

**A STUDY OF FACTORS INFLUENCING THE ADOPTION OF
HUMAN RESOURCE INFORMATION SYSTEMS AMONG
PRIVATE COMPANIES IN YEMEN**

FAWAZ AHMED SALEH BIN SANAA

**University Utara Malaysia
2008**

AF
5549.5
D 37
S 19/5
2008

**A STUDY OF FACTORS INFLUENCING THE ADOPTION OF
HUMAN RESOURCE INFORMATION SYSTEMS AMONG
PRIVATE COMPANIES IN YEMEN**

A Research Project (PMZ 6996) Submitted to the College of Business of

Universiti Utara Malaysia

In Partial Fulfillment of the

Requirements for the degree

Of

Master of Science (Management)

By

FAWAZ AHMED SALEH BIN SANAA

SUPERVISOR:

MR.ABDUL MANAF BOHARI

Copyright © 2008 by

Fawaz Ahmed Saleh Bin Sanaa

All Rights Reserved.

DECLARATION

I certify that the substance of this thesis has not already been submitted for any degree and is not currently being submitted for any other qualification.

I certify that any assistance received in preparing this thesis and all sources used have been acknowledged in this thesis.

Fawaz Ahmed Saleh Bin Sanaa

89190

College of Business

Universiti Utara Malaysia

06010 Sintok

Kedah Darul Aman

October, 2008

PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirements for a postgraduate degree from Universiti Utara Malaysia (UUM), I hereby agree that Universiti Library may make it unreservedly available for inspection. I further agree that permission for copy of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by supervisor Mr. Abdul Manaf Bohari or, in his absence by the Dean of College of Business. It is understood that any copying or publishing or using of this thesis or parts thereof for financial gain shall not be allowed without any written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material form this thesis.

Requests for the grant permission to copy or to make other use of material in this thesis, in whole or in part should be addressed to

Dean (Research and Postgraduate)

College of Business

Universiti Utara Malaysia

06010 Sintok

Fawaz Ahmed Saleh Bin Sanaa

ABSTRACT

This research is conducted to clarify the factors which influence the adoption of human resource information systems. These factors are examined in the aspect of private companies in Yemen. The three objectives of the study are to clarify the factors which are influencing the adoption of human resource information systems, to explain how the barriers can be diminished by modifying the influential rate of certain factors and to exemplify the differences in the usage of human resource information system among large and small companies. The research has conducted survey on the relation between the dependent variables and the independent variables, moreover using demographical data such as working experience and position to exemplify the quality of the respondents. Questionnaire was used to collect data, and these data were processed in statistical analysis. The findings have shown that there are relations between variables, and the necessity of adopting human resource information system was exemplified. For example, the performance appraisal was achieved by the adoption, which has refuted the null hypothesis.

ACKNOWLEDGEMENTS

In the name of Allah, the most gracious and most merciful

Praise to Allah, Lord of the universe for his bounties and bestowed upon us. Peace to Prophet Mohammed S.A.W. the sole human inspiration worthy of imitation.

"Alhamdulillah", all praise to Allah for the strength and endurance provided to me to complete the thesis. Working for Msc (Management) degree generally and this dissertation specifically is no doubt a challenging and enduring journey that I will cherish all my life.

My excessive gratefulness is to my father, AHMED, who bless me all the time and work for my best since I was born.

Firstly and foremost, I would to render my utmost appreciation and gratitude to my supervisor, Mr. Abdul Manaf Bohari, for his earnest guidance and advice in construction my dissertation as well as his tolerance and persistence in imparting his knowledge to his students. Without his understanding, consideration and untiring advice, this dissertation would not have been completed successfully.

I also would like to express my grateful appreciation to my other lecturers whom have imparted me valuable knowledge and know-how during my studies for Msc (Management) program.

I must admit and thankful for the continuous supports which I received from my brothers ABDULQADER and ZIAD, my entire family, and my friends in completing this dissertation.

My heartfelt appreciation to all those involved in making this paper a reality and those who have contributed towards this profound learning experience.

I am blessed, thankful and appreciate of what I conquered. To all those people, thank you so much.

FAWAZ AHMED SALEH BIN SANAA

TABLE OF CONTENTS

PREAMBLE.....	i
CHAPTER ONE: INTRODUCTION.....	1
1.1.Introduction to the study.....	1
1.2.Background of the problem.....	3
1.3.Problem statement.....	5
1.4.Research objective.....	6
1.5.Research questions.....	7
1.6.Significance of the study.....	7
1.7.Conclusion.....	8
CHAPTER TWO: LITERATURE REVIEW.....	9
2. Introduction.....	9
2.1.Review of related literature.....	9
2.2.Theoretical framework.....	14
2.3.Definition of terms.....	15
2.3.1. Definition of key terms.....	15
2.3.1.1. Human resource management systems.....	15
2.3.1.2. Human resource information systems.....	15
2.3.1.3. Meaning of adoption.....	16

2.3.1.4. Small, medium and large enterprises.....	16
2.3.2. Conceptual definitions.....	17
2.3.2.1. Input attribute.....	17
2.3.2.2. Barriers.....	17
2.3.3. Operational Definitions.....	18
2.3.3.1. Dependent variable.....	18
2.3.3.1.1. Human Resource Information Systems.....	18
2.3.3.2. Independent Variable.....	19
2.3.3.2.1. Performance Appraisal.....	19
2.3.3.2.2. Size of the company.....	20
2.3.3.2.3. Cost effective operation.....	20
2.3.3.2.4. Security.....	21
2.3.3.2.5. Reliable operation.....	22
2.4.Hypothesis	23
2.4.1. H1	23
2.4.2. H2	23
2.4.3. H3	23
2.5.Conclusion.....	24

CHAPTER THREE: RESEARCH DESIGN & METHODOLOGY....25

3. Introduction.....25

 3.1.Research Design.....25

 3.1.1. Type of study.....25

 3.1.2. Source of data.....26

 3.1.3. Unit of analysis.....26

 3.1.4. Sample frame.....27

 3.2.Measurement.....28

 3.3.Data collection procedures.....30

 3.4.Data analysis techniques.....31

 3.5.Reliability test.....32

 3.6.Conclusion.....34

CHAPTER FOUR: RESULTS AND ANALYSIS.....35

4. Introduction.....35

 4.1.Overview of collected data.....36

 4.2.Response rate.....36

 4.3.Profile of respondents.....38

 4.4.Goodness of measures.....41

 4.4.1. Construct validity.....41

4.4.2. Results of exploratory factor analysis.....	52
4.5. Major findings.....	56
4.5.1. F1.....	57
4.5.2. F2.....	57
4.5.3. F3.....	58
4.6. Discussion of findings.....	60
4.6.1. Q1.....	60
4.6.2. Q2.....	61
4.6.3. Q3.....	61
4.7. Summary of findings.....	62
4.8. Conclusion.....	63
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS.....	64
5. Introduction.....	64
5.1. Recommendation.....	65
5.2. Future research.....	66
5.3. Conclusion.....	66

References

CHAPTER ONE

INTRODUCTION

1.1. INTRODUCTION TO THE STUDY

The study of human resource management became very important field of study when globalization has taken place. The globalization has speeded up the competition and lifted the requirements up for the participants of the market, since they are required to fulfill more specific postulate in order to perform well and be able to expand their businesses. Nowadays the competitiveness moved to human resource management. It means to imply that companies have to exploit their employees' knowledge more deeply and effectively, and it will have a positive impact on the companies' performance. This study examined the possibility of higher utilization of human workforce capability by adopting human resource information systems in the private sector in Yemen. The private sector in Yemen is in its growing stage, since the government, slowly, but encourages private investors within and outside of the country to inject capital into the economy of Yemen. Since it has started to grow and show potential achievement, there were needs from companies to employ higher number of people, as well as to employ highly educated human power. At the very moment when this need arose, there was a demand for human resource information systems since the administration burden could create obstacles in future development.

The contents of
the thesis is for
internal user
only

REFERENCES

Wayne F. Cascio (1998) *Applied Psychology in Human Resource Management* (5th Edition)

Kovach, K.A., Hughes, A.A., Fagan, P. and Maggitti, P.G. (2002), "Administrative and strategic advantages of HRIS", *Employment Relations Today*

Christian Wallin & Ivan Stipic *The Subtleties of Retention, A Human Resource Management Perspective*, master thesis (2007)

Michael J. Kavanagh, *Human Resource Information Systems: Development and Application*

Alfred J. Walker, Towers Perrin, *Towers Perrin, Web-Based Human Resources* (2001)

Hossein Bidgoli, *The internet encyclopedia* (2004)

Ball, K.S. (2001), "The use of human resource information systems: a survey", *Personnel Review*,

Beckers, A.M. and Bsat, M.Z. (2002), "A DSS classification model for research in human resource information systems", *Information Systems Management*,

Broderick, R. and Boudreau, J.W. (1992), "Human resource management, information technology and the competitive edge",

Academy of Management Executive Business Directory of Hong Kong (2000), Hong Kong Current Publishing Company, Hong Kong.

DeSanctis, G. (1986), "Human resource information systems: a current assessment", *MIS Quarterly*,

Haines, V.Y. and Petit, A. (1997), "Conditions for successful human resource information systems", *Human Resource Management*,

Hannon, J., Jelf, G. and Brandes, D. (1996), "Human resource information systems: operational issues and strategic considerations in a global environment", *International Journal of Human Resource Management*,

Kinnie, N.J. and Arthurs, A.J. (1996), "Personnel specialists' advanced use of information technology evidence and explanations", *Personnel Review*

Kossek, E.E., Young, W., Gash, D.C. and Nichol, V. (1994), "Waiting for innovation in the human resources department: Godot implements a human resource information system", *Human Resource Management*

Kovach, K.A. and Cathcart, C.E. Jr (1999), "Human resource information systems (HRIS): providing business with rapid data access, information exchange and strategic advantage", *Public Personnel Management*

Kovach, K.A., Hughes, A.A., Fagan, P. and Maggitti, P.G. (2002), "Administrative and strategic advantages of HRIS", *Employment Relations Today*

Lauder, D., Boocock, G. and Presely, J. (1994), "The system of support for SMEs in the UK and Germany", *European Business Review*

Lederer, A.L. (1984), "Planning and developing a human resource information system", *The Personnel Administrator*

McLeod, R. Jr and DeSanctis, G. (1995), "A resource-flow model of the human resource information system", *Journal of Information Technology Management*

Martinsons, M.G. (1994), "Benchmarking human resource information systems in Canada and Hong Kong", Information & Management

Mathys, N. and LaVan, H. (1982), "A survey of the human resource information systems (HRIS) of major companies", Human Resource Planning

Murdick, R.G. and Schuster, F. (1983), "Computerized information support for the human resource function", Human Resource Planning.

Ng, S.T., Skitmore, R.M. and Sharma, T. (2001), "Towards a human resource information system for Australian construction companies",

List of URL Addresses

<http://www.bestpricecomputers.co.uk/glossary/human-resource-management-systems.htm>

<http://humanresources.about.com/od/glossaryh/a/hris.htm>