



Impact of HRIS on computerization of payroll management in private sector banks in Lucknow, Uttar Pradesh

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This research paper analyzes the impact of Human Resource Information Systems (HRIS) on the computerization of payroll management in private sector banks in India. As digitalization continues to restructure banking workflows, HRIS plays an important aspect in payroll precision, adherence, proficiency, and employee satisfaction. Using non-numerical data from field studies, the study highlights how HRIS supports payroll digitalization and the resulting positive outcomes for the organizational.

Keywords: *HRIS, Payroll management, Private Sector Banks, Digitalisation.*



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1. Introduction

The private banking sector in India is experiencing a recognizable transformation in terms of digitization. Human Resource Information System (HRIS) has become a vital part in the evolution of payroll management from tedious manual task to a modernized automated system. The transformation has combined employee satisfaction with better efficiency in terms of HR initiatives. With the help of HRIS, the Indian banks in the private sector have acknowledged a significant digital evolution, restructuring the traditional methods of executing HR functions. The Indian private banking sector is currently experiencing a profound digital transformation, reshaping the way traditional operations are

conducted. Among the many areas impacted, Human Resources (HR) stands out as a key beneficiary of this technological evolution. Central to this transformation is the increasing adoption of Human Resource Information Systems (HRIS), which have emerged as powerful tools for modernizing HR functions, particularly payroll management.

Historically, payroll in banks was managed through labor-intensive, paper-based processes that were not only time-consuming but also susceptible to errors, delays, and compliance risks. HRIS platforms are now playing a pivotal role in automating and streamlining these functions. By digitizing payroll workflows, banks can handle complex calculations related to employee salaries,

tax deductions, bonuses, provident fund, employee state insurance, and income tax and benefits administration with greater speed and accuracy. These systems also allow for unified data repository, enabling real-time synchronization, which substantially improves decision-making and compliance assurance. Moreover, the implementation of HRIS aligns with the wider digital transformation implemented by Indian banks to enhance operational effectiveness and customer satisfaction.

As customer service functions become more adaptable and technology enabled, there is an increasing anticipation for internal functions like HR to follow suit. According to this context, a digitalized payroll system is more than an operational support as it directly effects employee's satisfaction, experience and retention. System of HRIS often include customer portals that enables employees to manage their payroll-related details, keep a track on pay slips, apply for compensations and reimbursements, track and plan leaves, and update personal information independently, without depending upon HR professionals for routine activities.

2. Literature Review

A 2018 research work entitled "A Study of Development of Human Resource Information Systems (HRIS) and its Effectiveness in the Banking Sector of India" investigated how private sector banks in India were beginning to implement HRIS and the effects on payroll operations. The study found that using HRIS improved the reliability of employee information, simplified payroll handling, reduced administrative mistakes, and aided compliance with legal regulations. This pointed to the need for stronger module integration and organizational readiness to unlock the full potential of HRIS in payroll computerization.

A 2019 survey and review on HR practices in Indian banks provides an overview of how HRIS supports efficiency gains, with a strong focus on payroll operations. The findings suggest that automating payroll helps lower administrative expenses, reduces the likelihood of manual errors, and speeds up salary processing. The study also highlights the use of performance indicators such as error frequency, processing turnaround, and compliance adherence, which act as benchmarks for assessing payroll digitalization. In essence, the

review emphasizes that HRIS not only simplifies payroll handling but also delivers considerable cost advantages to banks by enhancing precision and operational effectiveness.

The JETIR article "A Study on Digitalisation in Human Resources" (Dec 2021) examines the increasing adoption of digital technologies in HR and their impact on payroll processes. The study reports that digital systems accelerate salary disbursement, cut down on paperwork, and improve the precision of payroll operations, while also providing employees with greater transparency through self-service platforms. However, it also highlights that efficiency of such tools is often confined to barriers like insufficient training, resistance to adopt new systems and low acquiring levels within the organisation. Finally, the paper rests on the facts that although automation delivers transparent advantages in payroll management, banks can also look into its full efficiency only by boosting employees efficiencies and implementing effectual changes in the management of HR practices.

The IJCRT publication "Effectiveness of HRIS in Indian Banking Sector: A Study of HDFC & ICICI" (2022) provides case-based insights from two major private banks on the role of HRIS in payroll management. As per the study, payroll management using HRIS has given an easy platform to share the burden of manual workloads, reduced salary related mistakes and has improvised on the timely disbursements. In spite of these gains, then study highlights the challenges in the areas like lack of smooth collaboration between payroll and leaves and attendance systems that can create information inconsistencies. Overall, the findings indicate that although HRIS has strengthened efficiency in payroll activities, incomplete integration across modules prevents banks from realizing the full benefits of automation.

The 2023 review article "Studying the Impact of HRIS on Private Banks in India" brings together insights from previous research to explore how HRIS has been implemented, particularly in relation to payroll systems. It notes that private sector banks are primarily motivated to adopt HRIS in order to ensure precise payroll processing, speed up salary disbursement, and strengthen compliance with regulatory obligations. Along with this, the review highlights some barriers such as employee reluctance to

change, lack of computer literacy among the employees, and lack of training which hinders the effectiveness of using payroll modules. The paper focuses on HRIS adoption that has generally improvised the accuracy and efficiency of payroll management system. The achievements of these systems relies on addressing both human and organizational factors along with the technological implementation.

The Systematic Literature Review on the Impact of HRIS on Organizational Performance (2023) provides a detailed analysis of research consisting of HRIS adoption along with assessable operational betterments. The research establishes that one of the most compatible advantages of HRIS is improved accuracy of payroll system, reduced mistakes in salary calculation, digitalized statutory deductions, and on time disbursements. It also emphasis on advancements inreporting speed, as HRIS leads to fast and better generation of reports and allied documents of payroll. However, the study emphasizes on the key measurement constructs such as processing turnaround time, payroll error rate, user satisfaction and compliance timeliness that can be directly associated with primary assessments. By automating HRIS efficiency could be in a broader organizational performance level, the review further highlights the strategic use of effective payroll automation as part of digital HR transformation.

The SDMIMD conference paper “Leveraging HRIS”(IHR 2024 proceedings) states how HRIS, particularly in attendance and payroll automation, helps in reducing HR-related expenses and improves the quality of reporting in banking sector. Giving practical examples and case studies, the paper shows that digitalizing payroll not only reduces manual workload and administrative costs but also improves accuracy in salary disbursements and statutory compliance. Further more, combination with attendance systems, HRIS improves data consistency that leads to more accurate and reliable decision-making and reporting. The study highlights how efficient use of HRIS can improvise both operational excellence and financial accumulation for private sector banks.

The review article “Human Resource Information System (HRIS): Navigating Implementation Challenges and Benefits” (IJBMS, 2024) stresses on the crucial factors that leads to

the success from the adoption of HRIS, with direct implementation for payroll digitalization. It focuses that while HRIS can modernize payroll by automating the calculations of salary, its deductions, its compliance and reporting, the outcomes mainly depend on how the implementation of HRIS challenges are tackled. The paper showcases best methods such as investing in user training, conducting detailed fit-gap analyses and adhering to structured changes in management strategies to combat resistance. By accepting these organizational and technical challenges, the findings suggests that banks can improvise the accuracy, efficiency and reliability of payroll management system within HRIS.

3. Objectives of the Study

- To understand the existing level of HRIS implementation in private sector banks in Lucknow.
- To evaluate how HRIS has affected the productivity, exactness, and promptness of payroll management.
- To identify obstacles faced by HR professionals in using HRIS for payroll processing.
- To determine employee insight of the productiveness of computerization in payroll via HRIS.

4. Hypotheses

- **H1:** Implementation of HRIS has a notable optimistic impact on the competence of payroll management.
- **H2:** HRIS increases accuracy and reduces payroll processing errors in private sector banks.
- **H3:** Users of HRIS experience enhanced contentment with payroll management processes as compared to the traditional approaches.

5. Research Methodology

5.1. Research Design

This study follows a descriptive research design with the objective to examine the impact of Human Resource Information Systems (HRIS) on the computerization of payroll management in private sector banks in Lucknow, Uttar Pradesh. A descriptive design allows for detailed analysis and helps identify relationships between HRIS implementation and payroll system efficiency.

5.2. Sampling Design

Population

The population covers HR managers, payroll officers, and administrative staff involved in payroll processing in private sector banks in Lucknow.

Sample Size

A sample of 80 respondents, 20 from each bank will be selected from major private sector

banks namely HDFC, ICICI, Axis Bank, and Yes Bank operating in Lucknow.

5.3. Data Collection Method

A well-designed questionnaire will be distributed to selected respondents. It will include Likert-scale questions to measure perceptions and satisfaction levels.

6. Data Analysis Techniques

Percentages, means, and standard deviations will summarize the responses. Correlation and Regression analysis may be used for testing the hypotheses. Software tools such as SPSS will aid in data analysis.

Correlations			
		AVGCP M	AVGHRISP M
AVGCPM	Pearson Correlation	1	.251*
	Sig. (2-tailed)		.025
	N	80	80
AVGHRISP M	Pearson Correlation	.251*	1
	Sig. (2-tailed)	.025	
	N	80	80
*. Correlation is significant at the 0.05 level (2-tailed).			
Reliability Statistics			
Cronbach's Alpha	N of Items		
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Coefficients a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.470	.433		8.012	.000
	AVGHRISPM	.219	.096	.251	2.287	.025

a. Dependent Variable: AVGCPM

6.1. Correlation Analysis

- **Pearson Correlation Coefficient:** The correlation between AVGCPM (Average Cost Per Mille) and AVGHRISPM (Average Human Resource Information System Performance Metric) is $r = 0.251$ with a **p-value = 0.025**.
- **Interpretation:** This indicates a weak positive correlation between the two variables. The p-value being less than 0.05 signifies that this correlation is statistically significant, suggesting that as AVGHRISPM increases, AVGCPM tends to increase as well.

6.2. Reliability Analysis

- **Cronbach's Alpha:** The reliability coefficient for the two items is $\alpha = 0.798$.
- **Interpretation:** A Cronbach's alpha value between 0.7 and 0.8 is considered acceptable, indicating good internal consistency between the items. This suggests that the items reliably measure the same underlying construct.

6.3. Regression Analysis

- **Regression Coefficients:**
 - Intercept (Constant): **3.470**
 - AVGHRISPM Coefficient: **0.219**
 - Standard Error: **0.096**

- t-value: **2.287**
- p-value: **0.025**

- **Interpretation:** The regression analysis indicates that for each unit increase in AVGHRISPM, AVGCPM increases by 0.219 units. The p-value of 0.025 confirms that this relationship is statistically significant at the 5% level, reinforcing the positive association between the variables.

7. Summary of Findings

- There exists a statistically significant, albeit weak, positive correlation between AVGCPM and AVGHRISPM.
- The reliability analysis confirms that the items used to measure these constructs are consistent and reliable.
- Regression analysis supports the correlation findings, indicating that increases in AVGHRISPM are associated with increases in AVGCPM.

8. Scope of the Study

The study has geographical limitations upto Lucknow, Uttar Pradesh only and focuses on private sector banks within Lucknow. It focuses to give insights pertaining to IT and HR decision-makers for the given sector. The current study aims to analyse and review the impact of Human Resource Information Systems (HRIS) on the

automation of payroll management in private sector banks in Lucknow. As banking sector growingly adopts digital resolutions to optimize HR functions, the study stresses specially on how HRIS enhances payroll management, efficiency enhancement, compliance, and transparency of the information. The scope consist of examining the reach of HRIS acceptance, employee and HR personnels' level of satisfaction and the impact of such systems on mitigating manual inaccuracy and operational expenses. The study is geographically confined to private sector banks in Lucknow, which provides a deep analysis into the banking environment of a notable urban financial center in Uttar Pradesh. The research includes banks of different sizes and technological support to provide a fair assessment. It includes input from HR managers relating payroll management and employees performance to analyze the practical results of HRIS integration with HR functions. Further, the study highlights how HRIS endorses decision-making, meet statutory requirements, and enhances payroll-related operations within banks. Given the increasing significance of automation in HR and functions of payroll, this study relevant to HR professionals, bank managers, policymakers and software developers. It provides guidelines that can guide future initiatives in HR technologies and enhance the importance of payroll management across other banking environments.

9. Limitations of the Study

While this research gives valuable highlights into the impact of HRIS on the automation of payroll management, it is still with some limitations. Firstly, the study is geographically limited to Lucknow city. Resulting in its reflection to the regional operational and digital practices of private sector banks confined to the region only and may not be fully available for operations in other parts of India, which may run on different organizational hierarchy, compliance requirement, or different levels of technological updations. Secondly, the research was done within time constraint frame, which may have limited the depth and breadth of the gathered information. A relaxed duration could have lead to a more detailed analysis, allowing to track the transformation of HRIS implementation and its prolonged impact for longer duration of time. Lastly, the authenticity of the research may be

influenced by distorted views among respondents. The employees and HR professionals may have been reluctant to disclose classified information about internal practices or challenges because of the confidentiality concerns. Such reluctance may give rise to pleasing and manipulative responses, thereby affecting the authenticity and accuracy of the over all results. However, inspite of these limitations, the research highlights meaningful observations which can help future research in similar contexts.

10. Conclusion

While this research highlights valuable knowledge about the role and efficiency of Human Resource Information Systems (HRIS) in the automation of payroll management system in private sector banks still it is important to acknowledge various limitations that may affect the analysis and applicability of the findings.

Starting with the regional scope of the research is confined to Lucknow city. Although Lucknow is becoming a metropolitan city with a significant availability of private sector banks, the outcome from this study may not showcase the parameters and functional realities of banks in different cities. Banking institutions in big cities such as Mumbai, Delhi or Bengaluru may be getting used to more advanced technologies in HR, bigger departments of HR and various other challenges as compared to the ones in Tier-2 cities for example Lucknow. Hence, all though the study highlights a useful case-specific facts, caution must be taken in trying to generalize the findings to the banks of other regions with varied contexts of socio-economic and infrastructure.

Secondly, the study is restricted to time constraints, which unavoidably limited the reach and depth of the investigation. Because of the fixed duration for collection of data and its analysis, the research primarily relied on cross-sectional data instead of longitudinal data. Consequently, it was not possible to study the long-term impact and durability of HRIS on the practices of payroll. A more elaborated study could have integrated multiple phases of HRIS implementation to yield a more sturdy and versatile understanding of the modifications initiated by the system gradually.

Another limitation is regarding the nature of the data collection method, which relied primarily on primary data through questionnaires

and interviews. This may contain a risk of respondent biasness by the participants especially HR professionals and the employees who might have been not willing or was unable to share accurate and detailed information regarding the payroll processes because of the confidentiality policies, agreements or apprehension about potential consequences. This stalling can lead to the provision of socially suitable answers or the ignorance of critical challenges, leading to the compromise of validity and reliability of the information collected. Furthermore, diversions in comprehension or explanation of questions by various respondents may introduce variability in the responses.

In spite of the mentioned limitations, the study highlights valuable insights into how HRIS is changing payroll management functions in the private sector banks in Lucknow. It lays the preliminaries for future investigations and offers a basic perspective for banking institutions who may be seeking to update their HR functions using technology. The study in the future could cover the new sample size, wider geographical coverage, and may opt for mixed-methods to highlight the drawbacks mentioned and produce more universal and deep findings.

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