



# Impact of the Business Process Automation on Human Resource Management

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**ABSTRACT**

Human Resource business process automation, lets you automate paper-based processes to improve productivity and reduce the cost of HR administration. It is the process of transforming your burdensome, time-consuming paper-based HR processes into a streamlined, web based system. The concept behind HR automation is Employee self service and Manager self service. Employee Self Service enables an employee to do activities like viewing pay slips, managing leave, planning for travel , updating their personal information etc. Whereas Manager Self Service allows a manager or designated staff person to perform tasks such as approving leave, travel, and processing separation. It also enables managers to create, track and manage a variety of employee attributes, such as appraisal, competencies and training. The sole motive and primary focus of this paper is to investigate the impacts of the introduction of Business Process Automation on Human Resource Management.

**KEYWORDS**

Employee Self Service(ESS), Manager Self Service(MSS), Business Process Automation, Human Resource

**INTRODUCTION**

Over the last two decades the Human Resource business automation has grown considerably for business organizations. The adoption of Business automation Technology tools has greatly influenced the way human resource business organizations conduct their operations as well as their efficiency and effectiveness. Particularly, Employee Self Service and Manager Self Service are fundamental sources for providing, storing and working out data and information which are required to manage business organizations. ESS and MSS is also a tool to help analyse and re-engineer processes. In order to help people reach better decisions quickly, large amounts of money are invested in business automation.

Human Resource business automation seems to be capable to provide a comprehensive view of the key processes needed to create value in business organizations. Employee Self Service & Manager Self Service are a tool to tackle today's increasing complexity, as they provide two major benefits:

- (1) A comprehensive and unified view of the organization and
- (2) A common database where all business transactions are recorded and stored. Employee Self Service & Manager Self Service systems are a tool to reduce cost and cutting inefficient processes.

This paper aims at investigating the impact of business automation on human resource processes and on employees' behaviour in business organizations by analysing a case-study of an Indian region which introduced such a system.

The basis of this research is the business process automation through SAP tool done by my team and me for the Tata Power, KPIT Cummins & Arcean Group in India.

Of course, the results of this case study cannot be generalized, but I believe it is an interesting case study in that it regards a human resource business organization, which has invested heavily in business automation.

**CASE STUDY**

The business automation has profoundly affected human resources. The impact on those already leveraging this technology has been significant such as Tata Power, KPIT Cummins & Arcean Group.

In Tata Power, KPIT Cummins & Arcean group now employees can use the Employee Self Service to create and edit their own

personal data. In this way, employees can keep their own data up-to-date; while at the same time reduce the time-consuming and expensive activities performed by the Human Resources Department. Manager Self Service supports managers in their HR-related administrative and planning tasks. The application allows a manager to display attendance information, as well as to change data for employees who have no access to PCs. Manager Self Service supports flexible reporting on data from different data sources, and an approval function enables managers to approve leave, training & Travel request online.

**Figure 1**  
Number of covered employees per Organization due to business automation

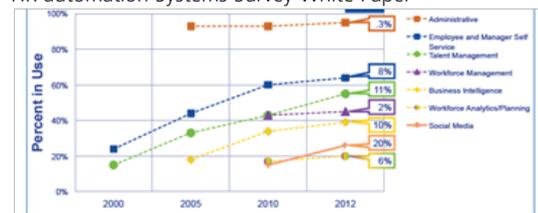
Organization	Employee Strength	Year Of Automation
Arcean Group	2000	2008
KPIT Cummins	6000	2010
Tata Power	5000	2013

**Source: Primary Data**

As with most business expenses, it is appropriate to consider the company's return-on-investment (ROI) for automating HR business process. At a minimum, business automation will provide an immediate savings in administration, mostly through the elimination of paperwork processing. But the savings should go beyond that.

From the surveys conducted by the Cedar Group, formerly known as the Hunter Group, on ROI for business automation systems encouraging results have been reported year after year. In the most recent survey, employers reported an average reduction in the Cost Per Employee Served of 15 - 20%.

**Figure 2**  
HR automation Systems Survey White Paper



**Source: Cedar Crestone 2012-2013 White Paper**

Employee and Manager self service overall and worldwide, is at 64% adoption.

In this paper I have made an effort to highlight the impact and benefit of Human Resource business process automation.

### CONCLUSIONS

I found business owners are increasingly taking up HR automation because it frees them and their staff to focus on their core competencies instead of spending valuable time on administrative paperwork hassles such as payroll processing and employee administration.

Businesses are also finding other important benefits. One is that an online solution is perhaps more secured than the traditional, paper-based methods. Rather than having pieces of paper with confidential information on them floating around a department in a file folder, the online HR management system provides an online, central repository where information is securely stored.

Savings and added security are important, but perhaps one of the most important results that HR automation can have is its ability to cultivate productive, loyal employees. By empowering employees with employee self-service functions and putting appropriate levels of information directly in the hands of those who need it most, companies are able to foster better relationships with their workers. Because of this, many companies are beginning to see increased returns on investment.

These are just the preliminary results of business automation in Tata Power, KPIT Cummins & Archeon Group and that more in-depth analysis is required. In particular, an interesting field for future research regards the evaluation of the impact of the business process automation on Human Resource Management.

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