

The Impact of HRIS Implementations on Users' Satisfaction

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ABSTRACT

This research is about a study on the impact of Human Resource Information System (HRIS) on users' satisfaction among employees in Terengganu CIMB Banks. The research is the correlation research whose purpose is to determine the correlation between the impact of HRIS and users' satisfaction. HRIS is not a new concept but it is recuperating day by day with changing environment. Its major role is in human resource planning (HRP) which itself a crucial in any organizations. In order to achieve the objective, a set of questionnaire was distributed to the employees at CIMB Banks of Terengganu. The result implied the valuable insight about the users' satisfaction and the effectiveness of HRIS in organization.

KEYWORDS: Human Resource Information System, Users' Satisfaction, Human Resource Process, Time Saving, Cost Saving, Decision Making.

INTRODUCTION

According to [12], Human Resource Management Information System (HRMIS) is an integrated technology-enabled system for Malaysian Public Service. It states that HRMIS features are the best global practices in Human Resource (HR) and provide single interface for government employees to perform Human Resource Management (HRM) functions effectively and efficiently in the integrated environment.

HRM in the organization must work faster, be more accurate and productive. HRMIS has become a critical tool for integrating HR information into the organization's business strategy and for demonstrating the positive contribution which provides more effective and efficient organization of human resource management. It confirms that, networks, personal computers (PCs) and automated telephone systems for example can give employees direct access to HR information and services. It frees the HR personnel to focus more on strategic value-added work and make informed decisions [16].

When technologies are used to gather, analyze and distribute information about people in organization, the resulting system is referred to as HRMIS. A sophisticated HRMIS architecture allows employees and managers to enter performance data, display, and analyze it for trends over time. It uses the data as input for both the employee's personal development plan and the organization's longer term workforce and succession planning [8].

HRMIS allows the employees to easily update and verify information, consult online lists of internal job vacancies, access government employee's handbooks and receive notices about upcoming training sessions by using self-service functionality of the HR information and/or service web. It further stated that manager can analyze job candidate profiles online, construct salary models, view benefits of programs, monitor employee's absentee trends, and retrieve government labor regulations and forms for compliance [14].

LITERATURE REVIEW

Human Resource Information System

Human Resource Process

HR process can be defined as a process involved in matters related to HR in an organization. Besides that, HRIS has its own function in Human Resource Administration. It assists organizations in managing all HR information including leaves, skills inventory, performance evaluation, training and development and others. Consequently, the vast majority of HR functions have had some degree of automation applied in order to gain the effectiveness on user satisfaction [19].

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According to [4], the reason why organization should use Human Resource Information System (HRIS) is it can help to increase competition by developing and enhancing the HR process. This system helps the operation of HR from manual process to electronic process in handling of HR. The benefits of implementing HRIS in HR process refer to its ability to update data based on real time and all changes. The system can make the HR process becomes more efficient. Other than that, HRIS can standardize the HR process and reduce of redundancy in the [1].

It is easier to follow workforce gaps, the quantity and quality of the labor force and to plan future workforce requirements with the help from HR process in the HRIS. HRIS can also support the long range planning and information of HR process in the organization. According to [9], HRMIS can facilitate more effective recruiting, training, communicating, planning, and other core HR processes. This function can provide accurate and timely access to various HR data and activities to the administration staff and top management.

H1: There is a significant relationship between HR process and users' satisfaction among employees.

Time Saving

The purpose of HRIS is related to the top administrative and operational efficiency which is reducing cost and also time [11]. If the HR management is integrated with information system, it helps in saving time for doing HR process for example in recruitment process, training process and others [13]. HRIS can speed up the transaction in HR process, reduce information errors and control HR actions. Based on [17], one of the general supposed benefits of HRIS application is to reduce the time spent on administration processes. Besides that, half of their respondents were satisfied that HRIS can save time on HR processes.

H2: There is a significant relationship between time saving and users' satisfaction among employees.

Cost Saving

The other element of effectiveness HRIS includes cost saving. Previous researches have proposed the use of HRIS which reduces the HR cost by automating information and reducing the need for large number of HR employees [2]. According to [11], one of the advantages of HRIS is the processing cost could be reduced. From previous research, the result showed that the use of HRIS can perceive any decrease in training, recruiting, hiring expenses or the amount spent on HR salaries. In [10], the relationship between cost saving and user satisfaction when using HRIS is positively correlated.

H3: There is a significant relationship between cost saving and users' satisfaction among employees.

Decision Making

The HRIS helps the HR functions become more efficient and to provide better information for decision making. HRIS consists of tools that assist in decision making in HR Process. For example, strategic decision may include those associated with recruitment and retaining employees [10].

Besides that, problems do occur when the organization does not implement HRIS such as the decrease in competitiveness, poor time management and low quality in decision making [18]. This is because HRIS can provide information which can help organizations to gain more effectiveness in decision making [3]. HRIS apparently has had a strong positive connection with information effect to the researchers. This system has improved its ability to disseminate information and has also increased the amount of useful information [7].

H4: There is a significant relationship between decision making and users' satisfaction among employees.

Users' Satisfaction

Users' satisfaction can be defined as a conceptualized customers' satisfaction based on their feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to their expectation. To be successful, HRIS must satisfy and align with the needs of the organization because many organizations have adopted HRIS to assist their daily human resource operation in organization [15].

According to [3], 90% of the researchers' respondents were satisfied with the HRIS indicating that the employees acceptance of the new system. In the element of time saving, the result showed at least half of the respondents were satisfied that HRIS helps to save time spent in processing paperwork and correcting errors [19].

Other than that, the element of cost saving also has relationship with the users' satisfactions because the result showed 40% of respondents were satisfied with HRIS as the system can decrease expenses of HR in organization.

The last element is decisions making which shows 60% of their respondents were satisfied that HRIS helps their organization in decision making [3]. Therefore, the framework of the study is presented as follows.

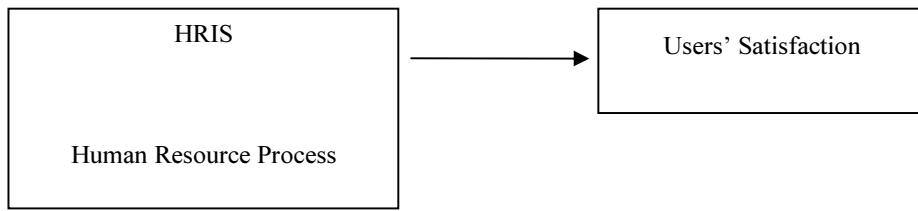


Figure 1: Hypothesized relationship between HRIS and users' satisfaction

METHODOLOGY

Population and Sampling

This correlational type of study is the impact of HRIS on users' satisfaction among employees in CIMB Bank Terengganu. Simple random sampling technique was applied in this study. For the purpose of collecting data, self-delivered and post approaches had been used.

A total of 140 questionnaires were distributed to the staff working in CIMB Terengganu. From the 20 respondents, the respondents were used for pilot test and another 120 respondent had an equity chance to be a sample. To choose the sample without making any bias towards respondent, the researcher put the number 1-120 in a bowl, then pick up one by one until the researcher get 92 of sample for study.

Survey Instruments

A questionnaire was designed to serve as the main instrument of this study. The items in the questionnaire were formulated according to research objectives and research questions stipulated in this study, supported by literature review references. A set of questionnaire was distributed by hand to the respondents to get the responses in a timely manner. The questionnaire was divided into three sections which were section A, B and C. Section A covered the demographic questions of respondents whereas section B covered the dependent variable and lastly section C until F covered the independent variables. The questions in Section B and C were instructed in Likert-scale format, where number 1 represented strongly disagree, 2 for disagree, 3 is uncertain, 4 is agree and 5 represented strongly agree.

RESULTS AND DISCUSSION

The study aimed to examine the impact of HRIS implementations on users' satisfaction among employees user in CIMB Bank, Terengganu. The descriptive statistic of respondent profiles indicated that out of 92 respondents, most of them were female (54.3%) and (45.7%) male participated in this study. Most of them, were from the age group of 21-30 years old (43.5%), followed by 41.3% in the age group of 31-40 years old and only 15.2 % in the age group of more than 40 years old. In the context of which department the respondents has worked at the workplace, it was found that 35.9% of them under financial, 31.5% with administration department, 17.4% under Information Technology department and for HR department is 15.2%. Most of the respondents were balance in time access of the HRIS which is 0-3 times and 4-6 times was 20.7%. Meanwhile, for 7-9 times and more than 10 times the percentage were 29.3 for frequently access the respondents always access everyday with 39.1%. Another 23.9% was every month followed by 22.8% every week and only 14.1% once or twice years.

Correlation Analysis

As indicated in the Table 1, it shows that there were significant relationships between all the identifiable independent variables with the main variable of the study. All the dimensions of the impact HRIS (HR process, time saving, cost saving, and decision making) demonstrated a significant of correlation with user satisfaction. According to [6], it suggests the guidelines that when the value of relationship is 0.10-0.29 (small), 0.30-0.49 (medium) and 0.50-1.00 (large). According to [5], when the value of relationship is 0.10-0.29, it is a small value whereas 0.30-0.49 and 0.50-1.00 are considered as medium and large respectively.

The result of the significant for human resource process is 0.727 at the 0.00 (2 tailed). Besides that, for the time saving, the correlation is significant at the 0.00 (2 tailed) is 0.622. The result of the significant correlation for cost

saving is 0.584. The last of the correlation between user satisfactions is 0.728 for decision making variable. As the conclusion, all of questions were accepted and supported.

Table 1 also shows the result indicating that independent variables are statistically significant with the p-value of 0.000 at 0.01 significant levels. Based on the finding, the result indicates that all the variables have positive correlation respectively when referred to strength association.

Table 1: Correlation analysis (n = 120)

	HRP	TS	CT	DM	US
Human resource process (HRP)	1.00				
Time saving (TS)	.647**	1.00			
Cost saving (CS)	.620**	.489**	1.00		
Decision making(DM)	.629**	.599**	.688**	1.00	
User satisfaction (US)	.727**	.622**	.584	.728	1.00

** Correlation is significant at the 0.01 level (2-tailed)

Regression Analysis

Further investigation using multiple regression analysis was conducted. A summary of multiple regression analysis for all factors towards dependent variable is displayed in Table 2.

The multiple correlation coefficients (R), using all the predictors simultaneously is .811 and adjusted R-square is .642 meaning 64.25 of the variance in the user satisfaction can be predicted from the HR process, time saving, cost saving, and decision making. Note that, the adjusted R² is lower than R-square (65.8%).

Table 2: Regression analysis (multiple regression) (n = 120)

Model	R	R-square	Adjusted R-square	Std Error of estimate	Sig val
1	.881	.658	.642	.28589	.000

CONCLUSION

The objective for this research is to investigate the relationship between the impacts of HRIS implementations among user satisfaction at CIMB Terengganu. Four dimensions of HRIS which are decision making, time saving, cost saving and HR process proposed by [17] that have been precisely measured in achieving the objective. The instrument of this research was survey questionnaire which was adapted from previous researchers.

For this study, there were 92 respondents selected based on random sampling technique. The first part of findings, the researcher had analyzed respondents' demographic profile which consists of eight element followed by analyzed descriptive statistic for each independent variables and dependent variable. The findings of this study reinforce that the overall Cronbach's Alpha of the instruments result in value more than 0.6 and the entire scale variables used in the research instrument are considered as reliable and acceptable. Besides that, researcher found majority of the respondents were agreed with the statement given. Apart from that, this paper also reveals that there are significant relationships between all the identifiable independent variables with the dependent variable of the study in the context of HR system. All the four independent variables are significant at 0.01 significant level based on two-tailed test. Thus, all the hypotheses in the study are accepted as well as answered all research questions for this study.

Hence, it can be concluded that the four dimensions of impact of HRIS are vital in elevating user satisfaction. Finally, the findings and discussion on the research are hoped to be valuable and make contribution to the organization to modify and improve current practical systems and procedures in giving the best quality for the user especially the workers in the organization.

Suggestion for Future Research

This study may be duplicated and extended to number of ways. A sample random sampling approach was used to collect data only from employees at CIMB Bank Terengganu and the findings will not be generalized to all branches. This is because not all branches can give commitment to involve in the survey.

Besides, present study is covered only four dimensions of impact HRIS thus the result may not contribute to overall improvement of users' satisfaction in CIMB Bank Terengganu. In addition, the HR processes, time saving, cost saving and decision making in the present study are measured by general items that are widely accepted and used in previous studies. For future studies, researcher can consider some additional dimensions apart from impact of HRIS that can be added into this model for the purpose of identifying the core influencer of users' satisfaction more accurately such as information effect and other things.

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