A comparative study related to effect of Human resource information systems on implementation of HRA system in India and Kurdistan region of Iraq.

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Abstract: The present research concentrated on acknowledging practices related to Human Resource Accounting in India and Kurdistan region under process oriented industry. The organizations selected for the present research are Al Mansoori Petroleum Services Ltd., Kurdistan Region of Iraq and Cement Corporation of India Ltd., India. Observations made by the researcher were to check the effect of Human Resource Information System on implementing Human Resource Accounting systems. The data was collected by constructing a questionnaire and distributed to respondents in two organizations. The study was conducted with a sample size 570 (386 from Cement Corporation Limited and 184 from Al Mansoori Petroleum Services Limited) have been considered for general evaluation. 46 (26 from CCI and 20 from AMPS) from the above lot has been taken separately confined only to the employees of HR & Finance departments considered for the evaluation. The results depict that Human Resource Information System has a significant influence on implementing HRA System.

Keywords: Human Resource Information System, Human Resource Accounting, process industries.

INTRODUCTION

Basically, HRA is a management tool which is designed to assist senior management in understanding the long term cost and benefit implications of their HR decisions so that better business decisions can be taken. If such accounting is not done, then the management runs the risk of taking decisions that may improve profits in the short run but may also have severe repercussions in future. For example, very often organizations hire young people from outside on very high salaries because of an immediate business requirement. Later on, however, they find that the de-motivating impact of this move on the existing experienced staff has caused immense long term harm by reducing their productivity and by creating salary distortions across the organizational structure. (Woodruff R L, 1973)

HRA also provides the HR professionals and management with information for managing the human resources efficiently and effectively. Such information is essential for performing the critical HR functions of acquiring, developing, allocating, conserving, utilizing, evaluating and rewarding in a proper way. These functions are the key transformational processes that convert human resources from 'raw' inputs (in the form of individuals, groups and the total human organization) to outputs in the form of goods and services. (Woodruff R L, 1973)

"Human Resource Accounting is an attempt to identify and report investments made in human resources of an organisation that are presently not accounted for in conventional accounting practice. Basically it is an information system that tells the management what changes over time are happening to the human resource in the business." (Woodruff R L, 1973)

According to (Woodruff R L, 1973)he present generation of Human Resource Information System automates and relinquishes day-to-day functions related to compliance administration which are conducted by Human Resource department from the corporate office and can assist Human Resource outsourcing.

The current study focuses on examining the effects of HRIS on implementation of HRA systems in India and Kurdistan Region from process industry.

LITERATURE REVIEW

Research made by (LawlerE, 2003) revealed that Human Resource Information system will make organizations to lessen the costs related to Human resources deliver as well as the requirement of retaining capabilities of human

resources within an organization. Nevertheless, Human Resource Information System provides professionals of Human Resources with opportunities to improve their contribution towards organization's strategic direction.

Human Resource Information System provides professionals of HR in directing their concentration towards operations that are related to strategies and critical level in an organization by devolving and automating day to day operations of line management. (LawlerE, 2003)

Research made by (Bee F. &., 2002), (Brown D. , 2002) revealed that Human Resources Information System usage in strategic manner vary from organization to organization. Most of the organizations use Human Resource Information System instead of manual process and cost reduction.

Research made by (Grint & Woolgar, 1997) (Orlikowski & Barley, 2001) revealed that "Social Constructivist" theories play significant role in the research of technology as they comprehensively acknowledge Human Resource Information System and understand the importance of technology by individuals and teams comprehensively for the purpose of understanding, interpreting, using and engaging with the technology in the organization.

As per (Dery, Hall, & Wailes, 2006) modern researchers' argument on technology and organizations have stressed the significance of social frame of reference and pursue to improve frameworks recognize characters which are material and social nature which consist of Human Resource Information System.

Research Objectives:
1) To contrast practices related to Human Resource Accounting of two regions.
2) To examine the effect of Human Resource Information System on implementation of HRA system in India and Kurdistan region.

Research Hypothesis:
Ho: Human Resource Information System does not have significant influence on implementing HRA System.
H1: Human Resource Information System has significant influence on implementing HRA System.

Research Methodology
The current research study utilized three research designs which are quantitative, descriptive and explanatory. The descriptive research design was used to analyze, identify and describe the nexus between independent variables and dependent variables of current research. Quantitative research design was utilized in quantifying the hypothesized relationship between the variables. The current study adopted descriptive research and quantitative method. Researcher used Delphi method for auditors and survey method for employees of Al Mansoori Petroleum Limited and Cement Corporation of India Ltd. The data was gathered from primary and secondary sources. Primary data was collected by administering questionnaire and conducting personal interview with group of respondents.

Data Analysis:
In this chapter, researcher analyzed the data which was collected from the respondents and depicted the observations of the current study.
1. What are your views on the existing HRIS support in implementing HRA system?

Table 1: HRIS support in implementing HRA system

	SCALE	CCI	(%)	AMPS	(%)	Total	(%)
Item-1	SA	4	15.38	4	20.00	8	17.39
	A	21	80.77	15	75.00	36	78.26
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35
	SD	0	0.00	0	0.00	0	0.00
Item-2	SA	16	61.54	13	65.00	29	63.04
	A	9	34.62	6	30.00	15	32.61
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35

	SD	0	0.00	0	0.00	0	0.00
Item-3	SA	20	76.92	15	75.00	35	76.09
	A	5	19.23	4	20.00	9	19.57
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35
	SD	0	0.00	0	0.00	0	0.00
Item-4	SA	11	42.31	8	40.00	19	41.30
	A	13	50.00	10	50.00	23	50.00
	N	0	0.00	0	0.00	0	0.00
	D	2	7.69	2	10.00	4	8.70
	SD	0	0.00	0	0.00	0	0.00
Item-5	SA	14	53.85	9	45.00	23	50.00
	A	11	42.31	10	50.00	21	45.65
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35
	SD	0	0.00	0	0.00	0	0.00
Item-6	SA	18	69.23	14	70.00	32	69.57
	A	7	26.92	5	25.00	12	26.09
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35
	SD	0	0.00	0	0.00	0	0.00
Item-7	SA	20	76.92	17	85.00	37	80.43
	A	5	19.23	2	10.00	7	15.22
	N	0	0.00	0	0.00	0	0.00
	D	1	3.85	1	5.00	2	4.35
	SD	0	0.00	0	0.00	0	0.00

4 (15.38) employees from HR & Finance department of CCI have been strongly agreed that the HR department holds all employees data which support the HRA system, 21 (80.77) have agreed and 1 (3.85) expressed their disagreement with the above statement. Out of 20 employees from HR & Finance department of AMPS, 4 (20.00) have strongly agreed with the statement, 15 (75.00) have agreed and 1 (5.00) have disagreed with the statement.

16 (61.54) of employees from HR & Finance department of CCI have mentioned their strong agreement that the existing HRIS holds the database of competencies and skills of employees according to their designations, 9 (34.62) have agreed, 1 (3.85) have disagreed and 13 (65.00) employees from AMPS have strongly agreed with the above statement, 6 (30.00) have agreed and 1 (5.00) have disagreed.

20 (76.92) of CCI employees have strongly agreed that HRIS revises employees information on a regular basis, 5 (19.23) have agreed and 1 (3.85) have disagreed and 15 (75.00) employees of AMPS have also strongly agreed with the above statement, 4 (20.00) have agreed and 1 (5.00) showed their disagreement with the above statement.

11 (42.31) of employees from CCI, HR & Finance department have strongly agreed that their HRIS is transparent in tis policies towards employees career planning, 13 (50.00) have agreed and 2 (7.69) have disagreed. Out of 20 employees from HR & Finance department of AMPS, 8 (40.00) have strongly agreed, 10 (50.00) have agreed and 2(10.00) have showed their disagreement with the above statement.

14 (53.85) of CCI employees from HR & Finance department have strongly agreed that their HR policies are made available to all the employees through HIRS to the extent whenever required, 11 (42.31) have agreed, 1

(3.85) have not agreed with the statement. Out of 20 employees from AMPS, 9 (45.00) have strongly agreed, 10 (50.00) have agreed and 1 (5.00) have disagreed with the above statement.

18 (69.23) of employees from HR & Finance department of CCI have strongly agreed that the employees individual information data is sufficient and comprehensive to value the employee through HRA as asset, 7 (26.92) have agreed, 1 (3.85) have disagreed. 14 (70.00) of AMPS employees from HR & Finance department have strongly agreed, 5 (25.00) have agreed and 1 (5.00) have disagreed with the above statement.

20 (76.92) from HR & Financel department of CCI have strongly agreed that there is a proper co-ordination between both HRIS and HRA system, 5 (19.23) have just agreed and 1 (3.85) have disagreed and out of 20 employees from HR & Finance department of AMPS, 17 (85.00) have strongly agreed, 2 (10.00) have agreed and 1 (5.00) have not agreed with the above statement.

Table 2 Testing of Hypothesis on HRIS support in implementing HRA system

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Item-1	Between Groups	5.176	1	5.176	21.739	.000
	Within Groups	10.476	44	.238		
	Total	15.652	45			
Item-2	Between Groups	10.437	1	10.437	35.390	.000
	Within Groups	12.976	44	.295		
	Total	23.413	45			
Item-3	Between Groups	12.275	1	12.275	54.927	.000
	Within Groups	9.833	44	.223		
	Total	22.109	45			
Item-4	Between Groups	21.965	1	21.965	92.885	.000
	Within Groups	10.405	44	.236		
	Total	32.370	45			
Item-5	Between Groups	8.747	1	8.747	26.719	.000
	Within Groups	14.405	44	.327		
	Total	23.152	45			
Item-6	Between Groups	5.385	1	5.385	13.485	.001
	Within Groups	17.571	44	.399		
	Total	22.957	45			
Item-7	Between Groups	12.921	1	12.921	67.645	.000
	Within Groups	8.405	44	.191		
	Total	21.326	45			

*Significance at 0.05 level

Table -2 reveals the results of $p<0.05$ (p=0.000) where F = 21.739, from the results it is evident from both the companies that availability and support of HRIS data have a significant influence on implementing HRA system. Hence, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

The statistical values derived from Table -2 where the $p<0.05$ (p=0.000) where F = 35.390 disclose that both companies HRIS holds the database of competencies and skills of employees according to their designations which have a significant influence on HRA system implementation. Therefore, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

The values of $p<0.05$ (p=0.000) where F = 54.927 from Table -2 clearly indicate that the two companies HRIS revises information of employees on a regular basis which helps in HRA practices so there is a significant influence of HRIS operations on HRA system. Therefore, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

Table -2 shows that the values of $p<0.05$ (p=0.000) where F = 92.885 point that the both companies HRIS is transparent in their policies towards career planning of all employees in all departments, so it is clear that the existing HRIS has a significant influence on HRA system. Hence, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

The values of $p<0.05$ (p=0.000) where F = 26.719 derived from Table -2 indicates that the two companies HR policies are made available to all the employees through HRIS to the extent required, so the HRIS operations have significant influence on HRA system. Thus, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

The statistical values derived from Table -2 where the $p<0.05$ (p=0.001) where F = 13.485 clearly reveals that the both companies HRIS information regarding the individual employee's file is sufficient and comprehensive to value him/her as asset which helps HRA in valuation of an employee. Accordingly, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted. From the Table -2, the values showed that the $p<0.05$ (p=0.000) where F = 67.645, it is clear from both companies results there is a proper co-ordination between HRIS and HRA. Hence, the formulated hypothesis "Human Resource Information System has a significant influence on implementing HRA System" is accepted.

Table 3: Variances: (Group number 1 - Default model)

Support variable to Implement HRA System	Estimate	S.E.	C.R.	P
HRIS Support	17.028	3.578	4.759	***
Implementation of HRA System	.000	.000	4.743	***

The probability of getting a critical ratio as large as 4.759 in absolute value is less than 0.001. In other words, the variance estimate for Human Resource Information System support is significantly different from zero at the 0.001 level (two-tailed).

CONCLUSION AND IMPLICATIONS

The researcher concludes that the practices in both industries were not implemented completely due to regulations and procedures of accounting locally and internationally. The effect of human resource information system on implementing human resource accounting is significant in terms of various items starting from availability and support of HRIS, HRIS holds the database of competencies and skills of employees according to their designations, HRIS revises information of employees on a regular basis which helps in HRA practices, HRIS is transparent in their policies towards career planning of all employees in all departments, HRIS information regarding the individual employee's file is sufficient and comprehensive to value him/her as asset and there is a proper co-ordination between HRIS and HRA. Organizations may focus on the implementing HRA system by considering Human Resource Information Systems.

Limitations and scope for further research:

The researcher has limitation of sample size and location. Research may be conducted at different locations and high level of sample size by taking more factors of HRIS into consideration under different industries.

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