

THE RELATIONSHIP BETWEEN HUMAN
RESOURCE INFORMATION SYSTEM (HRIS) AND
HUMAN RESOURCE MANAGEMENT (HRM)

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Laporan ini di kemukakan sebagai memenuhi sebahagian daripada syarat
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"I admit that this report is the result of my own work except summary and each of them that I have explained the sources"

Signature:.....

Name: Alfred Pun Khee Seong

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DEDICATION

I would like to dedicate the appreciation for my beloved families, lecturers and friends.

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The author would like to express my sincere appreciation to the supervisor, Mr. Amir bin Aris for his guidance and encouragement given throughout undergo this final year project.

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ABSTRACT

Human Resource Information System (HRIS) has become one of the most vital information systems in the market; it is a system used in the HR department. In this study there are three research objectives and it is (1) to identify the relationship between the HRIS and HRP, (2) to identify the relationship between HRIS and recruitment and (3) to identify the relationship between HRIS and training. Questionnaire are using in this research because it provided an efficient way of collecting responses from a large sample prior to quantitative analysis. Respondent was the HR executives and HR staff involved in HR planning and HRIS. Questionnaire consisted of scale questions of collecting opinions from the target respondents. The results show that Human Resources Planning (HRP) is the strongest relationship with HRIS. There is a high contribution of HRIS toward HRP. In the finding HRIS contributed 60.9% ($r^2 = .609$). Most organizations in Melaka observed the HRIS contribution to the efficiency of HR planning through HRIS training and HRIS recruitment. This study highlighted the need to offer more intelligent capabilities of HRIS to increase the effectiveness of HR plan. However, there are also a significant relationship between HRIS and both recruitment and training. There's a positive relationship ($r^2 = .525$) between HRIS and recruitment. HRIS had contributed 52.5% to the recruitment and HRIS had contributed 33.7% to training which is the lowest among three variables. All the result of the findings proved that there are significant relationships between the variables.

ABSTRAK

Sistem Maklumat Sumber Manusia (HRIS) telah menjadi salah satu sistem maklumat yang paling penting di pasaran, ia adalah sistem yang digunakan di jabatan sumber manusia. Dalam kajian ini terdapat tiga objektif kajian dan ia adalah (1) untuk mengenal pasti hubungan antara HRIS dan HRP, (2) untuk mengenal pasti hubungan antara HRIS dan pengambilan dan (3) untuk mengenal pasti hubungan antara HRIS dan latihan. Soal selidik digunakan dalam kajian ini kerana ia menyediakan satu cara yang berkesan untuk mengumpul jawapan daripada sampel yang besar. Responden adalah eksekutif sumber manusia dan kakitangan yang terlibat dalam perancangan sumber manusia dan HRIS. Soal selidik terdiri daripada soalan berskala mengumpul pendapat daripada responden sasaran. Keputusan menunjukkan bahawa Perancangan Sumber Manusia (HRP) mempunyai hubungan kuat dengan HRIS. HRIS paling banyak menyumbang ke HRP. Keputusan menunjuk HRIS menyumbang 60.9% ($r^2 = .609$) keatas HRP. Kajian ini menekankan keperluan untuk menawarkan keupayaan lebih bijak HRIS untuk meningkatkan keberkesanan rancangan HR. Walau bagaimanapun, terdapat juga hubungan yang signifikan antara HRIS dan kedua-dua merekrut dan latihan. Terdapat hubungan yang positif ($r^2 = .525$) antara HRIS dan merekrut. HRIS telah menyumbang 52.5% kepada merekrut dan HRIS telah menyumbang 33.7% kepada latihan dan ia adalah yang paling rendah antara tiga pembolehubah. Semua hasil daripada penemuan membuktikan bahawa terdapat hubungan yang signifikan di antara pembolehubah.

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LIST OF ABBREVIATION

e-HR	=	Electronic human resource
ELM	=	External labor market
HR	=	Human resource
HRIS	=	Human resource information system
HRP	=	Human resource planning
HRM	=	Human resource management
ILM	=	Internal labor market
IS	=	Information system
IT	=	Information technology

LIST OF SYMBOLS

H^0	=	Hypothesis null
H^1	=	Hypothesis alternative

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CHAPTER 1

INTRODUCTION

1.1 Introduction and Background of Research

The emergence of the technology and computer has changed the way people delivering their work due to the benefit of the technology. Previously HR personnel were burdened with administrative work such as payroll, updating employees date, training record and etc. which has to do manually. Besides that, ad hoc report on human resource required by the management will take sometimes to produce by the HR department since the information is in different files. Information technology (IT) has changed the whole scenario when HR activities were automated and the HR personnel are able to play more strategic role in the organization. Human resource management (HRM) is a management function that helps managers' recruit, select, train and develops member of an organization (Shivarudrappa et al., 2010). Human resource planning (HRP) played an important role in human resource management (HRM). Human resource planning (HRP) is a human resource important task or activities to ensure number of employees required by the organization, necessary skills and knowledge to meet the organization's goal. To create an effective HRP in HRM, accurate information on human

resource is needed because HRP needs the information to forecast the demand and supply of the employees. Human resource information system is a computerized system used for acquiring, storing, manipulating, analyzing, retrieving and distributing pertinent information regarding an organizations HR (Farhad, 2007). By providing fundamental information for human resources planning and management, HRIS aid competition and strategic achievement for the organization (Kramar et al., 2011). HRM activities needed to use HRSI as a system to do the human resource management activities. Various studies showed the evidence to affirm the relationship between HRIS and HRP in support or strategic decision making.

1.2 Problem Statement

The problem statement of this research is where most of the organization's main purpose employed the HRIS to manage the administrative task and does not fully utilize it. There are many reasons why the HRIS does not fully utilize in the organization. According to Wickramaratna (2009) pilot survey, though organizations use HRIS, they are not yet using any aspects of HRIS due to lack of knowledge or lack of support from the existing system. HR department plays the vital role in organizations because it deals with the most valuable asset in an organization which is the human capital.

1.3 Research Questions

The purpose of HRP is to ensure that a predetermined number of persons with the appropriate knowledge skills and abilities are available at a specified time in the future (Stone, 2011). This research would guide future HRIS users to make optimum use of HRIS functionalities in HRP and increase HRP effectiveness and efficiency and not employing it mainly for administrative work.

The research question will stated at below:

1. What is the relationship between HRIS and training?
2. What is the relationship between HRIS and recruitment?
3. What is the relationship between HRIS and HRP?

1.4 Research Objectives

The objective of this study is to identify the relationship of the human resource information system (HRIS) and human resources planning (HRP) and also the relationship between the HRIS and both training and recruitment in the organization.

The objectives of the study are stated as below.

1. To identify the relationship between HRIS and recruitment
2. To identify the relationship between HRIS and training.
3. To identify the relationship between HRIS and HRP

1.5 Hypotheses

For research purpose, null hypotheses are developed as follows:

1. Hypothesis 1
H₀: There are no relationship between HRIS and recruitment
2. Hypothesis 2
H₀: There are no relationship between HRIS and training

3. Hypothesis 3

H₀: There are no relationship between HRIS and HRP

1.6 Scope

The scope of this study is to investigate the relationship between HRIS and HRP. Human resource planning (HRP) is one of the activities in human resource management (HRM). HRP always has been mixed up with the strategic human resource management planning. To avoid such confusion human resource planning (HRP) is better described as employment planning (Stone, 2011). Human resource planning is important for an organization because this planning is to make sure the organization have a correct number of employees with suitable skills and abilities at the correct time, so this research also will identify the relationship between HRIS and both recruitment and training.

The focus of human resource planning is on labor demand and labor supply (Stone, 2011). In this study, the first research objective is to identify the relationship between HRIS and HRP. To do a human resource planning, large amount of accuracy employees' data is needed. According to Ngai and Wat (2006) research showed how the accuracy and timeliness of HRIS vary according to operating, controlling, and HR planning activities.

Besides that, this study also will investigate the relationship between HRIS and both training and recruitment. According to Glaveli and Kufidu (2005), training was a tool for improving skills in need, the productivity and effectiveness of employees. The training design and implement must be carefully and must be linked to organizational goal and strategy. Recruitment represents one of the core staffing activities that need to be efficiently and effectively planned and conducted for organizations to attain success

(Darrag *et al.*, 2010). HRIS provided information for HR to evaluate internal resources before they go for recruit external resources.

Target respondent mainly will be the staff and executives from HR department that use HRIS for training and recruitment purpose, because this group of people has knowledge in HRIS and also some of them will use HRIS for the purpose of planning. There are limitation identified in the research which is respondent will be assumed that they answer with logical and honest.

1.7 Importance of the Project

This project which benefits to the human resource department in every company by investigating the application of HRIS as an HR tool. Furthermore, it's also important to the organizations which had employed the HRIS and do not fully utilize it and helps them to enhance the capabilities of the HRIS. It was important to identify the relationship between the effectiveness of HRIS and human resources planning and also how the relationship between HRIS and training, and the relationship between HRIS and recruitment that can affect HRP. According to Beulen (2009), the key element in the support HRIS provides for the company HR strategy is the availability of information as input for HR-relating decision-making process. In other word, HRIS not only give administrative advantage but it also can see as a decision making system for the human resource planning that can align the human resource with the organization objective. The human resource department is important to an organization it is because there are managing the most valuable asset in the organization which is the human capital.

1.8 Conceptual and Operational Definitions

1.8.1 Human Resource Information System

HRIS considered as a systematic procedure for storing, collecting, maintaining and recovering data required by an organization about their human resource, personnel activities and organization characteristic. (Kovach, K. A and Cathcart, C.E JR, 1999) According to Farhad Analoui (2007), human resource information system is a computerized system used for acquiring, storing, manipulating, analyzing, retrieving and distributing pertinent information regarding an organization HR. Another definition of HRIS that from Sanjay Mohapatra (2009), stated that HRIS is a fully automated system, it primarily consists human resources information, history of employee training, recruitment management, payroll processing and etc.

In this research, the operational definition for HRIS had defined as a computerized system which is primarily consisting of human resource information, history of employee training, recruitment management and payroll processing.

1.8.2 Recruitment

Recruitment represents one of the core staffing activities that need to be efficiently and effectively planned and conducted for organizations to attain success (Darrag et al., 2010). According to Boateng (2007), recruitment is the process of searching for and attracting an adequate number of qualified job candidate, from whom the organization may select the most appropriate to field staff needs.

In this research, the operational definition will be used is recruitment is the process of searching, analyzing an adequate number of qualified job candidate, from whom the organization may select the most appropriate to field staff needs because this

definition can help the researcher carry out clearly the relationship between HRIS and the recruitment.

1.8.3 Training

Training is the process of teaching new employees the basic skills they need to do their job (Dessler and Tan, 2009). Training also can see as a tool in human resource management, according to Glaveli and Kufidu (2005) stated that training was also a tool for improving the skills in need, the productivity and effectiveness of employees. Besides that, training refers to the deliberate activities planned by an organization to increase employees' knowledge, skills and attitudes, and it occurs in a particular time and in a particular location (Hartel and Fujimoto, 2010). Tao *et al.* (2006) defined need as a gap between a current set of circumstances and some changed or desirable set of circumstances, and needs assessment as the process of measuring (as scientifically as possible) or appraising that gap.

The operational definition for training in this research defined as a deliberate activity planned by an organization to increase and evaluate employees' knowledge, skills and attitudes, and it occurs at particular times and in particular location. In a simple word, the meaning of training in this research will be an activity planned by the organization to increase employees' knowledge, skill and abilities in the right and at the right place.

1.8.4 Human Resource Planning

Human resource planning is the first step in the recruiting and selecting process, and is the process of deciding what position the company has to fill and how to fill them (Dessler and Tan, 2009). Another definition state that human resource planning is about