

Impact of Implementing ERP in HRMS in Diversified Organization (Conglomerate)

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ABSTRACT

The impact of implementing ERP in human resource department is viewed from a dialectic perspective which means thinking in terms of contradictions. The purpose of this research is to critically examine the impact of implementing ERP in HRMS in Conglomerate. The results are arrived based on the analysis by research work, However, different level of employees respond differently. Hence, it becomes extremely important to understand the impact of ERP in HR Department. This paper describes the data reliability in a conglomerate as an individual and a group. Whether the Information in ERP usage in HR Department is accurate or not. Finally how the ERP system supports decision making and future business development in diversified organization.

Keywords: ERP, HRM, Cloudcomputing, Saas.

1. INTRODUCTION

HR managers are facing many challenges in present business scenario like Globalization workforce diversity, technological advances and changes in political and legal environment change in information technology. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges.

Enterprise Resource Planning (ERP) is an industry term for the broad set of activities supported by multi-module application software that helps a manufacturer or other business manage the important parts of its business. Increasingly, ERP systems came to be viewed as an enterprise information backbone over which other enterprise applications were overlaid.

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort.

Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software". SaaS has become a common delivery model for many business applications, including office and messaging software, payroll processing software, DBMS software, management software, CAD software, development software, gamification, virtualization, accounting, collaboration, customer relationship management (CRM), management information systems (MIS), enterprise resource planning (ERP), invoicing, human resource management (HRM), talent acquisition, content management (CM), antivirus software, and service desk management.

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2. OBJECTIVES OF THE STUDY

At a political and economic level, globalization is the process of denationalization of markets, politics and legal systems i.e. the use of the so-called global economy. Globalization refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity (village markets, urban industries, or financial centers). It means that world trade and financial markets are becoming more integrated. Growing internationalization of business has its impact on HRM in terms of problems of unfamiliar laws, languages, practices, competitions, attitudes, management styles, work ethics etc.

- To analyze the Modules usage and years of usage
- To evaluate the Satisfaction of employees using ERP
- To know data accuracy and data reliability
- To analyze the impact of ERP usage in HR Department
- To evaluate the reporting and User training in ERP system
- To support decision making and future business development

Table 1
Reliability Statistics

<i>Cronbach's Alpha</i>	<i>Cronbach's Alpha Based on Standardized Items</i>
.890	.909

Since the Cronbach's alpha is 0.890 for the statements mentioned in the questionnaire, Researcher concluded that the instrument used and the data collected is reliable.

2.1. Experience (ERP Usage)

This is not a years of service in the company, this shows the ERP Usage of employee in the organization. Ex. An Employee may have eight years' experience in the company but he may be using basic level of ERP. The Expert level shows highest value compare with intermediate level and basic level.

The Expert Level shows that He/She may have more than 3 years of ERP application usage experience. Out of 305 respondents where 213 respondents are expert i.e., 69.84%. whereas 68 respondents are

Table 2
Experience in ERP Usage details of the respondents

<i>Particulars</i>	<i>HMG</i>	<i>%</i>
Expert Level	213	69.84
Intermediate Level	68	22.3
Basic Level	24	7.869
TOTAL	305	100

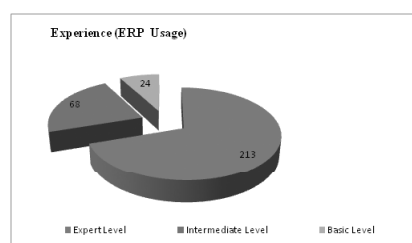


Figure 1: Experience (ERP Usage) details of the respondents

intermediate(1year to 3years) ie., 22.3%. Only 24 respondents are having basic level (Below 1 year) of experience ie., 7.86%

Table 3
Weighted Average Opinion Score on ERP System that Supports HR Services in Organization(HRS)) using PCA

<i>Component</i>	<i>Initial Eigenvalues</i>		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	3.888	97.191	97.191
2	.087	2.177	99.368
3	.025	.624	99.992
4	.000	.008	100.000

Extraction Method: Principal Component Analysis

(H0): There is no significant correlation between Accuracy of ERP system and Training provided to the Employees

Table 4 shows that the Correlation Coefficient is 0.986 and P value is 0.002. There is a statistically significant correlation between two variables i.e Accuracy and Training.

There is a strong relationship between Accuracy and Training variables. This means that changes in accuracy is strongly correlated with the training provided to the employees

Table 4
Correlation Coefficient between Accuracy and Training details

		<i>Accuracy</i>	<i>Training</i>
Accuracy	Pearson Correlation	1	.986(**)
	Sig. (2-tailed)		.002
	N	5	5
Training	Pearson Correlation	.986(**)	1
	Sig. (2-tailed)	.002	
	N	5	5

** Correlation is significant at the 0.01 level (2-tailed).

(H0): There is no significant correlation between Accuracy and Decision Making

Table 5 shows that the Correlation Coefficient is 0.984 and P value is 0.003. There is a statistically significant correlation between two variables i.e Accuracy and Decision Making. There is a strong relationship between Accuracy and Decision Making variables. This means that changes in accuracy is strongly correlated with the Decision making process handled by the employees

Table 5
Correlation Coefficient for Accuracy and Decision Making details

		<i>Accuracy</i>	<i>Decision Making</i>
Accuracy	Pearson Correlation	1	.984(**)
	Sig. (2-tailed)		.003
	N	5	5
Decision Making	Pearson Correlation	.984(**)	1
	Sig. (2-tailed)	.003	
	N	5	5

** Correlation is significant at the 0.01 level (2-tailed).

3. SYSTEMMODEL

Based on the findings from this research, advanced functionality helps the business in Conglomerate organization. Radio frequency identification helps them to track all the attendance information. ERP system provides web services but they need to be developed further using mobile apps. the perception of cost effectiveness, shared integrated system, value of networking with other members during meetings and conferences, and training and continuing education are the most important factors that influence impact of ERP in conglomerate to be a great success.

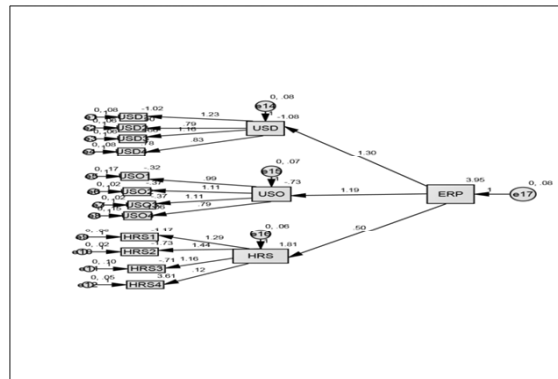


Figure 2: Impact of ERP in HRMS in Conglomerate

3.1. Objective based Findings

The following are the major findings arrived from the analysis

- The Impact of having more than 3 year of experience in ERP system are expert. This helps them to perform well in the organization.
- From the analysis it is found that there is an impact of significant relationship between level of ERP usage and their education qualification. Because domain experience or related functional qualification is necessary to perform as expert.
- There is an impact that the relationship between Access ERP and their education qualification. Because HR Manager knows the process and functionality of salary calculation.
- Employees are using ERP system having more than three years is becoming experts. Moreover education supports them to work with ERP efficiently.
- The Impact of implementing ERP system provides satisfaction to their user in all the three levels.
- Government legal process of income tax calculation, EPF, form 16 etc. are being generated using ERP system. This impact really helps the conglomerate for statutory audit.
- Generally employees can work from home (after office hours), This impact really provides flexibility to employees for supporting and accessing ERP system.(24/7 process).
- User satisfaction of employees using ERP in each level is acceptable by the management. Impact of user satisfaction in each level of users(Manager, Super user and User).
- ERP system provides highly reliable data and accurate information as on the date. This impact provides that ERP system is highly reliable to HR Department.
- On the coefficient of correlation that the ERP system provides Accuracy of data or information and ERP system satisfy the users and super users accessing it. Impact of ERP System helps the employees for their day to day activities.

- ERP system provides data accuracy in HR department and top management, Data reliability helps the top management and middle management.
- HR department is happy working with ERP system for their day to day activities. The impact of ERP in HRMS is highly reliable.
- The impact of ERP system provides all the necessary reports in a prescribed format to HR department.
- User Training is compulsory for ERP system. Users and Super users need training to perform better in their organization. The impact of user training helps the employee to perform better in the conglomerate organization.
- Impact of implementing ERP system helps the HR department and coordinates with other departments like administration and finance department.
- The impact of implementing ERP system is flexible to change or modify the business requirements.(BPR).
- Most of the managers are able to take decisions based on the result provided in ERP systems. The Impact of implementing ERP in conglomerate really helps the manager to take decision.
- The impact of implementing ERP supports multi-tasking process and Onsite training to the subordinates. Moreover it helps the employee to perform better in the organization.
- Reports and data presentation is major activity in HR department. The impact of implementing ERP system provides necessary reports as per legal norms.
- The impact of implementing ERP System is reliable in the HR Department. Finally ERP system supports the employee to take accurate decision that is required for conglomerate.
- It is analyzed that the impact of implementing ERP system provides flexibility to change the business process. ERP system helps the employee to adopt with business system with minimum knowledge
- User training really helps the employee to work with ERP system with minimum consultant support. The impact of implementing ERP supports training and helps to grow the organization in the challenging world.
- The impact of implementing ERP system provides necessary information for decision making and future business development.

4. RESULTANDDISCUSSION

4.1. Conclusion

The present study has discussed about the impact of implementing ERP in HRMS in diversified organization. A questionnaire was developed and administered adopting simple random sampling and convenience sampling methods to collect the primary data from 305 respondents who are the employees working in conglomerate organization.

The major outcomes of this study are, impact of ERP irrespective of gender, education qualification, age of employee, experience in ERP usage and Access of ERP application and level of management. Moreover, product training and functional training supports the employees to get satisfaction with ERP application and also provides accurate information to the HR department to take decision in conglomerate organization.

4.2. Result

Clouds and SaaS are two major areas that supports organization into the next level. Global organizations are ready to work in decentralized system. Mobile commerce is essential in a challenging world. This research surely supports the organization when they think about global human resource based system.

SaaS has been incorporated into the strategy of all leading enterprise software companies “IBM cloud strategy”. One of the biggest selling points for these companies is the potential to reduce IT support costs by outsourcing hardware and software maintenance and support to the SaaS provider

This research suggests them to take proper decision when they think about new technology ERP system. Organization may consider new technology integration for fast services along with ERP system (Apps, Mobile technology and high-tech web based systems). Any ERP application should be flexible to upgrade the version or integrating new system, services, applications or technology

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