

A Study Paper on Hrm in Erp with Special References to Selected Engineering Companies in Gujarat

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ABSTRACT

The aim of this investigation is to identify the essential components of HRM-ERP integration and how it deals with HR concerns. HRM: The Business Focus factor and information quality of ERP solution, system quality of ERP solution, system use of ERP solution and appropriateness of ERP solutions in context to engineering companies of Gujarat State. The total HRM-ERP integration oriented engineering companies are 143 in Gujarat. The selection of 15 companies is made possible on the basis of five zones of Gujarat State. The source of data is primary and secondary. The primary data are collected through structured questionnaire administered to the respondents in person and through email, Pearson correlations is conducted as statistical tests for achieving the objectives.

Keywords: HRM, ERP, Pearson Correlations, IQ, SU, A and HRMBF

I. INTRODUCTION

Enterprise Resource Planning is business management software, typically a suite of integrated applications—that a company can use to collect, store, manage and interpret data from many business activities, including: product planning, cost. Manufacturing or service delivery, marketing and sales. This phenomenon in software industry is inevitable in business world in 21st century. The integration of ERP with Supply Chain Management gives better firm performance and smooth management practices. Most of the organizations either SMEs or large scale companies have integration interfaces between ERP and HRM systems for the exchange of Employee and sales data. In recent years there has been a blurring of the distinctions between ERP and HRM systems. Most ERP systems have expanded to also include basic functionality for HRM and Management Information Systems (MIS). Similarly, HRM systems now include much general ERP functionality. The aims of this

investigation to identify the essential components of Supply chain Information System and their relations with HRM: The business focus in context to selected engineering companies of Gujarat State.

II. REVIEW OF LITERATURE

HRM: The Business Focus: A restricted view of Human Relationship Management would be database marketing focusing on how promotional marketing is linked to database management tools. A more widely accepted idea states that it is the application of technology that emphasizes on individual or one-to-one relationship with Employees by integrating database knowledge with the long term prospects of growth and Employee loyalty. Managing a successful HRM implementation requires an integrated and balanced approach to technology, process, and people (Chen, J. In jazz, pop vich, K., 2001). HRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and Employee satisfaction by organizing around Employee segments

fostering Employee-satisfying behavior and implementing a Employee central process A detailed analysis of available definitions in the domain of HRM helps us compile the following definition- Employee Relationship Management is a comprehensive business strategy to empower the internal functioning of an organization with the aim to identify, acquire, deliver, develop and retain Employees. With the use of ever-changing technology, this process seeks to integrate various functions of an organization, such that it becomes effective and efficient in the long run. This enables the organization to have a high Employee share and market share to gain a long term competitive advantage. HRM attempts to provide a strategic bridge between information technology and marketing strategies aimed at building long-term relationships and profitability. This requires 'information-intensive strategies' (Glazer, R., 2002). (Reinartz, W., Kraft, M. and Wayne D. Hoyer, 2004) The strategy development process: This process requires a dual focus on the organization's business strategy and its Employee strategy. The value creation process: The value creation process transforms the outputs of the strategy development process into programs that both extract and deliver value. The three key elements of the value creation process are determining what value the company can provide to its Employee; determining what value the company can receive from its Employees and by successfully managing this value exchange, which involves a process of co-creation or co-production, maximizing the lifetime value of desirable Employee segments. The multi-channel integration process: The multi channel integration process is arguably one of the most important processes in HRM because it takes the outputs of the business strategy and value creation processes and translates them into value-adding activities with Employees. The Information Management process: The information management process is concerned with the collection, collation, and use of Employee data and information from all Employee contact points to generate Employee

insight and appropriate marketing responses. Morgan and Hunt, (1994 ;) A Kothandaraman and Wilson, (2000)119 found out that, the use of HRM strategies and tactics serve as one of the major driving forces behind many companies' efforts to create superior value for their Employees and generate a long-term revenue stream for themselves. Since the creation of a superior value for Employees is needed to generate and maintain a sustainable competitive advantage. At the same time that HRM has increased their ability to organize, store, process, and analyze data from their own internal business activities as well as from external sources. Improved computer technologies, combined with more powerful software, provided by banks that specialize in HRM applications, have resulted in an ability to use data in ways never before possible in developing competitive strategies.

SIGNIFICANCE OF THE STUDY

The study contributes to the knowledge of the researchers as well as provides much-needed details to the software designers. The findings of the present study would be of use to large and small manufacturers about the conception and perception about various software.

III. RESEARCH OBJECTIVES

1. To examine the relationship between HRM: The Business Focus factor and information quality of ERP solution in context to engineering companies of Gujarat State.
2. To examine the relationship between HRM: The Business Focus factor and system quality of ERP solution in context to engineering companies of Gujarat State.
3. To study the relationship between HRM: The Business Focus factor and system use of ERP solution in context to engineering companies of Gujarat State.
4. To study the relationship between HRM: The Business Focus factor and appropriateness of ERP solution in context to engineering companies of Gujarat State.

Analysis

Pearson Correlation Test

In this study, Pearson correlation test is conducted to determine the relationship amongst the factors i.e. IQ, SU, A and HRMBF. **Correlations**

Table 1

| | | IQ | SQ | SU | A | HRMBF |
|-------|---------------------|--------|--------|--------|--------|--------|
| IQ | Pearson Correlation | 1 | .618** | .735** | .678** | .612** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 372 | 372 | 372 | 372 | 372 |
| SQ | Pearson Correlation | ..618* | 1 | .654** | .669** | .650** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 |
| | N | 372 | 372 | 372 | 371 | 372 |
| SU | Pearson Correlation | .735** | .654** | 1 | .650** | .608* |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 372 | 372 | 372 | 371 | 372 |
| A | Pearson Correlation | .678** | .769** | .650** | 1 | .709** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 371 | 371 | 371 | 371 | 371 |
| HRMBF | Pearson Correlation | .612** | .669** | .608* | .709** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 372 | 372 | 372 | 371 | 372 |

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

Finding

This study provides outcomes on HRM-ERP integration with special reference to engineering companies of Gujarat State. This study provides insights on employee perception towards HRM activities by focusing on firm business and core components of ERP software in terms of information quality, system quality, system use and appropriateness. The motivational factor of this investigation is to understand digital world in engineering companies which either SMEs or non-corporate organizations in state of Gujarat. The relation between employee perception and effects on firm performance on implementing integration of HRM-ERP will provide directions to employers for better outcomes on productivity.

Recommendations

1. Employees of engineering companies should focus on up gradation of employee technological knowledge through on the job or off the job training.
2. ERP-HRM integration usage should be made more popular amongst the employees of engineering SMEs with a view to improve interdepartmental communication by enabling disparate departments to collaborate more easily.
3. ERP-HRM integration usage should be made more popular amongst the employees of engineering SMEs with a view to drive profitability in a better manner.
4. ERP-HRM integration usage should be made more popular amongst the employees of engineering SMEs with a view to become more Employee focused.
5. ERP-HRM integration usage should be made more popular amongst the employees of engineering SMEs with a view to make more informed business decisions.

6. ERP-HRM integration usage should be made more popular amongst the employees of engineering SMEs with a view to take a business process view.

7. The engineering SME employers should take measures on determining how ERP-HRM integration can benefit to the end users.

IV. CONCLUSION

HRM: The Business Focus (HRMBF) factor is observed as significantly correlated with information quality (IQ) It can be concluded that respondents are more conscious on their job execution through ERP – HRM integration in terms of information accuracy, information preciseness, information completeness, information timeliness, Information compatibility, Information understandability, Information volume appropriateness and Information relevancy, collaborative Employee relationship, Employee problem solution, right choice of Employee and installation process of HRM.

HRM: The Business Focus (HRMBF) factor is observed as significantly correlated with system quality (SQ) It can be concluded that respondents are more conscious on their job execution through ERP – HRM integration in terms of, limitations of unauthorized access Ease of system use in ERP, integrated reports, easy navigation to information appropriate style of design for business., transaction security and error free transaction are ,right choice of Employee and installation process of HRM.

HRM: The Business Focus (HRMBF) factor is observed as significantly correlated with system quality (SU) It can be concluded that respondents are more conscious on their job execution through ERP – HRM integration in terms of, Job performance improvement, goal achievement, flexible interaction clear and under stable interaction, productivity improvement, technical soundness, easy to access, usage reduces human power in organization, improvement in data control and informational

decisions are ,right choice of Employee and installation process of HRM, the best customization, time saving, and improving Employee services

HRM: The Business Focus (HRMBF) factor is observed as significantly correlated with appropriateness (A) It can be concluded that respondents are more conscious on their job execution through ERP –HRM integration in terms of, improving absenteeism management, improving training and development functions, improving reward management, improves profit ratio and improving data input process ,are right choice of Employee and installation process of HRM, the best customization, time saving, and improving Employee services.

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