotel organisations will help to improve the development practices and training markedly, and alter the process of training to be more interesting and more interactive as a process. For example, virtual reality (VR) technology may be able to simulate a complex training environment and make the training process an entertainment process. Virtual reality technology is predicted to have a great influence on both practical and academic learning for the hotel sector (Samadbeik et al., 2018).

Generally, e-learning approaches will increase the interaction between the employees and managers, and the employees can acquire the knowledge from different geographical areas without the need for travelling and expensive training venues, and thus terminate the dependencies on trainers and certain teaching approaches (Elrehail et al., 2013).

## **The feedback and analytics tools**

Considerable tools are now obtainable which allow hotel organisations to pay attention on a continuous basis to staff feedback and allow for the measurement of their correlation with the organisation. Drawing attention to employees feedback will positively impact on employee satisfaction, and the feedback, for example, can give an organisation an indication about the employees' stress levels and wellbeing parameters. Handling and analysing these feedbacks will cause an increase in the satisfaction factors and in turn, this will affect the organisations prosperity and increase its income. For instance, the current survey company Qualtrics can open the door to improve the broad organisation planning system strategy depending on listening to employees feedbacks (Johnson, 2000; Mudor & Tooksoon, 2011).

## **The recruitment market**

Hotels are rearranging their recruitment pursuit with the major objective of finding qualified workers as soon as possible. Therefore using automating recruitment systems will produce significant improvements in the recruitment process. For example, using email and gathering information programs will improve the recruitment process by specifying the recruitment checklist and the documents the candidates should bring to a recruitment interview. This will actually reduce the recruitment process time dramatically (Johnson, 2000). Big technology companies such as LinkedIn and Google with Cloud Job Discovery have added new technologies for the recruitment process, and these new technologies work on matching the candidates' predilection and qualifications with the suitable job announcements. Actually, this proves the social media networking strength recruitment operation (Whitaker, 2003).

## **The people analytics application**

Nowadays, the big data about the employees status and qualification is becoming as important as the customers' information because this information helps the human resource department in making the correct judgement on the employees' capabilities and productivity and this will directly affect an organisation's productivity.

This database used in the process of analysing employee information is called People Analytics. The data and analysing results for this data are important in formulating the quantitative or qualitative human resource management protocols, instead of the classical Human resource reports, metrics and scorecards. Now an organisations human resource department decision becomes more strategic because it gets to depends on the basic data which gives a clear view for the employees' personalities, and practical training and skills. The new technologies did not only offer the way to collect information on the organisation of human resources but other important information such as social media data was also available.



The people analytics data solves many challenges related to Human Resource Management. For example, Pfizer consulting company predicted the employees which are more likely to quit by analysing 13 signs found in the Human Resource information (Voorhees & Chidambaram, 2017; Chang, Wang & Hawamdeh, 2019).

## Discussion

Nowadays, the changing towards the Human Resource Information Systems and the computerised human resource model instead of the classical human resource practice has become a desirable target for hotels. Numerous researches related to Human Resource Information System's in hotels focused on particular technology such as Artificial Intelligence (AI).

In this research report various human resource technologies that can help in making progress in a hotel's human resource practice and bolster its productivity and performance was looked at briefly. Applying computer systems and information technologies in the hotel organisations has many advantages such as cost-reduction and saving of valuable time and it also reduces overstrain. Human Resource Information System in a hotel should be able to gather the information that characterizes the usual human resource information and offer analysis of this information. This will, for example, help a hotel to enforce its human resource plans efficiently.

Some researchers such as Hussain, Wallace, and Cornelius (2007), have indicated the importance of the Human Resource Information System in salary management, recruitment, but in this research, many application fields are specified for applying the HIRS such as absence recording, the employees' practical skills sets, academic and practical training, personal management, performance evaluation, recruitment (Ngai, Wat, Singh et al., 2011).

Customer satisfaction is the main target of any hotel, and this is well recognised and supports any hotels in their drive to be competitive. Therefore, looking for the best technologies that increase the hotels' service performance is an important job for the human resource management department. Increasing a hotel's performance quality makes the hotel more profitable in the tourism and hospitality market (Randhawa, 2007).

The authors Sadiq, et al., (2012) reported that a hotel organisation can raise its profit up to 100% if they retain at least 5% of their customers instead of looking for new customers. Hotel organisations that have long-standing customers outperform the hotels with a high customer turnover in the hotel market and are thus more competitive. Hotel workers should be able to adopt their workplace skill and have experience in information technologies systems and occupational practical skills, as this will contribute to the financial growth of a hotel and lead to greater success. Ferguson (2006) conducted a survey in global hotel companies and tested the workforce performance in some companies, 27% of these companies managers' reported that only 75% of their workers have the necessary technical skills to execute their jobs well.

Ferguson (2006) focused on the connecting between the workers' effort and their salary, as this will motivate the employees to increase their practical skill and their performance in executing their jobs. When the organisation recruit the best staff for the jobs, this means more employees will be engaged in the development of technical programs training. Job performance is still one of the most important aspects of human resource management which gets attention by the researchers. Human resource management does not greatly affect the hotel's organisation performance, but weak HRM will invariably lead more workers to quit the work in hotels and make them look for a new job which will hopefully provide them with more satisfaction (Mudor & Tooksoon, 2011).



## Conclusion

Although human resource information systems do not cover all the gaps in the hotels' organisation systems, they can still help in facilitating the analysis of employees and create a connection between data, detection and the activity performed by an employee. The quality of the technologies reported above, and the balance between them depends dramatically on the data availability, and programs accuracy in the underlying artificial intelligence. Each hotel organisation needs to make an unconventional decision about human resource requirements, which needs to support the Human resource information system and the stakeholders who are included in such a project. The decision of using new technologies should not be related only to funding availability but also to the organisational objectives and goals, and the ability to apply the latest technologies and programs in the workplace. Lastly, although HRIS technologies pledge many benefits in improving a hotel's organisation performance, hotels and human resource managers need to use them in a responsible way, especially in information and data related to a hotel's customers. Also, having a balance between innovation and prediction is a vital task of applying a Human Management Information System in a hotel, because HRIS can offer a hotel a sustained competitive advantage through the creation and deployment of knowledge based resources for the organization (Buzkan, 2016).

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