

Human Resource Information System (HRIS): An Evaluation of Net Benefits Based on the Perception of HR Practitioners

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Background/Rationale of the study

understanding the factors that influence the benefits of using human resource information systems (HRIS).





Research Objectives

This study aims to determine the factors that influence the net benefits of human resource information system (HRIS) using the perceptions of HR practitioners working in the BPO industry in the Philippines.

The following are the specific objectives of the study:

1. To determine and rank the factors that influence the net benefits of HRIS.
2. To determine the relationships between system quality, information quality and service quality and system use.
3. To determine the relationships between system quality, information quality and service quality and user satisfaction.



Related Literature




One of the most important information systems acquired and deployed by business organizations is the Human Resource Information System (HRIS). HRIS is a system used to acquire, store, manipulate, analyze, retrieve and distribute information regarding an organization's human resources (Kavanagh, M.J. & Johnson., 2017).

This is a type of an information system that will continue to change businesses and the way that people live (Stair & Reynolds, 2014).



Related Literature

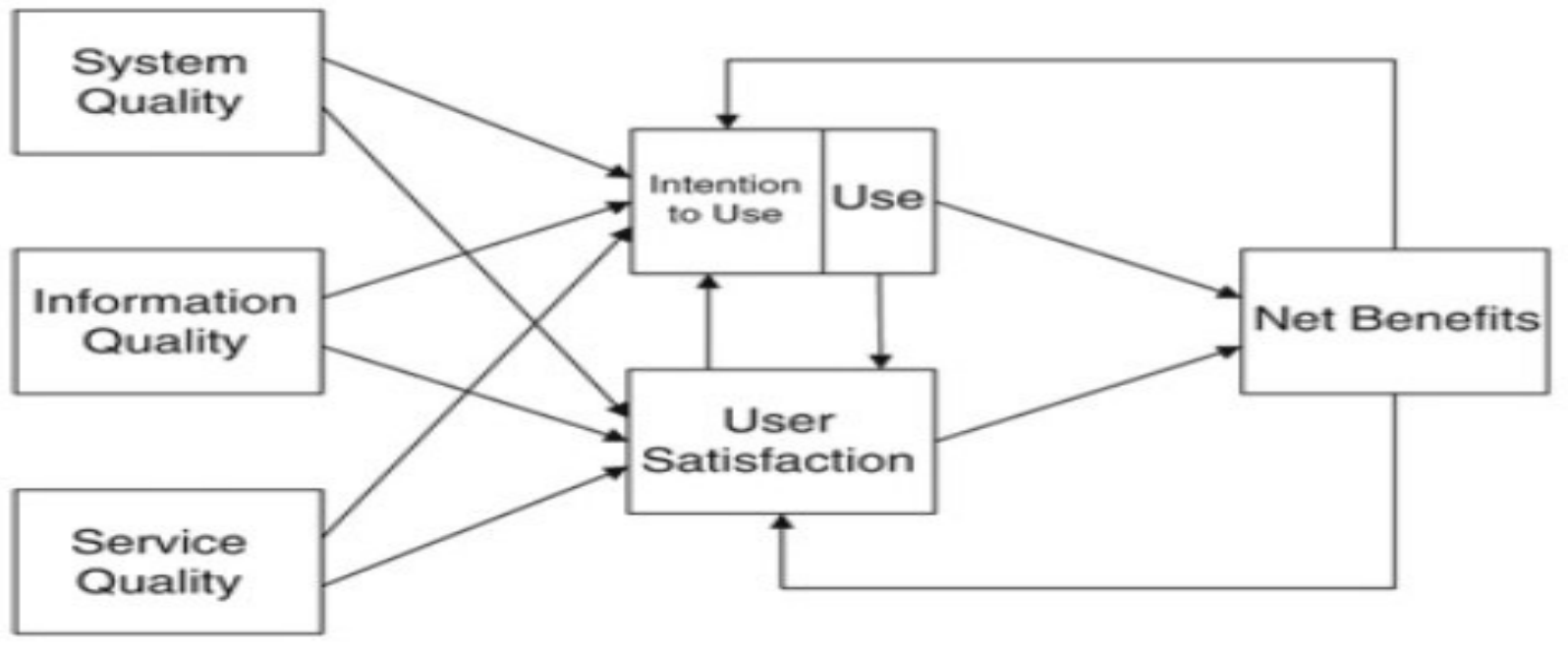


Various studies were conducted in assessing the success of HRIS in companies, workplaces and in many business organizations. This attention is influenced largely by the interest of many business organizations and business owners who strongly recognized the value of HRIS in managing human resources and how it impacts the business in general.

(Nawaz, 2014)

Understanding the effectiveness of information systems is an ongoing area of interest amongst researchers, practitioners and management stakeholders (Ojo, 2017).

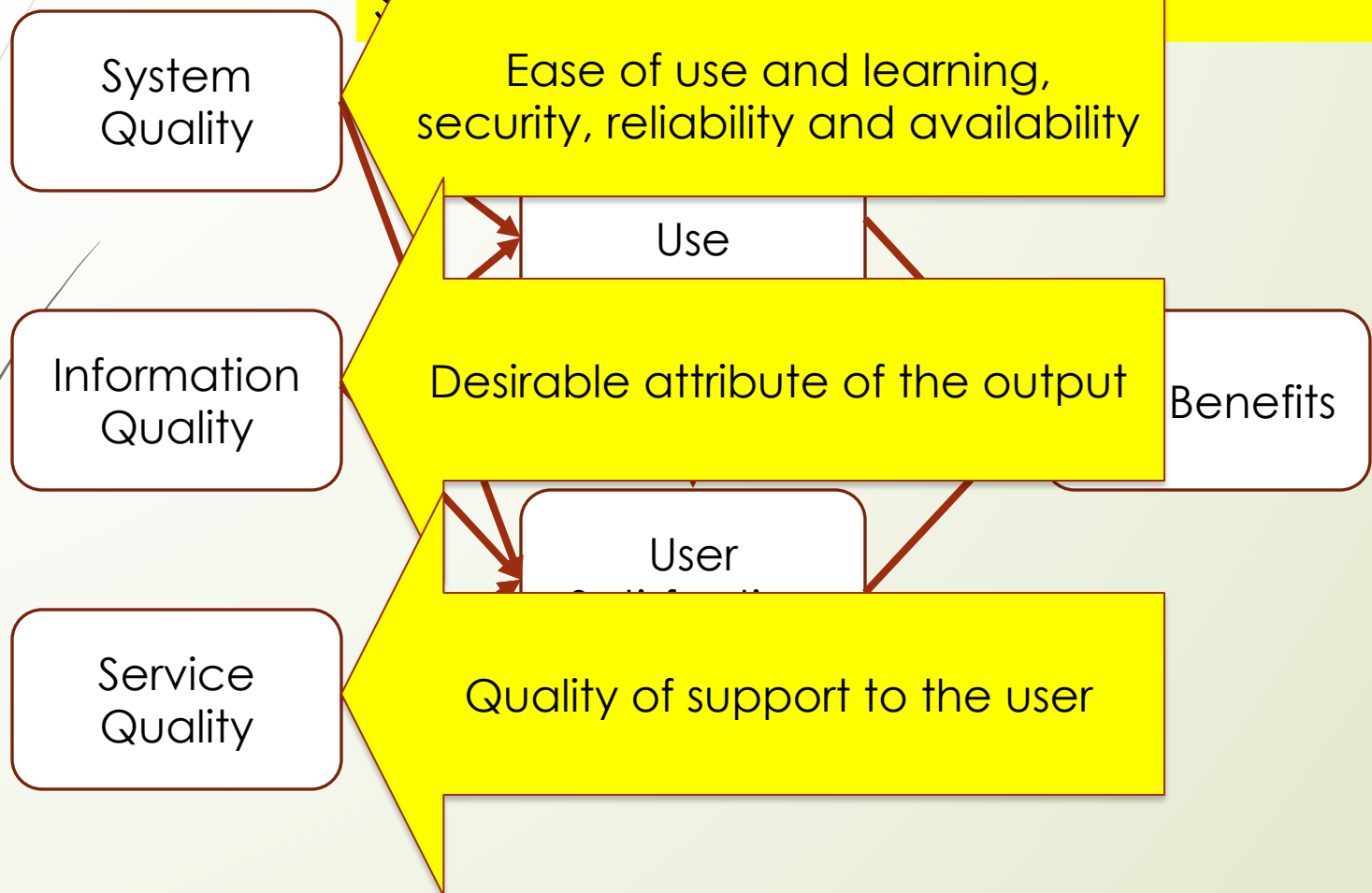
Theoretical Framework



DeLone and McLean information system success model

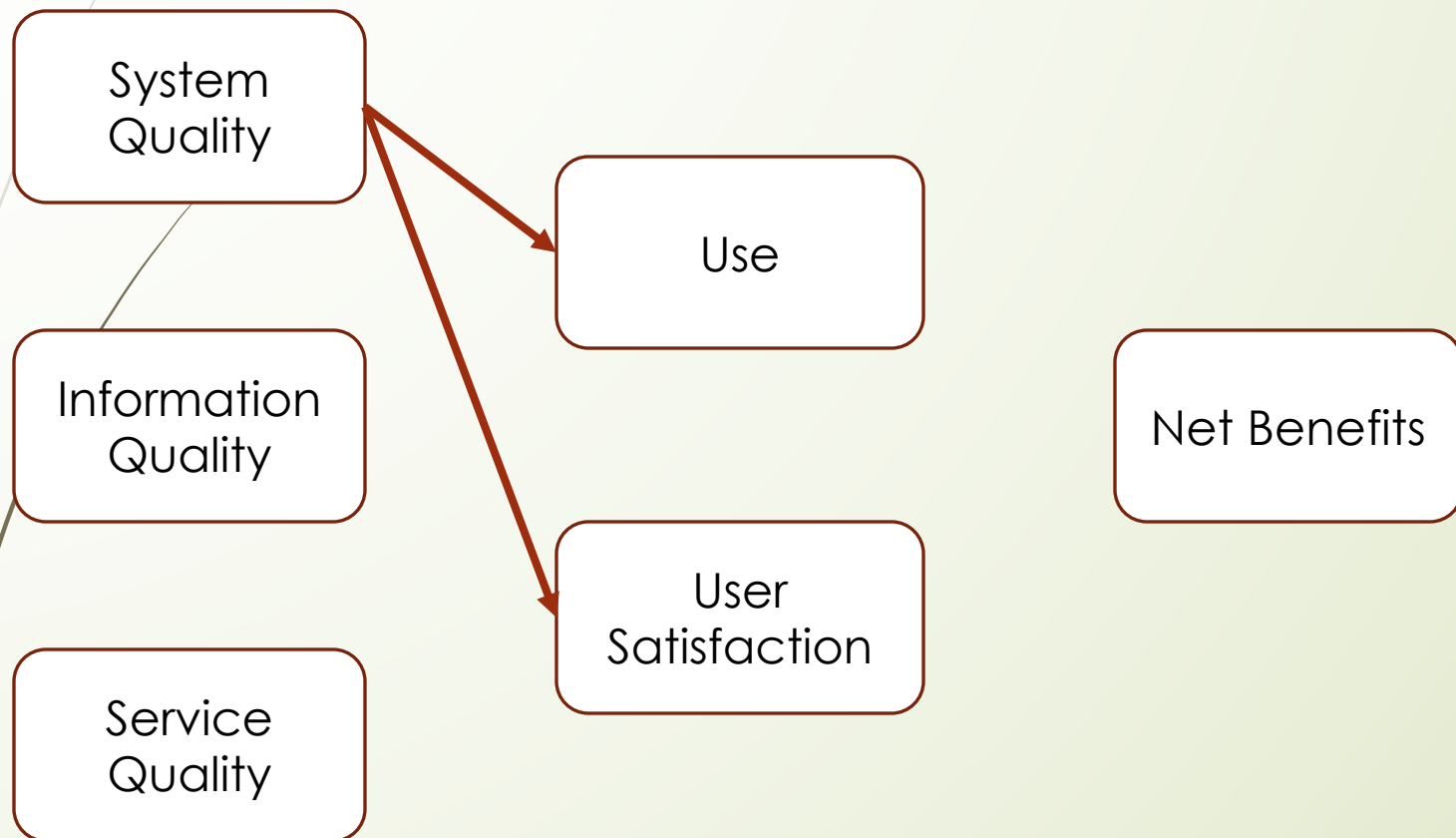
DeLone and McLean Model

(Hawari, McCarthy & Aronson, 2007; Hu, 2003; DeLone & McLean, 2001; Molla & Licker, 2001; Tilahun, 2015; Wang & Liao, 2008; S. L. T. 2014; O. 2017)



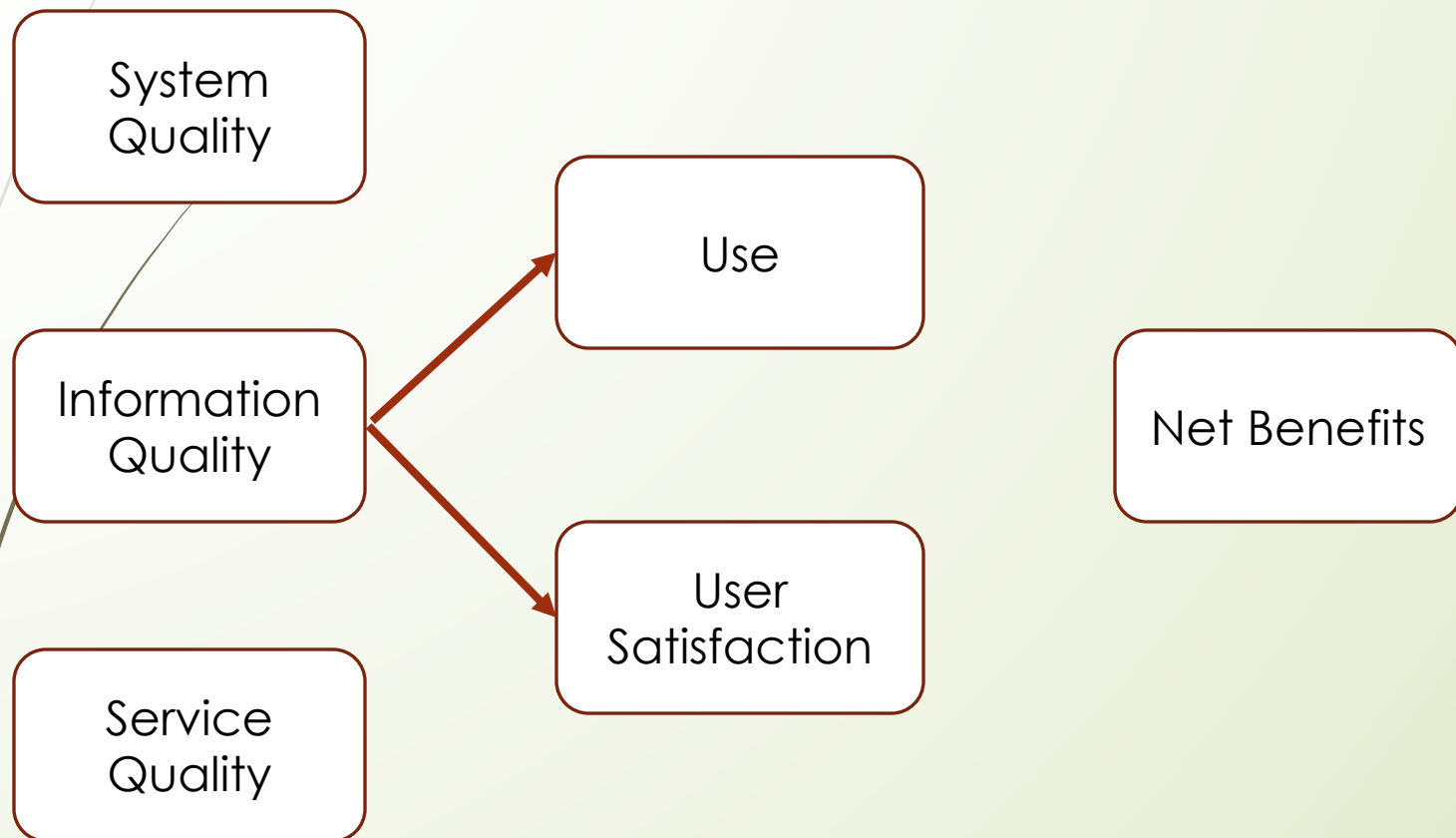
❑ **H1:** System quality of HRIS will positively affect the use of HRIS.

❑ **H2:** System quality of HRIS will positively affect user satisfaction on HRIS.



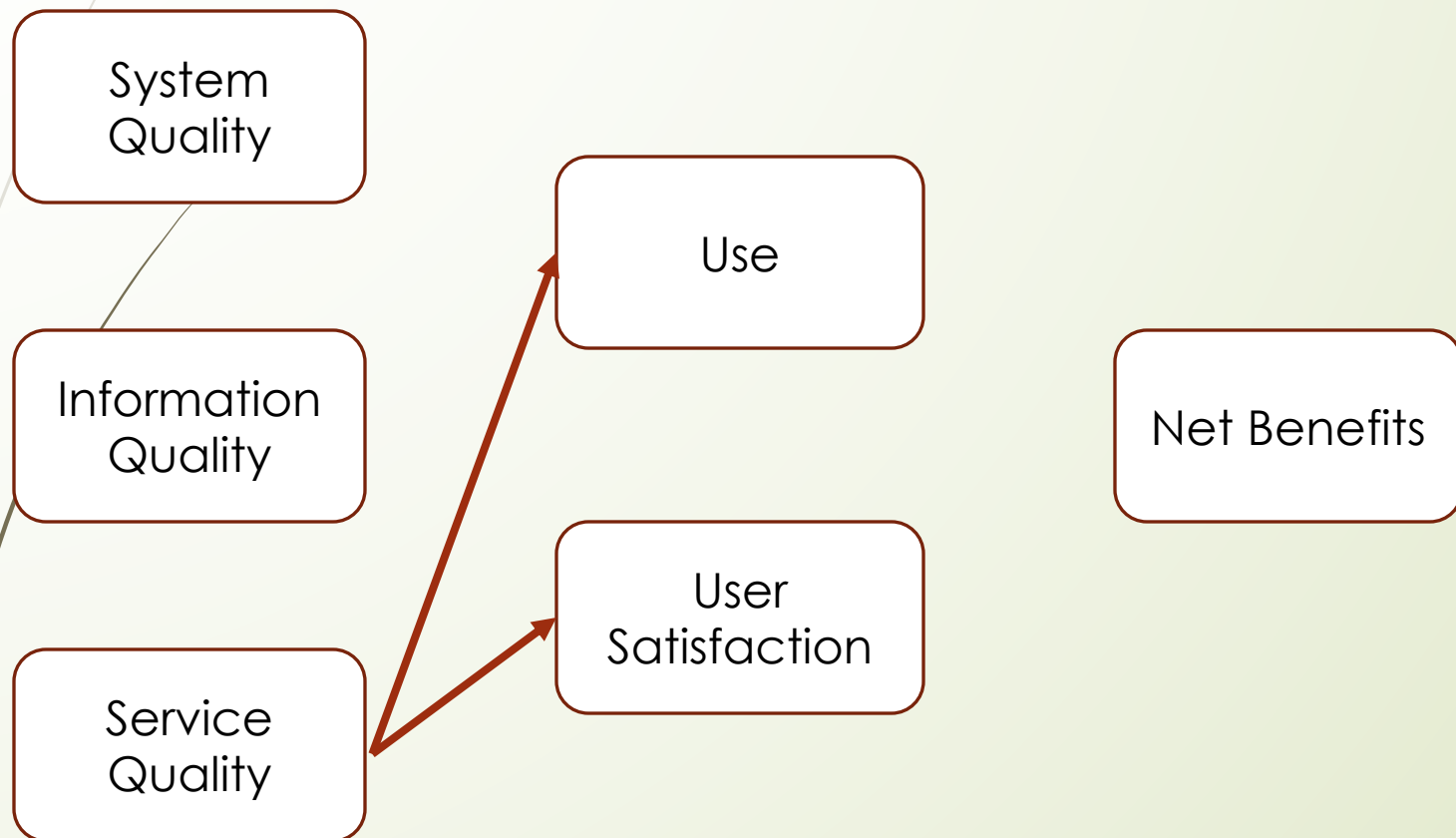
❓ **H3:** Information quality of HRIS will positively affect the use of HRIS.

❓ **H4:** Information quality of HRIS will positively affect user satisfaction on HRIS.

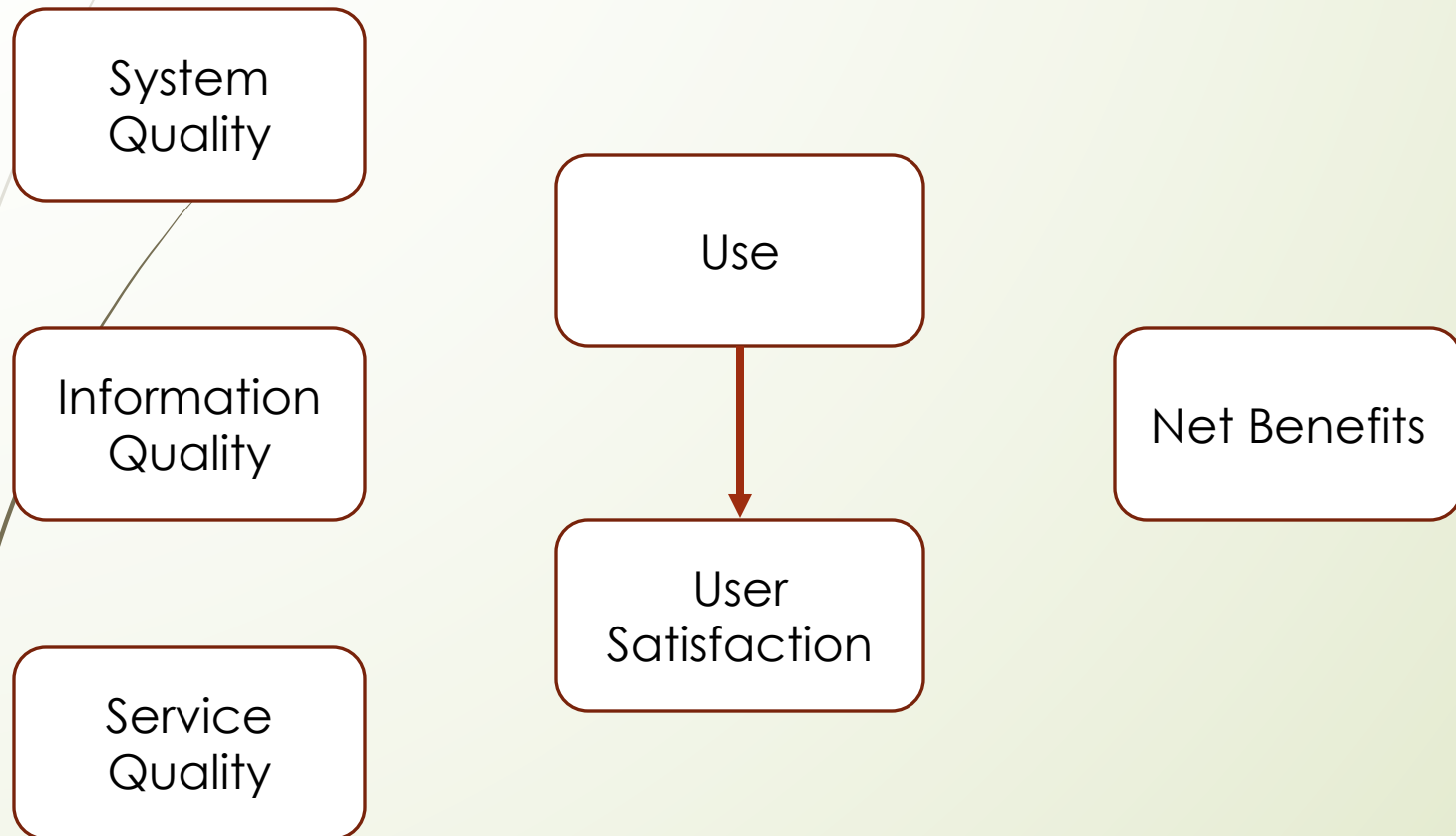


❓ **H5:** Service quality of HRIS will positively affect the use of HRIS.

❓ **H6:** Service quality of HRIS will positively affect user satisfaction on HRIS.

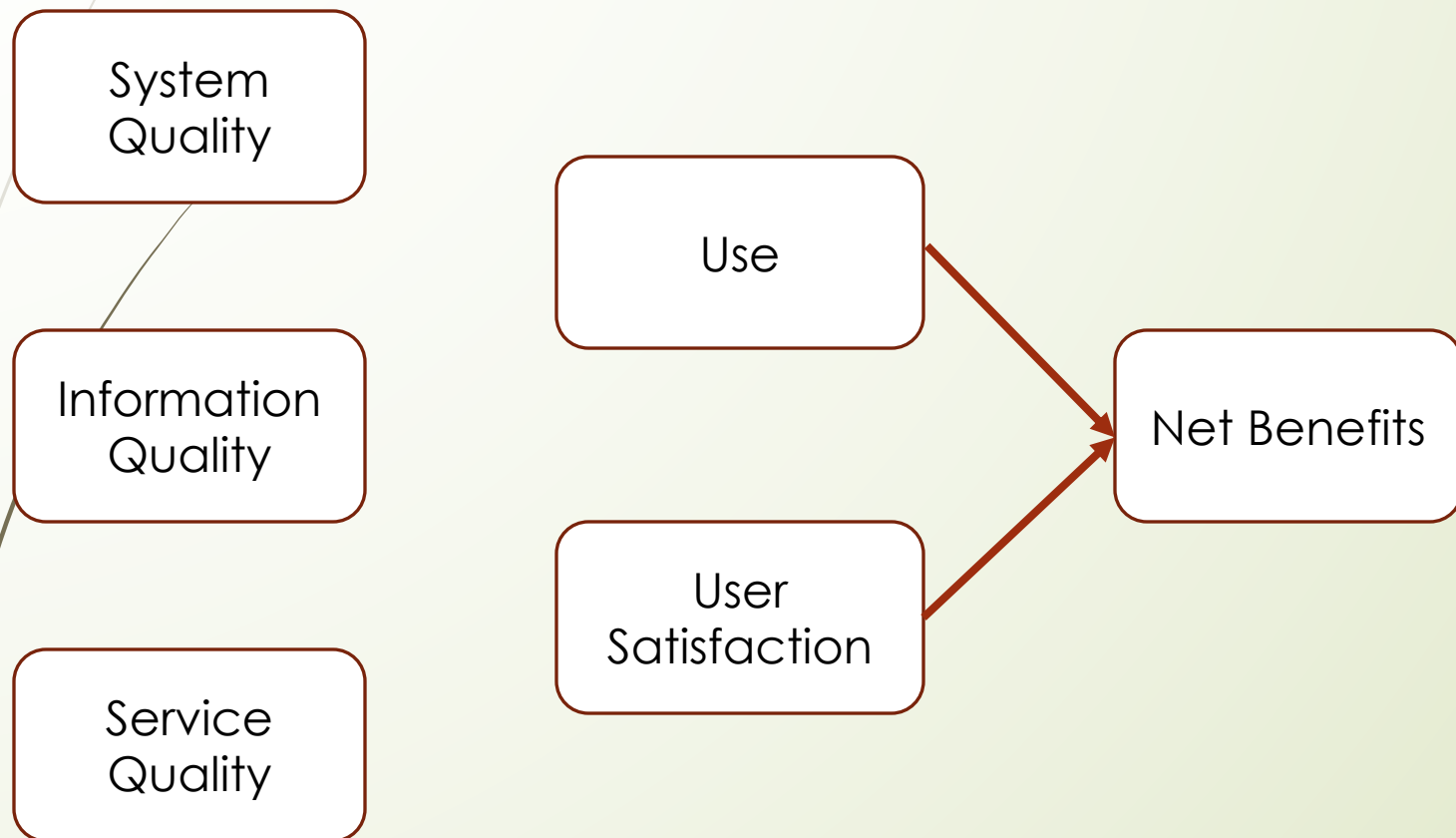


 **H7:** Use of HRIS will positively affect user satisfaction on HRIS.



❓ **H8:** Use of HRIS will positively affect perceived HRIS net benefits.

❓ **H9:** User satisfaction on HRIS will positively affect perceived HRIS net benefits.





Methodology



- Structural Equation Model (SEM)
- Adapted Questionnaire
- Ethical Consideration
- Data Gathering
- Purposive sampling accompanied by snow balling
- Questionnaire was sent to HR employees in companies using HRIS
- 214 respondents
- Data Analysis

Model Fit Measures

| Measure | Estimate | Threshold | Interpretation |
|---------|----------|-----------------|----------------|
| CMIN | 469.543 | -- | -- |
| DF | 268.000 | -- | -- |
| CMIN/DF | 1.752 | Between 1 and 3 | Excellent |
| CFI | 0.950 | >0.95 | Acceptable |
| SRMR | 0.043 | <0.08 | Excellent |
| RMSEA | 0.059 | <0.06 | Excellent |
| PClose | 0.043 | >0.05 | Acceptable |

Congratulations, your model fit is excellent!

Cutoff Criteria*

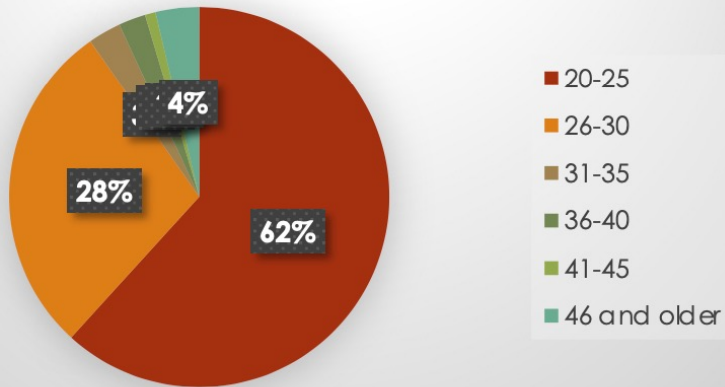
| Measure | Terrible | Acceptable | Excellent |
|---------|----------|------------|-----------|
| CMIN/DF | > 5 | > 3 | > 1 |
| CFI | <0.90 | <0.95 | >0.95 |
| SRMR | >0.10 | >0.08 | <0.08 |
| RMSEA | >0.08 | >0.06 | <0.06 |
| PClose | <0.01 | <0.05 | >0.05 |



Results

Demographics

Age



Gender

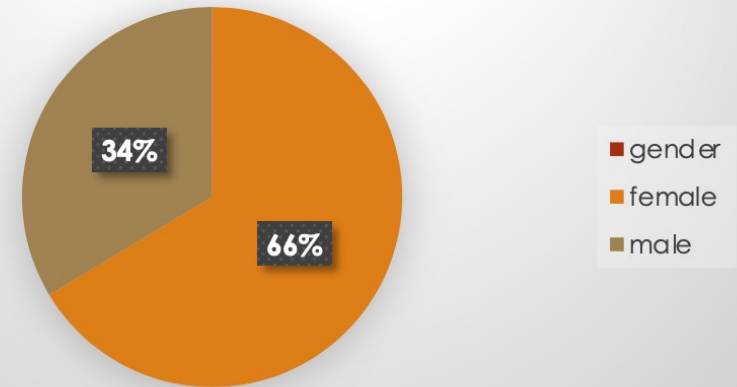


Chart Title

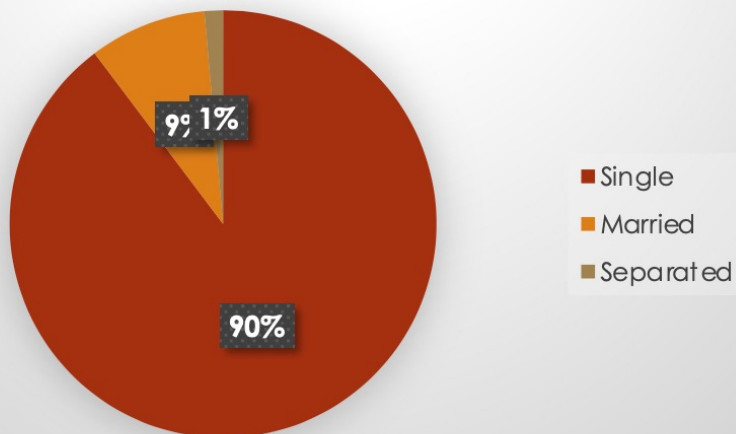
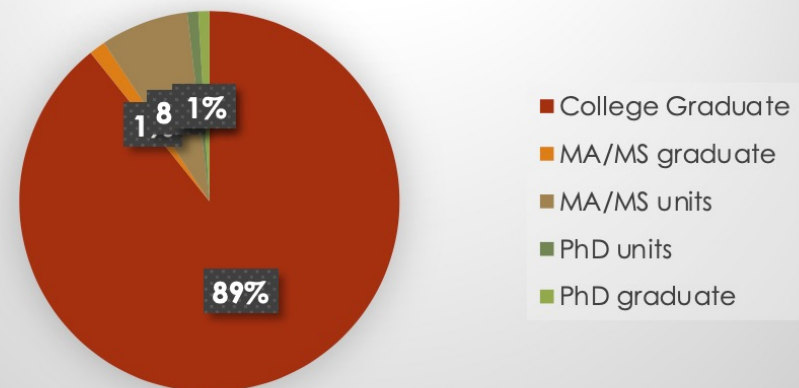
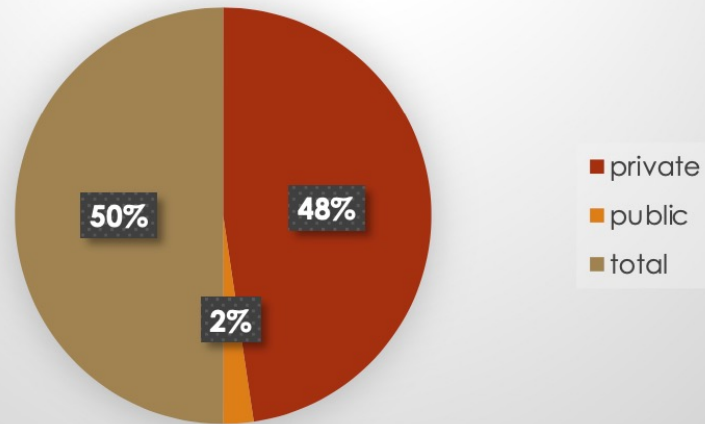


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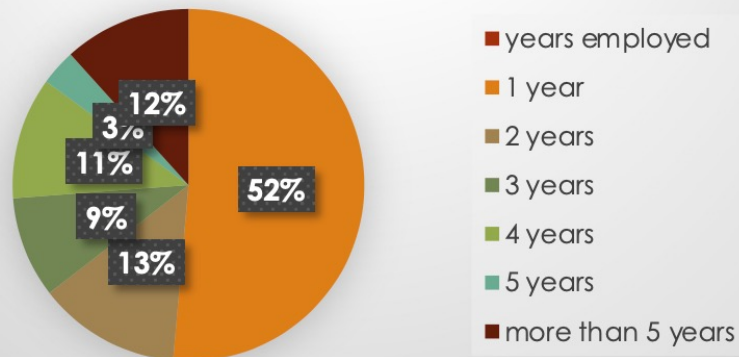


Demographics

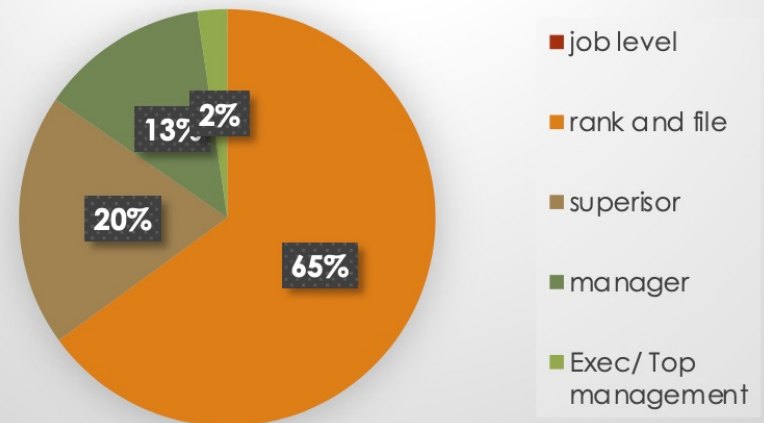
Industry Type




Number of Year Employed



Job Level





| Constructs | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|---------------------|------------------|-----------------------|----------------------------------|
| Information Quality | 0.852 | 0.894 | 0.629 |
| Net Benefits | 0.888 | 0.918 | 0.691 |
| Service Quality | 0.813 | 0.869 | 0.570 |
| System Quality | 0.793 | 0.858 | 0.547 |
| Use | 0.922 | 0.945 | 0.812 |
| User Satisfaction | 0.902 | 0.953 | 0.910 |



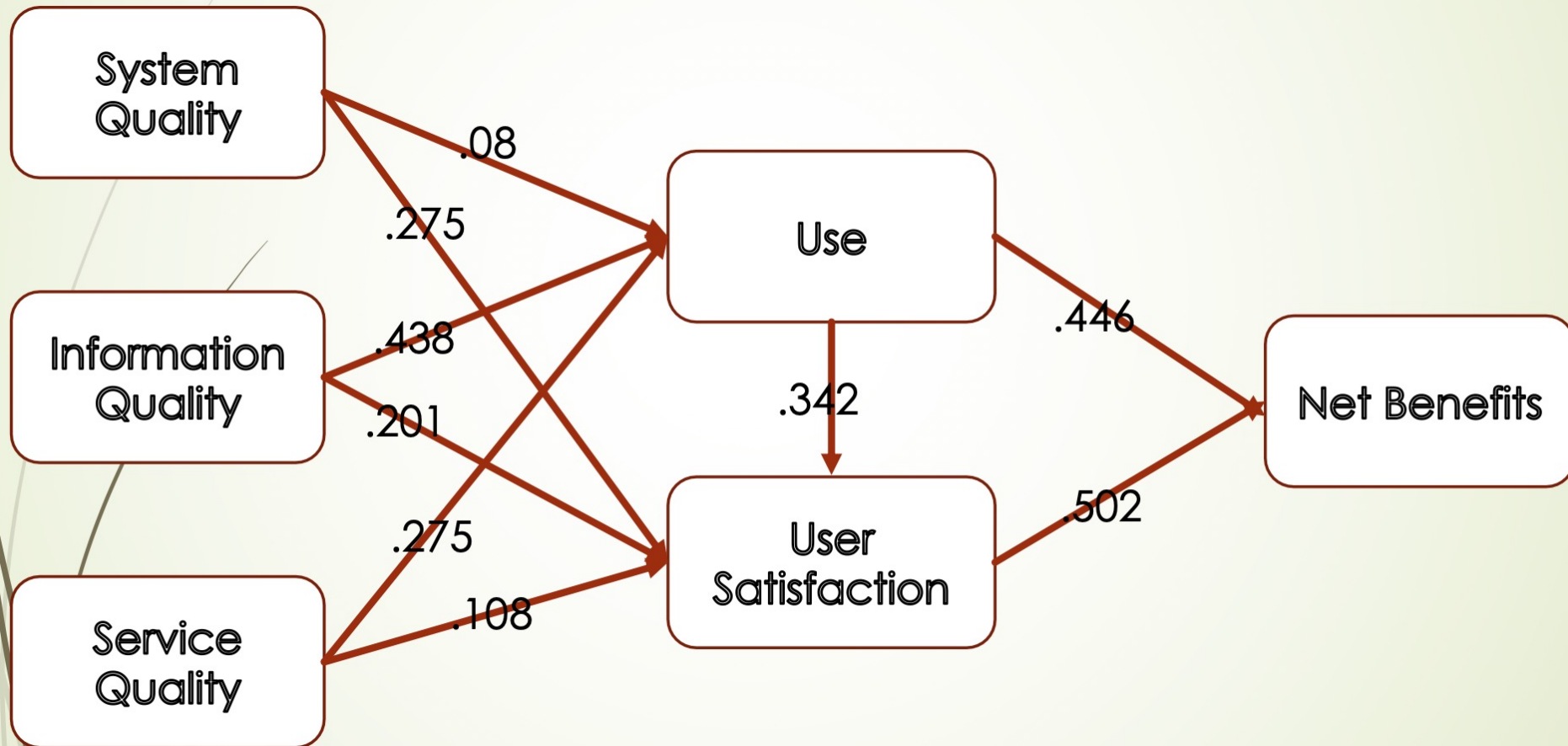
Cronbach's Alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) values.




| Constructs | Information Quality | Net Benefits | Service Quality | System Quality | Use | User Satisfaction |
|---------------------|---------------------|--------------|-----------------|----------------|-------|-------------------|
| Information Quality | 0.793 | | | | | |
| Net Benefits | 0.759 | 0.831 | | | | |
| Service Quality | 0.755 | 0.718 | 0.755 | | | |
| System Quality | 0.800 | 0.696 | 0.745 | 0.740 | | |
| Use | 0.709 | 0.812 | 0.665 | 0.634 | 0.901 | |
| User Satisfaction | 0.745 | 0.827 | 0.692 | 0.733 | 0.731 | 0.954 |

Discriminant Validity for the Model


Emerging Model






| | R Square | R Square Adjusted |
|-------------------|-----------------|--------------------------|
| Net Benefits | 0.78 | 0.78 |
| Use | 0.54 | 0.54 |
| User Satisfaction | 0.68 | 0.67 |

R-Square values representing the Structural Model





| Path | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values | Remark |
|--|-------------------------------|-----------------------------|----------|---------------|
| Information Quality -> Use | 0.11 | 4.10 | *** | Supported |
| Information Quality -> User Satisfaction | 0.09 | 2.18 | 0.02966 | Supported |
| Service Quality -> Use | 0.11 | 2.51 | 0.01225 | Supported |
| Service Quality -> User Satisfaction | 0.08 | 1.43 | 0.15324 | Not Supported |
| System Quality -> Use | 0.12 | 0.69 | 0.49058 | Not Supported |
| System Quality -> User Satisfaction | 0.09 | 3.07 | 0.00223 | Supported |
| Use -> Net Benefits | 0.07 | 6.72 | *** | Supported |
| Use -> User Satisfaction | 0.09 | 3.87 | ** | Supported |
| User Satisfaction -> Net Benefits | 0.07 | 7.55 | *** | Supported |

*** indicates $p < 0.0001$ and ** indicates $p < 0.01$. NS: non-significant relationship, S: significant relationship. Significance level is at 0.05.

Structural Equation Model using Partial Least Square



Discussion



- Latent variables in the model have a direct effect on the net benefits that organizations derive from HRIS.
- Service Quality is not a factor that impacts User Satisfaction
- Service Quality is not a factor that impacts Use



Conclusion



- Quality of the information, service and the system itself are all contributory to the net benefits that HRIS delivers to workers.
- The effectiveness of HRIS in the organization can be addressed by closely looking into the study results and introducing measures that can enhance the net benefits of HRIS.
- HR managers together with HRIS implementers/designers can identify and create HRIS functions and features that will increase the quality of HRIS and strengthen HRIS so it can support HR planning and governance.

Recommendations





Thank you!