EMPLOYEES’ PERCEPTION ON HUMAN RESOURCE INFORMATION SYSTEM IN HUMAN RESOURCE DEPARTMENT OF HIGHER LEARNING INSTITUTION

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Bachelor of Science with Honours (Human Resource Development) 2015
EMPLOYEES’ PERCEPTION ON HUMAN RESOURCE INFORMATION SYSTEM
IN HUMAN RESOURCE DEPARTMENT OF HIGHER LEARNING INSTITUTION

DENISE WONG

This project is submitted in partial fulfilment of the requirements for a
Bachelor of Science with Honours
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Faculty of Cognitive Sciences and Human Development
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2014
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ABSTRACT

EMPLOYEES' PERCEPTION ON HUMAN RESOURCE INFORMATION SYSTEM IN HUMAN RESOURCE DEPARTMENT OF HIGHER LEARNING INSTITUTION

Denise Wong

This study was conducted to explore the employees' perception toward human resource information system in the organization. The effect of human resource information system would be measure on multiple variables in human resource manager job prospect such as human resource functions, time spent on human resource, human resource costs, decision-making and human resource information. The research methodology used is a quantitative questionnaire approach, distributing questionnaire to respondents. Statistical analyses used include Pearson Correlation will be used.
ABSTRAK

PERSEPSI PEKERJA TERHADAP SISTEM MAKLUMAT SUMBER MANUSIA DI
JABATAN SUMBER MANUSIA DALAM INSTITUSI PENGAJIAN TINGGI

Denise Wong

CHAPTER 1
INTRODUCTION

1.0 Introduction

This chapter will explain about the topic related and the purpose of the research. There will be eight section of discussions that will be in this chapter. The discussions include background of study, identifying the problem statement, clarifying the objectives, developing research questions, creating conceptual framework, defining the terms, and evaluating the significant of study.

1.1 Background of study

Human resource management has always been an important part of an organization and its efficiency can deeply define the success of the organization. With the evolution of HRM over the century, HRM has grown considerably especially with the introduction of HRIS. Beadles, Lowery and Johns (2005) believe that HRIS has allow for the HR function to be much more efficient and able to provide better information for decision-making, however they also believe that HRIS has yet to reach its true potential (p. 39). This study aim to find how HRIS affect the performance of HR executives and HR functions in the education institution. This research is using quantitative approaches to analyses the existing effect. Therefore, using the questionnaires to collect the data and information related.

Human resources management system (HRMS) or human resources information
system (HRIS), is considered as a systematic procedure for collecting, storing, maintaining, and recovering data required by an organization about their human resources, personnel activities and organizational characteristics (Kovach, Hughes, Fagan & Maggitti, 2002). As an organization, the education institution also affected by its HRIS ability to handle, store and manage information on lecturers and students. As HR department in the education institution, its decision on matter such as lecturers’ salary, bonuses, study leaves and many more could affect the quality of education in the education institution. For example, some lecturers has to leave due to pregnancy in the middle of semester, thus, changing to different lecturers could affect student motivation as they have to adapt to different teaching methods and styles by different lecturers.

1.2 Problem statement

Over the century, under the influence of advancement in technology and globalization, information management has never been the same anymore. In the human resource management sector, information management has evolve a stage further due to introduction of human resource information system (HRIS). Kumar and Parumasur (2013) view that HRIS able to improve human resources department particularly in time savings and strategic level (p. 863). Wei and Feng (2013) find that human resource as an extremely important resources available in the organization and drive the competitive edge of the organization.

This study is consisted on the finding about the impact of human resource information system on performance of human resource department performance as overall in the education institution. Kumar and Parumasur further expand that the human resources of any organization is the important asset of the organization and the human capital capabilities is a fundamental source of competitive advantage (p. 861). Every modern organizations had realize that the importance of human resources department in the improvement of productivity and performance of an organization. Entering onto a new era of globalization, information and technology, human resources management merges its basic HR activities and processes with information system to further improve HR functions within the organization. Therefore, this research will focus on the impact that HRIS has on various HR process.

Ever since establishment in the 1992, the education institution has grown as a university and rose to become a significant university in Malaysia. Since then, the education institution
has taken large number of students and lecturers as expansion to become leading institution of higher learning in Malaysia. However, due to this, the education institution could face problem in the shortage of lecturers for lecturers per student ratio. During the 2012/2013 intake session alone, the Borneo Post (2012) has reported that the education institution has taken in 4412 students, which was a historic figure for the education institution. Different from students, the amount of lecturers has not increased significantly due to requirement in term of qualification, training and development, research experience and most importantly teaching experience.

1.3 Research objectives

The objectives of this research summarize the purpose of this study. These objectives will be related to the statement of problem the research and listed are general research objective and specific research objectives.

1.3.1 General Objectives

This study aim to assess the perceived influence of HRIS on the HR department in the education institution especially on areas such as HR functions, time savings, cost savings, information management effectiveness, and decision-making effectiveness.

1.3.2 Specific Objectives

Specifically, the study has the following research objectives:

1. To determine if there is any relationship between impacts of HRIS toward HRM process based on HR functions.

2. To determine if there is any relationship between impacts of HRIS toward HRM process based on time savings.

3. To determine if there is any relationship between impacts of HRIS toward HRM process based on HR costs.
4. To determine if there is any relationship between impacts of HRIS toward HRM process based on information management effectiveness.

5. To determine if there is any relationship between impacts of HRIS toward HRM process based on decision-making effectiveness.

1.4 Research hypotheses

Based on the objectives and conceptual framework of this study, null hypotheses (H₀) and alternative hypotheses (H₁) are developed as follows:

H₀₁: there is no relationship between impacts of HRIS toward HRM based on HR functions.
H₁₁: there is a relationship between impacts of HRIS toward HRM based on HR functions.

H₀₂: there is no relationship between impacts of HRIS toward HRM based on time savings.
H₁₂: there is a relationship between impacts of HRIS toward HRM based on time savings.

H₀₃: there is no relationship between impacts of HRIS toward HRM based on HR costs.
H₁₃: there is a relationship between impacts of HRIS toward HRM based on HR costs.

H₀₄: there is no relationship between impacts of HRIS toward HRM based on information management effectiveness.
H₁₄: there is a relationship between impacts of HRIS toward HRM based on information management effectiveness.

H₀₅: there is no relationship between impacts of HRIS toward HRM based on decision-making effectiveness.
H₁₅: there is a relationship between impacts of HRIS toward HRM based on decision-making effectiveness.
1.5 Conceptual framework

Figure 1.1 shows that the conceptual framework develop based on research objectives. The variables shown in the upper left box is the dependent variables which is the level of satisfaction toward HRIS. The variables shown in the bottom left box is demographics characteristics of HR managers in the education institution. The variables shown in the right box is the independent variables which are HR functions, time savings, HR costs, decision-making, and HR information.

![Conceptual Framework of Employees' Perception on Human Resource Information System](image)

1.6 Definition of terms

1.6.1 Human Resource Information System

**Conceptual Definition**

Kavanagh and Thite (2009) define a Human Resource Information System (HRIS) as a system used to acquire, store, manipulate, analyse, retrieve, and distribute resources.

**Operational Definition**

In this study, HRIS refer to the system that is used by HR department for collecting, storing,
maintaining, and recovering data in the education institution.

1.6.2 Human Resource Function

**Conceptual Definition**
HR function is defined as activities in management aspect in the organization such as payroll, benefits, hiring, and firing. (Human Resource, n.d.)

**Operational Definition**
In this study, HR function refer to the HR processes such as the recruitment process, training process, data input process, data maintenance process, and etc.

1.6.3 Time Savings

**Conceptual Definition**
Time is define as sequential arrangement of all events, or the interval between two events in such a sequence. (Time, n.d.)

**Operational Definition**
In this study, time refer to the time spent on HR functions such as recruiting, training, decision-making, handling of data, and paper work processing.

1.6.4 Human Resource Costs

**Conceptual Definition**
Flamholtz (1999) define that costs of human resource typically includes costs of recruitment, selection, hiring, placement, orientation, and on-the-job training.

**Operational Definition**
Costs refer to costs of hiring, training expenses, and data input expenses.

1.7 Significant of study

The research objective of this study is to examine the impact of human resources information system have on the human resources department. There are many ways that HRIS could influence HR department performances and productivities such as satisfaction with HRIS, shortening the HR process, time savings, cost savings and decision-making with regard towards
HR process. Design failure and ineffective HRIS might lead to lower productivity and decrease in performances among lecturers.

This research also involved in studying the effect of HRIS toward the performance of the education institution in learning process of students. HR department is responsible for the numbers of lecturers per students. Any miscalculation or lack of lecturers could lead to unsatisfied students without lecturers for weeks. In this matter, the HR department must keep a healthy circulation of lecturers and tutors numbers available for students. The result of this study will benefits the organization in term of improvement toward HRIS used in the organization based on the opinion and feedback from the HR department. The organization will able to upgrade the HRIS adjusting toward the satisfaction level of HR department and this research recommendation.
CHAPTER 2
LITERATURE REVIEW

2.0 Introduction

This chapter discuss the literature review and the reading and writing of any previous study that has been made either through books, journals and publishing materials relate to the impact that HRIS has on the performance of HR department in the education institution. This chapter is subdivided into 3 parts to discuss human resource information system and findings from other research.

2.1 HUMAN RESOURCE INFORMATION SYSTEM

HRIS is an important addition toward the advancement in the human resource management field. HRIS has not only increased the efficiency of the organization but also the effectiveness of management functions (Sadiq, Khan, Iklaq, & Mujtaba, 2012). HRIS has manage to further improve the importance and value of human resource management for every organization globally. Especially now that the world is one decade into the twenty-first century, which is categorized as the knowledge century. Information and knowledge is easily accessible through human fingertips has enable organization to stay competitive and on edge with each other. Sadiq, Khan, Iklaq, and Mujtaba (2012) further stated that HRIS also provides the management with strategic data in the form of recruitment and retention strategies, as well as merging HRIS data into large-scale corporation strategy.

Despite the advantages of HRIS has toward organization, there is still barriers toward
implementation of HRIS among organization in Malaysia. Beckers and Bsat (2002) has conducted research and found that the cost of setting up and maintaining a HRIS is too high, resulting an obstacle in the implementation of a HRIS. This is especially true for organization with low number of workers in Malaysia, most entrepreneur and small and medium enterprise, where the cost of HRIS will be disadvantageous for them.

2.2 THEORETICAL

2.2.1 Campbell Performance model

John Campbell introduced the performance model in 1990. Campbell (1990) explained that job performances as a behavior that is something done by the employees, differentiating performances from outcomes as result of an individual's performance. Sonnetag and Frese (2002) further expand on this matter stating that the performance model is mainly look into the major determinants and process that related to an individual performance.

According to Campbell (1990), performance can be measured by eight dimensions which include job-specific task proficiency, non-job-specific task proficiency, written and oral communication, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision and leadership. Every individuals have different characteristics which include personal trait and cognitive abilities in which all these characteristics their knowledge, skills and motivation toward job performance behavior.

2.3 FINDING FROM PREVIOUS RESEARCH (IMPACT OF HRIS)

In general, the implementation of HRIS should improve the productivity of HR department and the organization competitiveness. Findings from previous research have study the satisfaction of HR professionals on their HRIS system found that the satisfaction level is affected by the utilization of HRIS by the organization.

Sadiq, Khan, Iklaq, and Mujtaba (2012) found that merely around 35% of the respondent are satisfied with the HRIS. This is due to the underutilization of the HRIS system among the respondent, the HRIS did not benefits the process of HR in the organization. The study further show that only about half of the respondent feel that the HRIS has meet their
expectations. However, all the respondent feel that the HRIS could be better utilized and improved.

The other study show a completely different result than the previous. Beadles, Lowery and Johns (2005) found that around 90% of the respondent are satisfied with their HRIS. They feel that the HRIS has helped tremendously with the HR process within the organization. This is supported by the majority of the respondents, around 70%, feel that the HRIS is fully utilized. However, the respondent are rather divided on the utilization of HRIS within on the utilization of the HRIS, with barely over 50% of the respondent feel that the HRIS had met their expectation.

In other study, Panday (2013) find that managers are rather dissatisfied with the human resource information system in the organization, whereas the directors satisfied with the HRIS. However, believes that managers are not always satisfied with the HRIS and finds that directors are generally satisfied but do not see many benefits from its usage outside of its effect on information and information sharing. This is due to certain HR managers find that they prefer working with each other on a face-to-face basis and find it difficult to adopt to the new way of conferencing online or using the new online system for answers.

2.3.1 Human Resource Functions

Literature review was contributed by the study conducted by Kumar and Parumasur (2013). Kumar and Parumasur (2013) found that the implementation of HRIS has a positive effect on the impact on HR functions. This is due to the utility of the HRIS on traditional HR functions such as recruitment, training, and development. This study prove that the HRIS can play a vital role in the HR functions, as well as continue to improve HR process, efficiency, effectiveness, and productivity of HR department overall.

At the same time, other study from Targowski and Deshpande (2001) view that HRIS could positively affect all types of HR functions such as personnel administrations, pension administration, knowledge management, payroll, and health and safety. One of the most important task in HR for achieving better performance and improvement which is the performance appraisal, could be simplified by the usage of HRIS. Lori and Elaine (2002) stated
that the HRIS offers simplification as in software tracks core competencies for performance appraisal.

2.3.2 Time Savings

The next review is on the impact of HRIS toward time spent on HR management. According to Blau (2012), HR process is a lot easier with the help of HRIS such as restructuring administrative processes and enabling the HR department more time to spend on higher value and strategic work. Blau (2012) further explain that a company could reduce the workforces in administrative tasks with the help of HRIS while HR managers can spend more time for checking and analyzing strategic decisions. Daniel (2010) also agree that HR information systems would reduce time spend on routine administration tasks. HR managers can pay more attention and focus toward other duties which are much more strategic and dynamic compare to administration tasks. At the same time, HR tasks has become more complex as the organizational trends such as globalization. HR managers has become reliance on the HRIS to fulfil HR functions. In conclusion, HRIS provides powerful computing capabilities that has help on improving procedures and processes in HR functions.

2.3.3 Human Resource Costs

Regarding the impact of HRIS toward human resource expenses within the organization. Sadiq, khan, Iklaq, and Mujtaba (2012) has found mixed response toward the reduction that HRIS has brought for the HR department. It is found less than half of the respondent, around 37.5% believe that their HRIS has decreased the expenses on HR activities such as hiring cost, training expenses, recruiting expenses, and data input expenses.

Similar data is reported by the research conducted by Beadles, Lowery, and Johns (2005), where the around 40% of the respondents believe that the HRIS has reduced the expenses. Beadles, Lowery, and Johns (2005) explained that the HR professional perceived that the amount reduced by the HRIS is negligible.

Furthermore, the initial developing stage cost for HRIS are high while the maintenances expenses for the system would last up to nine years. This alone would influence the perceived expectation of the HR managers toward HRIS negatively. Shani and Tesone (2010) note that
although a HRIS can provide both administrative and strategic advantages, they are expensive systems to purchase and implement.

2.3.4 Decision Making

The fourth review is the impact of HRIS on the HR department decision-making. With the implementation of HRIS, HRIS are able to enhance the capabilities and decision-making of HR department with data, information, and knowledge. Sadiq, Khan, Ikliaq, and Mujtaba (2012) also confirmed that HRIS provides management with decision-making tool, from the usage of simple spread sheets to complex calculation which include operating expense, cost per hire, return on training, turnover rates and costs, and time consumed. Most notably, HRIS able to supports and provides reports and summaries that is crucial for learning organization and management to improve and remain competitive.

From the research by Beadles, Lowery, and Johns (2005), it is found that HRIS is not helping with regard toward decision-making, meaning most of the respondents does not considered HRIS as a crucial decision-making instrument. The research reported that merely 37.5% of the respondents believed that HRIS had significant roles in decision-making.

2.3.5 Human Resource Information

Finally, the review on the impact of HRIS toward HR information management. In its most basic form HRIS is a system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information about the organization’s human resources (Beadles, Lowery, & Johns, 2005).

In the research conducted by the Sadiq, Khan, Ikliaq, and Mujtaba (2012), it is found that 87.5% of the respondents agree that the HRIS has improved and added value to the organization information and knowledge management. However, only 37.5% of the respondent believe that the HRIS did not improved the department ability in disseminate information.

On other research by Beadles, Lowery, and Johns, they found that the same result with the previous research, where almost all of the respondents, around 90%, believed that the HRIS has improved information management in the organization. This proved that the HRIS can