IMPACT OF HUMAN RESOURCE INFORMATION SYSTEMS ON ORGANIZATIONAL PERFORMANCE: AN EMPIRICAL STUDY

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ABSTRACT
This study focuses on the empirical investigation of the two stage impact of Human Resource Information Systems (HRIS) on the Organizational Performance (ORP). The dimensions of the HRIS considered in this study include General Administration (GAD), Training (TRN), Recruitment (RCT), Performance Evaluation (PFE), and Data Management (DTM). In the first stage, the influences of the dimensions of HRIS on Operational efficiency (OPE), Acceleration of the process (ACP), and Cost benefits (CBN) are studied. In the second stage, the influence of these three intermediate variables on the ORP is studied. The ORP includes both the Financial performance and Non-financial performance measures. The study has been carried out in select product and service industries with a sample size of 244 HR managers.

The research methodology adopts a mixed method approach with both qualitative and quantitative research. While the qualitative component involves the analysis of data from questionnaire (primary source) and journals (secondary source), the quantitative analysis is through the analysis of the data obtained through questionnaire survey using 5-point Likert scale. The metric in the form of questionnaire has been developed to test the hypothetical model. The metric is tested through the standard procedure of construct, content and criterion validity. The second generation statistical technique of Structural Equation Modelling (SEM) using Partial Least Square Method (PLSM) has been adopted to test the hypotheses. The results have indicated that among the moderators, only cost reduction and operational efficiency have significant influence on organizational performance. HRIS intervention in training and performance evaluation both influence the cost reduction and operational efficiency significantly. General administration influences accelerated process and cost reduction. Performance evaluation has influence on operational efficiency and accelerated processes. Recruitment has failed to cause any significant influence on the endogenous variables of interest. Accordingly, implications have been drawn for the benefit of HR managers for the effective usage of HRIS as it contributes to the organizational performance.

KEY WORDS: Operational performance, Human resource information systems, Cost reduction.

References


