

# BARRIERS IN IMPLEMENTING HUMAN RESOURCE INFORMATION SYSTEM IN ORGANIZATION

Dr. Shine David, Surbhi Shukla, Shivangi Gupta

**Abstract**— Information Technology has found its way all over in every field. It is not untouched by Human Resource Management. Organization's success mostly depends on the effective utilization of its valuable human resources. Now-a-days, human resources are treated as strategic assets, these assets are needed to achieve competitive advantage and outperform the rivals. Organizations are now increasingly adopting HRIS than ever before (which is comparatively a new technology in HRM) for ensuring the effective utilization of their human resources. But still, many challenges and issues keep the organizations deprived from enjoying the benefits of this technology. Here, in this research work, the authors tried to explore those hurdles based on the responses of human resource (HR) executives, employees, who are the frequent user of HRIS in the organization from some companies operating in India. The research work came across many challenges that impede the effective implementation of HRIS. Finally, some measurable actions that can be implemented to improve the effective execution of this technology are suggested.

**Index Terms**— Human Resource Management, Human Resource Information System (HRIS), HRIS Implementation Barriers.

## I. INTRODUCTION

Today's organizations are under both the pressure of reducing cost of operations and the pressure of being responsive to the customers' demands. It is more intense for service oriented organizations, like hotels, hospitals, universities, telecommunication sector, pharmaceutical, airline, banks. The use of human resource information systems (HRIS) leads to valuable outcomes for the organization as it reduces cost as well as time, and improves communication to accomplish HR related activities (Beadles, Lowery and Johns, 2005).

With the undoubted benefits of this technology, various enterprises, especially small & medium, are not capable to exploit the full benefits of it. This happens due to some problems behind the proper execution and implementation of this technology. Our research has highlighted some of the major loopholes in the implementation of Human Resource Information System in an organization. Some of these are: lack of budget, lack of staff,

problems with time management; the need to work with other departments and lack of information technology support. These are general obstacles related to implementation of any information system, a list of more specific obstacles are also potential during implementing and managing HR Information System. Some among these barriers are related to ambiguity in identifying the key persons responsible for basic HRIS design; complexity in formulating HR policies under several laws, the threat of losing personal data HRIS encompasses is another key concern which makes the employees reluctant to the implementation of HRIS, and difficult to measure the return on investment (ROI).

## II. LITERATURE REVIEW

Human Resource Information System (HRIS) gathers and maintains the data that describe human resources of the organization, transforming data into information and then reporting the information to users. The use of a HRIS would reduce HR costs by automating information and reducing the need for large numbers of HR employees; by helping employees to control their personal information; and by allowing managers to access relevant information and data, conduct analysis, decide, and communicate with others without consulting an HR professional.

### 2.1 The Paradigm Shift

Information technology has greatly impacted the Human Resource Management through one of the important and effective tool i.e. HRIS. This tool has not only streamlined the data processing, but also has made the employee information more readily available to the managers. The two primary areas of application of computer in the managerial decision making process include, the increasing use of electronic computers in managerial decision making and the coordination among the various strategic functions in the organization. HRIS is used to gather and maintain the data that describe human resource transforming data into information and then reporting the information to users the use of HRIS would reduce HR cost by automating information and reducing the need for large numbers of HR employees. A review of important studies and books is presented below:

- The issues and barriers faced by nine Indian organizations in implementing and managing HRIS is explored by the study of Krishnan and Singh (2006). They found two important barriers, such as; lack of knowledge of HR department about HRIS and less focus on HR department.
- The implementation of HRIS causes some problems such as lack of skill and expertise, technical problems, lack of capital, and time consumption by the untrained staff is given by Dr. Batool S. Q., Dr. M.A Sajid, & Dr. Raza S. H. (2012).

**Manuscript received May 03, 2015**

**Dr. Shine David**, Institute of Management Studies, DAVV, Indore, Madhya Pradesh, India

**Surbhi Shukla**, Institute of Management Studies, DAVV, Indore, Madhya Pradesh, India

**Shivangi Gupta**, Institute of Management Studies, DAVV, Indore, Madhya Pradesh, India

## BARRIERS IN IMPLEMENTING HUMAN RESOURCE INFORMATION SYSTEM IN ORGANIZATION

- Dr. Krishna & Meena (2010) identified the various functional areas to which ICT is deployed for information administration in Higher Education institutions.
- Fernandez Joseet (2006) identified the realization that the use of business HRIS in developing and retrieval, recognize the positive influences that these systems have recruiting the process in which better performance is expected from people recruited internally.
- Rajja and Hlonen (2009) explored the role of IS in decision-making in public sector.

### III. OBJECTIVES

The main objective of this study is to explore the barriers that impede the effective implementation of HRIS in modern organizations. To materialize the main objective, the study attempted with the following specific objectives:

1. To pinpoint the challenges and pitfalls associated with the applications of IT-enabled HRM.
2. To explore the emergent problems those interrupt the effective execution of HRIS in the organization.
3. To recommend some measurable actions and methods to ensure effective implementation and overcome these challenges of HRIS.

### IV. METHODOLOGY

#### 4.1 Type of Research:

The type of research used in the study is Qualitative Research. Qualitative research is basically collecting, analyzing and interpreting data by observing what people do and say. The nature of this type of research is exploratory and open ended. Qualitative research is much more subjective and uses very different methods of collecting information, mainly individual, in depth interviews and focus groups. Small numbers of people are interviewed in depth and or a relatively small number of focus groups are conducted.

#### 4.2 Data Sources:

The data for the research work is collected from both the primary and secondary sources. The primary data is collected from questionnaire which is filled by the employees of different organizations. The secondary data is collected from various websites, research papers and books.

#### 4.3 Sampling Plan:

The sampling plan consists of three things:

**Sampling Unit:** To understand the challenges of HRIS implementation, the sample unit for the research study is miscellaneous, it consist of employees from service sector, manufacturing sector and from different organizations.

**Sample Size:** Sample size taken for the research consists of 41 respondents including both male and female employees who are directly or indirectly involved in the functioning of Human resource information system.

**Sample Method:** In research, we have chosen simple random sampling method. Each employee is chosen randomly who work either in service sector or in manufacturing sector or any other such that each employee has the same probability of being chosen during sampling process.

**Sample Demographics:** The male respondents are 52.5% whereas female are 47.5%. There are 62.5% of employees with work experience of 0-2 years, 30% with 2-5 years and 7.5% with more than 5 years. 57.5 % of employees are from service sector, 25% from manufacturing, 7.5 % from government and 10% from other sector.

#### 4.4 Reliability:

The reliability statistics is shown in the following table-

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.494	.587	10

#### 4.5 Limitations of Study:

Respondents may or may not give their true views about the questions asked. Human Resource information systems are not utilised in many companies to its fullest or in the main organizational functions. People may not be completely aware about the HRIS as it has not still incorporated in many organizations. There may be uncertainties regarding the implementation and maintenance of HRIS in its true sense.

### V. TOOLS FOR DATA ANALYSIS

#### 5.1 For Data Collection:

In order to collect the data, Questionnaire was designed which contained Personal details of respondents and 10 questions listing all the possible factors responsible for hindering effective implementation of HRIS in organization. Questionnaire was filled by the employees of private sector, as well as public sector. It was ensured that the respondents are from different field i.e. banking sector, manufacturing sector or service sector.

#### 5.2 For Data Analysis:

SPSS16.0 (Statistical package for social sciences) is used in this research to analyze the data. The current versions (2014) are officially named **IBM SPSS Statistics**. It is widely used now-a-days by researchers for health, marketing, government, education, and other researches.

#### 5.2.1 Independent Sample T- test:

The Independent Sample T-test compares the mean of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. It is a parametric test. A t-test is any statistical hypothesis in which the test follows student's t distribution if the null hypothesis is supported. It can be used to determine if the two sets are significantly different from each other and are most commonly applied when test static follow a normal distribution.

### VI. FINDINGS AND ANALYSIS

#### Group Statistics Table-

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
VAR00002	Male	21	1.9524	.80475	.17561
	Female	19	2.0526	.70504	.16175
VAR00003	Male	21	2.0952	.70034	.15283
	Female	19	1.9474	.84811	.19457
VAR00004	Male	21	2.4762	.87287	.19048
	Female	19	2.0000	.74536	.17100
VAR00005	Male	21	2.0952	.94365	.20592
	Female	19	1.8947	.93659	.21487
VAR00006	Male	21	2.0000	.77460	.16903
	Female	19	1.9474	.77986	.17891
VAR00007	Male	21	2.0476	.80475	.17561
	Female	19	1.8421	.89834	.20609
VAR00008	Male	21	2.2381	.76842	.16768
	Female	19	1.9474	.84811	.19457
VAR00009	Male	21	2.1429	.85356	.18626
	Female	19	2.3684	.68399	.15692
VAR00010	Male	21	2.7143	1.70713	.37253
	Female	19	2.9474	1.77869	.40806
VAR00011	Male	21	2.1905	1.40068	.30565
	Female	19	3.2632	1.62761	.37340

In the first row of the group statistics box the mean for condition 1(male) is 1.95. The mean for condition 2(female) is 2.05. The standard deviation for condition 1(male) is 0.84 and for condition 2(female) is 0.70. The number of male participants is 21 and that of female is 19. Such information for all the variables can be seen from the above table.

ANOVA requires that for a variable to be significant, the value of sig. is less than 0.05 then that variable is significant else is not significant.

**Significance Test**

For the variable VAR00002, the value of sig. is 0.448 which is greater than 0.05 and hence the perception for **lack of funds** for male and female is same.

For the variable VAR00003, the value of sig. is 0.217 which is not less than 0.05 and hence the perception for **inadequate knowledge** for male and female is same.

For the variable VAR00004, the value of sig. is 0.176 which is not less than 0.05 and hence the perception for **lack of expertise** for male and female is same.

For the variable VAR00005, the value of sig. is 0.809 which is not less than 0.05 and hence the perception for **lack of cooperation** for male and female is same.

For the variable VAR00006, the value of sig. is 0.864 which is not less than 0.05 and hence the perception for **network problem** for male and female is same

For the variable VAR00007, the value of sig. is 0.641 which is not less than 0.05 and hence the perception for **technical problem** for male and female is same

For the variable VAR00008, the value of sig. is 0.734 which is less than 0.05 and hence the perception for **lack of staff** for male and female is same.

For the variable VAR00009, the value of sig. is 0.498 which is not less than 0.05 and hence the perception for **time consumption** for male and female is same.

For the variable VAR00010, the value of sig. is 0.613 which is not less than 0.05 and hence the perception for **decreased paperwork** for male and female is same.

FUTURE SCOPE

With the undoubted benefits of HRIS, organizations should opt to ensure the proper utilization of this technology by knowing the challenging and interrupting issues. Findings of this research may be helpful for the HR executives about the issues that impede the effective execution of this technology in the functions of HRM. Since this research is based on small sample size, potential researchers may have options for further research expecting more significance findings on these issues.

REFERENCES

- [1] David, S. (2009) "Challenges in Strategic Human Resource Management" in Review of Business and Technology Research, Vol.2, No.1, 2009, pp1-5.
- [2] Kothari, KC. "Challenges of implementing HRIS in a Public Sector Enterprise", pp1-3
- [3] Sadiq, U. "The Impact of Information Systems on the Performance of Human Resources Department", Journal of Business Studies Quarterly 2012, Vol. 3, No. 4, pp. 77-91.
- [4] Walker, Alfred J. (2001). How the web and other Trends are changing Human Resources. In Alfred J. Walker, ed., Web-Based Human Resources. New York: McGraw-Hill, 2001.
- [5] Katz, D., & Kahn, R.L. (1978). The social psychology of organizations (2<sup>nd</sup> ed.). New York: John Wiley.
- [6] In my opinion, the problem in implementation of HRIS is Inadequate Knowledge.
- [7] In my opinion, the problem in implementation of HRIS is Lack of expertise.
- [8] In my opinion, the problem in implementation of HRIS is Lack of cooperation.
- [9] In my opinion, the problem in implementation of HRIS is Network Problem.
- [10] In my opinion, the problem in implementation of HRIS is Technical Problems.
- [11] In my opinion, the problem in implementation of HRIS is Lack of staff.

## BARRIERS IN IMPLEMENTING HUMAN RESOURCE INFORMATION SYSTEM IN ORGANIZATION

[12] In my opinion, the problem in implementation of HRIS is

Time consumption.

[13] According to me, Our HRIS has decreased paperwork.

[14] Overall I am satisfied with our HRIS.

### Annexure 1

#### Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded <sup>a</sup>	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

### Annexure 2

#### Questionnaire

1. Name (Optional)
2. Designation
3. Gender
4. In my opinion, the problem in implementation of HRIS is Lack of Funds.