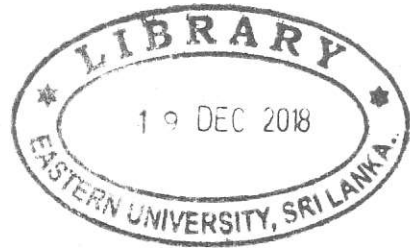


**THE IMPACT OF CRITICAL FACTORS ON ADOPTION OF
HUMAN RESOURCE INFORMATION SYSTEM IN
MANUFACTURING COMPANIES: WITH SPECIAL
REFERENCE TO PUTTALAM DISTRICT**



DOMBAGAHA PATHIRANAGE MARIAN SHAVINI MEDONKA PEIRIS



FCM 1974



Project Report
Library - EUSL

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2018

PROCESSED
Main Library, EUSL

ABSTRACT

Manufacturing industry is considered as the backbone of economic growth in selected countries including Sri Lanka and manufacturing companies make up a large part of Sri Lankan economy. The development of manufacturing companies with new technology adoption is paramount important for Sri Lanka irrespective of its level of development.

In Sri Lankan context, a few empirical studies have been conducted with the factors impact on adoption of HRIS in manufacturing companies. There is an empirical knowledge gap exists in the factors impact on HRIS adoption in manufacturing companies. Hence, this study attempts to fill this knowledge gap. The objectives of this study are to identify the level of HRIS adoption, human, technological, organizational and environmental factors and to identify the relationships of those factors with HRIS adoption and also to identify the impact of those factors on HRIS adoption in large scale of HRIS adopted manufacturing companies in Puttalam District. To achieve these objectives data was collected from 82 HR managers and HR executives using questionnaire. The data were analyzed by using descriptive, correlation analyses and multiple regression analysis.

The results show that adoption, human, technological, organizational and environmental factors are in high level and identified that, there is a weak positive relationship among human factors with HRIS adoption and high positive relationship among organizational and technological factors with HRIS adoption while there is an insignificant relationship among environmental factor and HRIS adoption. Moreover, this study has identified that among all factors top management support, compatibility, relative advantage and IT capability of staff are significantly impact on HRIS adoption. Thus top management in the organization should take the leadership to support new practices and new systems that lead to improve the adoption of HRIS with enough trainings to employees.

Keywords: *Human Resource Information System, Human Factor, Technological Factor, Organizational Factor, Environmental Factor and HRIS Adoption*

TABLE OF CONTENTS

	Page No.
ACKNOWLEDGEMENT	i
ABSTRACT.....	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	xi
LIST OF FIGURES	xiii
ABBREVIATIONS	xiv
CHAPTER ONE – INTRODUCTION	1-7
1.1 Background of the Study	1
1.2 Research Problem / Research Gap.....	3
1.3 Research Questions.....	4
1.4 Research Objectives.....	5
1.5 Significance of the Study	5
1.6 Scope of the Study	6
1.7 Chapter Organization.....	6
1.8 Chapter Summary	7
CHAPTER TWO - LITERATURE REVIEW.....	8-27
2.1 Introduction.....	8
2.2 Concept of HRIS.....	8
2.2.1 Definitions of HRIS	8
2.2.2 Human Resources Information System Data Flow.....	9
2.2.3 The Scope of HRIS	10
2.2.4 HRIS Models	11

2.2.4.1 The Simon Input/Data Maintenance/Output Model	11
2.2.4.2 Hyde-Shafritz Model	11
2.2.4.3 The Resource-Flow HRIS Model	12
2.3 Human Factors	13
2.3.1 Innovativeness of Senior Executive	13
2.3.2 IT Capability of Staff	14
2.4 Technological Factors	14
2.4.1 IT Infrastructure	15
2.4.2 Compatibility	15
2.4.3 Complexity	16
2.5 Organizational Factors	16
2.5.1 Relative Advantage	17
2.5.2 Top Management Support	18
2.6 Environmental Factors	18
2.6.1 Competitive Pressure	19
2.7 HRIS Adoption	19
2.8 Hypothesis of the Study	20
2.8.1 Human Factors and HRIS Adoption	20
2.8.1.1 Innovativeness of Senior Executives and HRIS adoption	20
2.8.1.2 IT Capability of Staff and HRIS Adoption	20
2.8.2 Technological Factors and HRIS Adoption	21
2.8.2.1 IT Infrastructure and HRIS Adoption	21
2.8.2.2 Compatibility and HRIS Adoption	21
2.8.2.3 Complexity and HRIS Adoption	22

2.8.3 Organizational Factors and HRIS Adoption	23
2.8.3.1 Relative Advantage and HRIS Adoption	23
2.8.3.2 Top Management Support and HRIS Adoption.....	23
2.8.4 Environmental Factors and HRIS Adoption	24
2.8.4.1 Competitive Pressure and HRIS Adoption	24
2.9 Empirical Findings.....	24
2.10 Formation of the Conceptual Model based on Literature Review	25
2.11 Research Gap	26
2.12 Chapter Summary	27
 CHAPTER THREE-CONCEPTUALIZATION	
AND OPERATIONALIZATION.....	28-38
3.1 Introduction.....	28
3.2 Conceptual Framework	28
3.3 Definitions of Variables	30
3.3.1 Human Dimensions.....	30
3.3.1.1 Innovativeness of Senior Executives	30
3.3.1.2 IT Capability of Staff	30
3.3.2 Technological Dimensions.....	30
3.3.2.1 IT Infrastructure	30
3.3.2.2 Compatibility	31
3.3.2.3 Complexity.....	31
3.3.3 Organizational Dimensions.....*	32
3.3.3.1 Relative Advantage.....	32
3.3.3.2 Top Management Support.....	32

3.3.4 Environmental Dimensions.....	32
3.3.4.1 Competitive Pressure	32
3.4 HRIS Adoption	33
3.5 Operationalization.....	33
3.6 Operationalization for HRIS Adoption.....	35
3.7 Theories Supporting Conceptual Framework Literature	35
3.7.1 Fit of Human, Organization and Technology Factors (HOT-fit).....	35
3.7.2 Technology-Organization-Environment Framework. (TOE Framework).....	36
3.8 Chapter Summary	38
CHAPTER FOUR - RESEARCH METHODOLOGY	39-50
4.1 Introduction.....	39
4.2 Research Philosophy	39
4.3 Research Approach	39
4.4 Research Strategy.....	40
4.5 Time Horizon.....	40
4.6 Study Population.....	41
4.7 Method of Data Collection.....	42
4.7.1 Primary Data	42
4.7.2 Secondary Data	42
4.7.3 Research Instrument.....	42
4.7.4 The Rational for the Question.....	42
4.8 Method of Data Measurements.....	43
4.8.1 Method of Measured of Personal Information.....	43
4.8.2 Method of Measuring the Research Information	44

4.9 Method of Data Presentation	44
4.9.1 Reliability Analysis.....	45
4.10 Method of Data Analysis	45
4.10.1 Method of Data Analysis for First Objective.....	46
4.10.1.1 Mean	46
4.10.1.2 Standard Deviation.....	46
4.10.2 Method of Data Analysis for Second and Third Objectives	47
4.10.2.1 Method of Data Analysis for Objective Two.....	48
4.10.2.1.1 Correlation Analysis	48
4.10.2.2 Method of Data Analysis for Objective Three.....	48
4.10.2.2.1 The Multiple Regression Analysis.....	49
4.11 Testing Hypotheses.....	49
4.12 Chapter Summary	50
CHAPTER FIVE - DATA PRESENTATION AND ANALYSIS	51-72
5.1 Introduction.....	51
5.2 Analysis of Reliability	51
5.3 Data Presentation	52
5.3.1 Data Presentation and Analysis of Personal Information	52
5.3.1.1 Gender.....	53
5.3.1.2 Age.....	53
5.3.1.3 Educational Level	53
5.3.1.4 Position in the Organization.....*	54
5.3.1.5 Type of the Organization	54
5.3.1.6 Experience.....	55

5.3.2 Data Presentation and Analysis of Research Information	55
5.3.2.1 The First Objective of the Study	56
5.3.2.1.1 Identify the Level of Human Factor on Adoption of HRIS in Large Scale of HRIS Adopted Manufacturing Companies.....	56
5.3.2.1.2 Identify the Level of Technological Factor on Adoption of HRIS in Large Scale of HRIS Adopted Manufacturing Companies.....	57
5.3.2.1.3 Identify the Level of Organizational Factor on Adoption of HRIS in Large Scale of HRIS Adopted Manufacturing Companies.....	60
5.3.2.1.4 Identify the Level of Environmental Factor on Adoption of HRIS in Large Scale of HRIS Adopted Manufacturing Companies.....	61
5.3.2.1.5 Identify the Level of Adoption of HRIS in Large Scale of HRIS Adopted Manufacturing Companies.....	63
5.3.2.2 The Second Objective of the Study	63
5.3.2.2.1 Relationship between the Human Factor and HRIS Adoption	64
5.3.2.2.2 Relationship between the Technological Factor and HRIS Adoption	64
5.3.2.2.3 Relationship between the Organizational Factor and HRIS Adoption	65
5.3.2.2.4 Relationship between the Environmental Factor and HRIS Adoption	66
5.3.2.3 The Third Objective of the Study	66
5.4 Testing Hypotheses.....	69
5.4.1 Testing Hypotheses 1	69
5.4.2 Testing Hypotheses 2	69
5.4.3 Testing Hypotheses 3	69
5.4.4 Testing Hypotheses 4.....	69

5.4.5 Testing Hypotheses 5	70
5.4.6 Testing Hypotheses 6	70
5.4.7 Testing Hypotheses 7	70
5.4.8 Testing Hypotheses 8	70
5.5 Chapter Summary	72
CHAPTER SIX – DISCUSSION.....	73-83
6.1 Introduction.....	73
6.2 Discussion of Personal Information.....	73
6.2.1 Gender.....	73
6.2.2 Age.....	73
6.2.3 Educational Level	74
6.2.4 Type of the Organization	74
6.2.5 Experience.....	74
6.3 Discussion of Research Information	74
6.3.1 Discussion for Objective One	74
6.3.1.1 Level of Human Factors.....	74
6.3.1.2 Level of Technological Factors	75
6.3.1.3 Level of Organizational Factors.....	75
6.3.1.4 Level of Environmental Factors.....	76
6.3.1.5 Level of HRIS Adoption.....	76
6.3.3 Discussion for Objective Two	76
6.3.3.1 Relationship between Human Factor and HRIS adoption	76
6.3.3.2 Relationship between Technological Factor and HRIS adoption	77
6.3.3.3 Relationship between Organizational Factor and HRIS adoption	78

6.3.3.4 Relationship between Environmental Factor and HRIS adoption	78
6.3.4 Discussion for Objective Three	78
6.3.4.1 Innovativeness of Senior Executives	79
6.3.4.2 IT Capability of Staff	79
6.3.4.3 IT Infrastructure	80
6.3.4.4 Compatibility	80
6.3.4.5 Complexity	80
6.3.4.6 Relative Advantage	81
6.3.4.7 Top Management Support.....	81
6.3.4.8 Competitive Pressure	82
6.3.4.9 Findings from Hypothesis Testing.....	82
6.4 Chapter Summary	83
CHAPTER SEVEN - CONCLUSIONS AND RECOMMENDATIONS	84-88
7.1 Introduction.....	84
7.2 Conclusion	84
7.2.1 First Objective.....	84
7.2.2 Second Objective.	85
7.2.3 Third Objective.	85
7.3 Contribution of the Study.....	85
7.4 Recommendation	86
7.5 Limitations of the Study.....	87
7.6 Directions for Future Study	88
LIST OF REFERENCES.....	89-101
APPENDIX.....	102-104