

Impact of Human Resources Management on Payroll System Mediated by Financial Management Practices

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Abstract

This study focused on the role and the relation between Human Resource Management and Finance management to produce a successful payroll system. An online covert non-participant observation of a secondary data analysis, content analysis style was used through the analysis of payroll responsibility in thirteen companies operating in different sectors. A quantitative analysis on 32 Lebanese companies from different categories, each company 5 respondents providing a total of 160 respondents. The collection of data was during year 2023 and 2024. A descriptive research technique with a quantitative method is applied by the researcher. A triangulation process is applied as a strategy for increasing the project's credibility and validity. The study showed that the integration of human resource management and finance management is essential in all organizations to produce a convenient, valuable and most accurate payroll system. The findings indicated that human resource management plays a significant role in producing and managing the payroll system by thirty-one per cent from the sample of the study. This study also found that both departments collectively contribute sixty-nine per cent to the production and management of the payroll system based on the study sample. The hypothesis in this research was accepted defining that human resource management has a positive impact in producing a payroll system mediated by financial management practices.

Keywords: Financial Management Practices (FMP), Human Resource (HR), Human Resource Information System (HRIS), Human Resource Management (HRM), Payroll System (PS).

Introduction

In many firms, human resources and financial management constitute separate and distinct business domains (1). Finance department helps distributing resources to align with a company's objectives, while maintaining a balance between expenses and revenues. Financial management practices are viewed as managing companies' money in such a way that it helps them to be successful and compliance with regulations (2). The human resources department is responsible for recruiting, hiring (3), and inspiring employees to attain those identical objectives (4). Integrating human resource management and financial management practices to create a payroll system can improve everything from the employee experience to the company's financial performance. Human resource management is the suitable technique for creating frameworks, guidelines, and protocols related to personnel development (5). Human resource management is the management of personnel, with a focus on treating employees as valuable assets to the

company. Employees are occasionally referred to as human capital. Human resource management is associated with making the best use of people to fulfill business and personal goals. It is a method of managing employees at work so that they provide their full attention to the business (6). Human resource management is the process of organizing, coordinating, and managing personnel inside a business to carry out its purpose, vision, and goals. This encompasses recruiting, employing, training, rewarding, retaining, and inspiring workers (7). Qualified human resources should help businesses succeed and overcome troubles (8). Since the 1940s, technology has been used to support human resource processing. The earliest organizational systems were built to support payroll processing due to increasing tax regulations. The complexity and data intensiveness of the human resource management function has led to it being one of the last management functions to be automated (9). This fact underscores the importance of a human

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resource information system, highlighting the challenges involved in creating and integrating human resources systems when compared to other business functions, such as accounting and supply chain systems. The major difference between a traditional information system and a human resource information system is that the human resource information system contains data about people in the organization and can become both the face of human resources and the initial system with which new employees interact with the firm (10). A proficient human resource information system usually includes several vital functions that enhance an organization's workforce management. The following are some of the fundamental features: employee management, payroll processing, time and attendance tracking, benefits administration, performance management and, reporting and analytics (11). Human resource management plays a significant role in producing and managing a payroll system within an organization. The payroll system is an integral part of human resource management's responsibilities, and its effective operation requires human resource management's involvement at various stages. Here's how human resource management contributes to the development and management of a payroll system (12). Proficiency in labor laws defines that human resource experts usually have a strong grasp of labor laws, which substantially impact compliance with payroll regulations. Control over payroll information defines that the majority of payroll data originates from human resource tasks, including monitoring benefits. Human resource is directly engaged with employees, is well-equipped to adeptly manage payroll-related questions (13). Conducting payroll operations encompasses financial functions and knowledge, such as reconciliations and posting to general ledger, which constitute the primary responsibilities of the finance department. Payroll frequently represents the most substantial expenditure for the majority of organizations, making it advisable for payroll to be under the purview of the finance department for the purposes of budgetary reporting and oversight (14). In Deloitte's 2020 global payroll benchmarking survey report, they found a fairly even split between companies having their payroll reporting under human resource 38 percent and Finance 36 percent. This is

considerably different to the 2018 response, where 51 percent said that their payroll responsibilities were under Finance. Deloitte's survey was conducted among a diverse set of organizations spanning various industries, with workforce sizes ranging from a few hundred employees to several thousand, and encompassing 55 different countries. The adoption of a shared service model for payroll is growing in popularity, with a 64 percent increase in the number of respondents reporting payroll functions being incorporated into shared services since 2018, as per Deloitte's findings. As both human resource and finance deal with confidential information, a partnership between the two departments makes a lot of sense when dealing with payroll. There has been an increasing trend towards a shared service model (15). The research problem is identified that the association between human resource management procedures and company function is widely developed, however there is relatively limited points about human resource management activities should make up the methods of human resource management associated to firm success (16). There is considerable worry about companies' low performance, which is mostly attributable to inadequate financial management practices including employees' payments (17). One of the primary challenges that comes with managing human resource and developing estimations, which is highly vital to plan future for applying financial practices, for payroll and development (18). The existing literature stresses strongly on the direct impact of human resource management, often the complex interaction between human resource management, financial management practices and payroll system. In this study, the human resource management and financial management practices are combined through the connection with payroll system. The moderating role of financial management practices in the relationship between human resource management and payroll system is underexplored, presenting vital role in investigating how human resource management influences payroll system. Payroll management should be the method that is going to help the management to manage all of the income associated details, income tax, promotion, increment, salary generation, attendance, general accountancy, benefit or maybe other facilities and compensation (19). Payroll system is defined as a

method of administrating employees' salaries in the organizations (20). Research gaps of this paper are recognized from the following points by investigating on additional studies on the relation of trainings an experience progress with the financial practices impact (21). It is proposed that human resource management activities might assist develop a financial route to competitiveness (16). New studies should be investigated about estimating practices in human resource, payroll system, and suitable approaches (18). Suitable human resource management will lead to apply good payroll system providing accurate results, timely outcomes, increase in the duties speed, and decrease in employees' errors (22). Focusing on human resource management provides managers more analysis on the financial practices and the performance process of the companies (23). Applying suitable human resource practices with accurate payroll system will enable the company facing financial distress situation to take the suitable decision in decreasing employees. Cutting wages, minimizing time of work and freezing recruitment (24). Our research questions are as follow: What is the impact of human resource management and financial management practices in producing a successful payroll system? Do financial management practices mediate the link between human resource management and payroll system? Our research proposes and tests a moderated model. The objectives of this research are to determine the positive impact of the human resource management in producing a payroll system, the positive impact of the financial management practices in producing a payroll system, the positive impact of human resource management and financial management practices in producing a successful payroll system and, the mediating impact of the financial management practices between human resource management

and payroll system. The importance of our research is to particularly monitoring companies' human resource, financial management practices and payroll system. This research is a suitable model for managers to participate and examine the best application of human resources management, financial management practices and payroll process. Many studies focus on a specific field with two different variables while, our research originality is defined through benchmarking investigation of multinational and local companies, applying online covert non-participant observation of a qualitative style and statistical analysis selecting a unique examination and results. Thus, the hypotheses are formed as follows:

H1: Human resource management has a positive impact in producing a payroll system.

H2: Financial management practices have a positive impact in producing a payroll system.

H3: Human resource management and financial management practices have a positive impact in producing a payroll system.

H4: Human resource management has a positive impact in producing a payroll system mediated by financial management practices.

The purpose of this study is to explain the role and the relation between human resource management and financial management practices to produce a successful payroll system in different companies. Researchers should focus in our research on some companies from different industries. This study describes the mediating impact of the financial management practices between human resource management and payroll system. The variables of this article are as follows in Figure 1, the independent variable is the human resource management, the mediator variable is the financial management practices and the dependent variable is the payroll system.

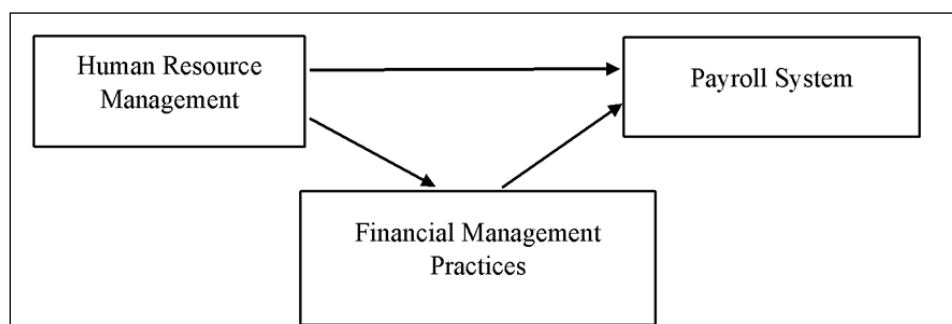


Figure 1: The Impact of Human Resources Management on Payroll System Mediated by Financial Management Practices

Our paper is planned as follow: first, we outline the paper literature review. Second, we designate the paper methodology. Third, we investigate the research results. Finally, we state the conclusion, recommendations, study limitations and future studies.

Methodology

Population and Techniques Applied

The researcher selected 13 international companies from different types or sectors for the online covert non-participant observation study. The researcher applied the quantitative analysis on 32 Lebanese companies from different categories, each company 5 respondents providing a total of 160 respondents. The collection of data was done during year 2023 and 2024. An online covert non-participant observation of a secondary data analysis, content analysis style and a descriptive research technique with a quantitative method is applied by the researcher. Triangulation process is applied as a strategy for increasing the project's credibility and validity.

Material Applied

The researcher applied SPSS version 26 and Andrew F. Hayes model 4 and, AMOS for confirmatory analysis is applied for examining collected data of the 160 respondents in order to define suitable results and recommendations and triangulation process.

SPSS Version 26 Software

The examination is understood as follows: Factor analysis defining the determinant should be below 0.0001, KMO and Bartlett's test should be below 0.5, the sig should be below 0.5 for acceptable correlation and examination the number of questions should be appropriate. Correlation between variables to analyze the sig, which must be less than 0.05 to be considered acceptable, as well as assessment of the relationship, effect, and covary linear output. The means and standard deviations of the components are used to determine the amount of strength of the variables and which variables require improvement.

SPSS Andrew F. Hayes Model 4 for Mediator

In model 4, the researcher ought to consider the sig as less than 0.05 and the confidence interval as not having zero to explore the direct and indirect effects, as well as the mediator is sequential.

Confirmatory Factor Analysis by AMOS Software

Regression weights analyze the strength and predictability of the association between two variables, with sig values of less than 0.05 being acceptable. The model summary includes Degrees of freedom greater than zero for acceptable result, Probability level greater than zero for acceptable result. RMR (Root Mean Square Residual) greater than 0.08 for acceptable result. GFI (Goodness of Fit Index) greater than 0.90 for indicating good fit. AGFI (Adjusted Goodness of fit index) greater than 0.90 for acceptable result. NFI (Normed fit index) greater than 0.85 for satisfactory result. CFI (Comparative fit index) greater than 0.9 for excellent fits. RMSEA (Root Mean Square Error of Approximation) greater than 0.05 for good fit.

Questionnaire

A questionnaire was examined though applying a Likert scale of 5 dimensions answers is divided into 4 parts, 1st part includes demographic elements, 2nd part defines human resource management (16), 3rd part comprises financial practices (22) and, 4th part includes payroll system (23).

Results

In this research paper an investigation was examined about the impact of human resources management on payroll system mediated by financial management practices. Application and practices done by few corporations: In table 1, there is an analysis approach of payroll responsibility in thirteen companies (Marriott International, Hilton, Nestlé, Majid Al Futtaim Holding, Ferrero Group, Concordia University, The City University of New York, Wells Fargo Bank, Bank for International Settlements, FBN Bank UK, American Airlines, Qatar Airlines, Inditex) which operate in different sectors.

Table 1: Payroll Responsibility

NO	Company Name	Industry Type	Payroll Responsibility
1	Marriott International, Inc.	Hospitality	Marriott UK aimed for maximum simplicity in its new human resource and payroll system to minimize time, complexity, and expenses. Matrix successfully provided a 99 percent vanilla iteration of the premier Oracle solution, requiring minimal customization. The system precisely fulfills Marriott UK's requirements by granting them quick and effortless entry to a consolidated human resource and payroll database. It efficiently manages intricate payroll processes while offering utmost flexibility and scalability to accommodate new demands (24).
2	Hilton	Hospitality	The human resource/payroll manager oversees the entire payroll process, managing it from initiation to completion. They address and resolve any payroll disputes and maintain payroll records (25).
3	Nestlé	Food and beverages	Payroll specialist is responsible for various monthly and yearly reconciliations related to human resource accounts in conjunction with Accounting Team and tax authorities (26).
4	Majid Al Futtaim Holding	Shopping Malls, Hotels, Communities, Grocery Retail, Cinemas, Entertainment, Energy Facilities,	The payroll associate is responsible for overseeing the daily operations of the human capital information system in relation to payroll activities, as well as managing initiatives connected to employee requests and benefits. The payroll manager efficiently and accurately examines monthly payroll reports for verification and review (27).
5	Ferrero Group	Food	Payroll manager directly reports to the head of the human resource support center and is responsible for supervising the outsourced payroll provider at Ferrero. This involves addressing daily inquiries, reconciling monthly input and output, and ensuring the seamless execution of payroll by the provider (28).
6	Concordia university	Higher Education	Some of the services human resource management provides are: ensure prompt and precise disbursement of payments to university faculty, staff, and students. Handle the deduction, remittance, and reporting of statutory taxes, as well as manages benefit deductions, union dues, and other relevant deductions (29).
7	The city university of New York	Higher Education	The university payroll office of human resource at the city university of New York is responsible for formulating guidance, standards, rules, and regulations pertaining to university human resource. Under the supervision of the director of university human resource Operations and Services, the human resource payroll manager oversees, guides, and supervises a team of university human resource payroll coordinators to effectively fulfill the objectives of university payroll (30).
8	WELLS FARGO BANK	Banking	The payroll manager is accountable for overseeing the entire payroll process, including data processing, thorough

			validations, and prompt resolution of any issues. Payroll manager reports directly to the head of human resource and payroll (31).
9	Bank for International Settlements (BIS)	Banking	Payroll manager in the human resource department is responsible for the following tasks: oversees the effective completion of the monthly payroll. Oversees the generation and issuance of salary, tax statements and tax reimbursements ensuring precise and timely transactions within the pensions system. Collaborate with the finance department to ensure accurate accounting and reconciliation of payroll accounts (32).
10	FBN Bank UK	Banking	The human resource operations manager oversees two human resource officers and is responsible for ensuring the delivery and supervision of payroll, recruitment, performance management. He guarantees that human resource officer provides accurate and timely payroll reports to the finance department (33).
11	American Airlines	Airlines	The payroll specialist in finance division is accountable for processing employee payroll checks promptly and accurately, encompassing tasks such as gathering, reviewing, and inputting, editing, outputting, and verifying payroll data (34).
12	Qatar Airlines	Airlines	Human resource payroll manager is accountable to lead the monthly oracle human resource management's payroll functions guaranteeing accuracy and completeness in the final processing and disbursement handled by the finance department. Human resource payroll manager promotes collaborative connections between the human resource Payroll team and other teams such as admin, benefits, finance payroll, IT, and business support (35).
13	Inditex	Lifestyle	The payroll manager bears overall responsibility for the payroll team and the disbursement of salaries across four Nordic countries: Sweden, Denmark, Norway, and Finland. The Payroll Manager collaborates with the payroll support team in Spain to enhance the payroll system and procedures (36).

It can be summarized the following results: Human Resource Management plays a significant role in producing and managing the payroll system within four companies (Hilton, Ferrero Group, The city university of New York, Wells Fargo Bank). Both departments (Human resource management and Finance) play a role in producing and managing the payroll system within nine companies (Marriott International, Nestlé, Majid Al Futtaim Holding, Concordia University, Bank for International Settlements, FBN Bank UK, American Airlines, Qatar Airlines, Inditex). As practical results are defined that applying suitable combination of human resource management and financial management will lead to a decrease in time in

fulfilling duties on payroll system and to minimize the labor expenses.

Factor Analysis Interpretations

The researcher examines a quantitative technique using SPSS for 160 respondents by applying the correlation matrix for all the questions that outcome a determinant equal to 0.002 that is over than 0.0001 providing an acceptable result and an appropriate correlation between the questions. Results specifies that KMO and Bartlett's Test is equal to 0.895 that is over than 0.5 defining an acceptable result representing that number of questions taken in the whole questionnaire is suitable. The Sig is equal to 0.000 and below 0.05 defining an acceptable result.

Reliability test

The outcome of the reliability result of the Cronbach's alpha of this research paper for the 13 elements of the questionnaire is equal to 0.904 defining a suitable result and defining an acceptable level of internal consistency that the model size measured.

Correlation between Variables

The correlation analysis defines that Sig of the variables Human Resource Management, Financial Management Practices and, Payroll System are equal to 0.000 providing a satisfactory result. They are as follows: The Pearson value is equal to 0.860 suggesting a strong relationship between "Total of the variables" with "Human Resource Management". The Pearson value is equal to 0.884 suggesting a strong relationship between "Total of the variables" with "Financial Management Practices". The Pearson value is equal to 0.906 suggesting a strong relationship between "Total of the variables" with "Payroll System". The Pearson value of the "Payroll System" with "Human Resource Management" is equal to 0.697, reflecting a large effect and a covary linear output. The Pearson value of the "Payroll System" with "Financial Management Practices" is equal to 0.708, reflecting a large effect and a covary linear output and H2 is acceptable H2: Financial management practices have a positive impact in

producing a payroll system. The Pearson value of the "Human Resource Management" with "Financial Management Practices" is equal to 0.608, reflecting a large effect and a covary linear output.

Mediator Interpretation SPSS Andrew F. Hayes Model 4

The total effect of X on Y defined the total of direct and indirect effects $P = 0.000 < 0.05$ defining a confidence interval between 0.6156 to 0.8528 that doesn't include zero. Direct effect of X on Y without mediators $P = 0.000 < 0.05$ and the confidence interval between 0.3156 to 0.5752 doesn't include zero it defines that H1 is acceptable. H1: human resource management has a positive impact in producing a payroll system. The effect between human resource management has a confidence interval of 0.3156 to 0.5752 and financial management practices has a confidence interval of 0.3018 to 0.5289 with payroll system don't include zero, it defines that H3 is acceptable. H3: human resource management and financial management practices have a positive impact in producing a payroll system. Indirect effect(s) of X on Y has a confidence interval between 0.1953 to 0.3934 doesn't include zero. It defines that H4 is acceptable H4: human resource management has a positive impact in producing a payroll system mediated by financial management practices.

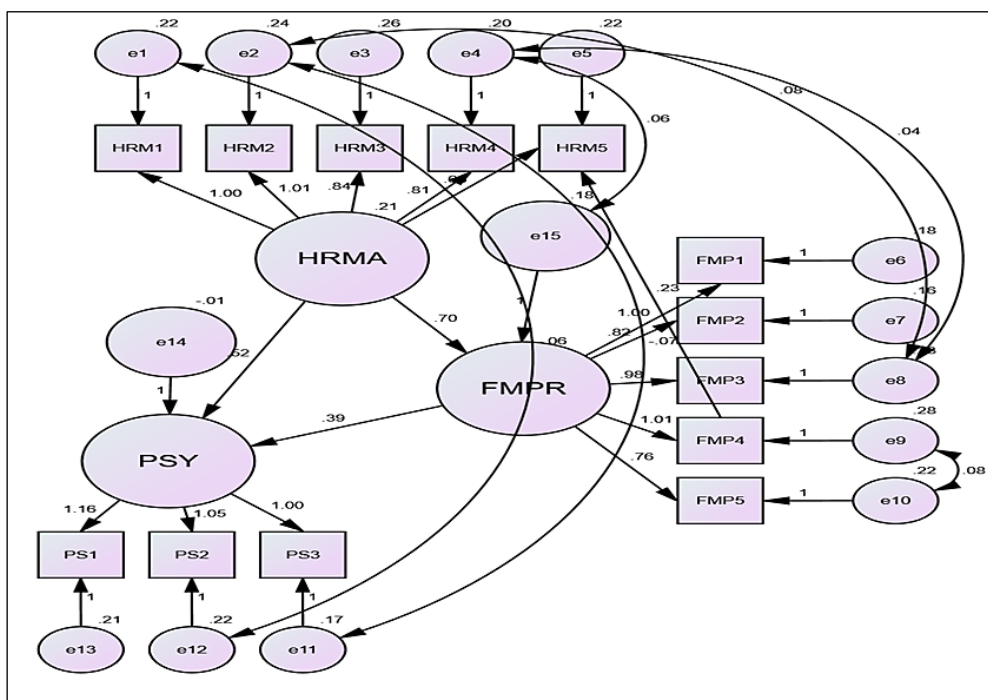


Figure 2: After Modification Indices

AMOS Results Interpretations

An investigation in Figure 2 about the confirmatory factor analysis test after testing the factor analysis in order to examine the outcomes through AMOS software.

The model fit results from AMOS software are as follows: Chi-square = 89.957, Degrees of freedom = 55 > 0 acceptable result, Probability level = 0.002 > 0 acceptable results. RMR (Root Mean Square

Residual) = 0.019 < 0.08. GFI (Goodness of Fit Index) = 0.922 > 0.90 indicating good fit. AGFI (Adjusted Goodness of fit index) = 0.871 providing a desirable result close to 0.90. NFI (Normed fit index) = 0.909 > 0.85 points defines a satisfactory result. CFI (Comparative fit index) values over 0.962 > 0.9 defines excellent fits. RMSEA (Root Mean Square Error of Approximation) = 0.063 considering good fit.

Table 2: Regression Weights

			Estimate	S.E.	C.R.	P	Label
FMPR	<---	HRMA	0.703	0.129	5.454	***	par_11
FMP4	<---	FMPR	1.015	0.113	8.994	***	par_7
PSY	<---	FMPR	0.385	0.084	4.614	***	par_12
PSY	<---	HRMA	0.523	0.109	4.804	***	par_13
HRM1	<---	HRMA	1.000				
HRM2	<---	HRMA	1.008	0.138	7.309	***	par_1
HRM3	<---	HRMA	0.842	0.127	6.643	***	par_2
HRM4	<---	HRMA	0.812	0.115	7.041	***	par_3
HRM5	<---	HRMA	0.660	0.120	5.512	***	par_4
FMP1	<---	FMPR	1.000				
FMP2	<---	FMPR	0.821	0.087	9.409	***	par_5
FMP3	<---	FMPR	0.981	0.109	9.040	***	par_6
FMP5	<---	FMPR	0.757	0.096	7.921	***	par_8
PS3	<---	PSY	1.000				
PS2	<---	PSY	1.053	0.136	7.717	***	par_9
PS1	<---	PSY	1.158	0.143	8.098	***	par_10
HRM5	<---	FMP4	0.234	0.058	4.028	***	par_19

Table 2 investigates the regression analysis test in order to provide the hypothesis results. The P value of all the correlation is 0.000 below 0.05. It is defined that all the hypotheses are accepted.

H1: Human resource management has a positive impact in producing a payroll system.

H2: Financial management practices have a positive impact in producing a payroll system.

H3: Human resource management and financial management practices have a positive impact in producing a payroll system.

H4: Human resource management has a positive impact in producing a payroll system mediated by financial management practices.

Demographic Results

The companies selected are working in the following majors 4 hospitalities, 6 food and beverages, 10 shopping centres, 6 universities, 5 banks and 1 airline. The respondents having bachelor degrees are 70%, master and doctorate

are 30%. Human resource employees are 34%, financial and accounting employees are 49% and directors are 17%. Experience of the 3 employees below 10 years are 68% and above 10 years are 32%. Companies age below 20 years are 28% and above 20 years above 72%.

Discussion

The researcher examines the impact of human resource management in producing a payroll system mediated by financial management practices by applying the triangulation analysis of the online covert non-participant observation of a secondary data analysis and quantitative analysis method combined together to examine the hypotheses below:

H1: Human resource management has a positive impact in producing a payroll system. This hypothesis is supported by the following interpretations human resource management's

expertise in labor law compliance, management of payroll data from human resource activities and direct interaction with employees make it well suited for efficient payroll system administration. Human resource's role in maintaining confidentiality and reducing payroll errors aligns with the need for accurate payroll processing, which enhances employee satisfaction and ensures regulatory compliance (12). These aspects demonstrate how human resource management contributes positively to the development and management of a strong payroll system (13). The online covert non-participant observation practices in companies like Hilton, Ferrero group, Wells Fargo bank and the city University of New York show effective human resource management interventions in payroll management by Thirty one percent from the sample of the study which supports H1.

H2: Financial management practices have a positive impact in producing a payroll system. This hypothesis is supported by the following explanations on the finance department in payroll management due to its accounting responsibilities, tax expertise, and ability to maintain strong internal controls. Finance's oversight helps maintain compliance with legal and auditing standards and supports accurate budget reporting (13), which is particularly important given that payroll, is a major organizational (37). The online covert non-participant observation where financial management practices is vital in the application of Marriott international, Nestlé, Majid al Futtaim holding, Concordia university, bank for international settlements, FNB bank Uk, American airlines, Qatar airlines and Inditex displayed an integrated strategy that may account for higher overall impact on payroll system that supports H2.

H3: Human resource management and financial management practices have a positive impact in producing a payroll system. This hypothesis is supported by the following explanations through by showing that the integration of human resource management and financial management practices improves employee experiences by providing faster access to payroll information and enhances operational efficiency by reducing administrative workloads and minimizing errors. Deloitte's survey highlights the rising adoption of shared service models for payroll, reflecting the advantages of combining human resource and

finance expertise. The partnership between these departments allows for streamlined payroll processes, improved data-driven strategies, and enhanced budget management (14), demonstrating a powerful combined effect payroll system effectiveness (34). The online covert non-participant observation practices in companies where both human resource management and financial management practices played active roles such as Marriott International, Nestlé, Majid Al Futtaim Holding, Concordia university, Bank for International Settlements, FBN Bank UK, American Airlines, Qatar Airlines and Inditex demonstrated a more integrated approach, which may explain the stronger overall impact on payroll system. Based on the study sample both departments collectively contribute Sixty nine percent to the production and management of the payroll system which supports H3.

H4: Human resource management has a positive impact in producing a payroll system mediated by financial management practices. This hypothesis is supported by the following explanations, while human resource management plays a direct role in payroll management through compliance, data handling, and employee engagement, financial management practices provide the financial controls, accounting accuracy, and budget oversight. The integration of human resource management and financial management practices, mediates and amplifies human resource management's positive impact by combining operational and financial strengths (14). The service model adoption further demonstrates how financial management practices can mediate and enhance human resource management's role, leading to a more efficient and effective payroll system (15). The online covert non-participant observation practices defining that human resource management and financial management practices are not only individually significant but also both influential in producing payroll system. The mediating role of financial management practices indicates that financial management practices are a critical mechanism through which human resource management strategies lead into operational success. From a practical perspective, both multinational and local companies can benefit by promoting stronger integration between human resource management and finance departments. The findings indicate that aligning

human resource strategies with strong financial practices can increase payroll system efficiency and reliability, ultimately enhancing overall organizational performance which supports H4.

Conclusion

Upon completing all phases of this study, the researchers can reach several conclusions: The role of financial management practices in producing payroll system involves overseeing and managing the financial aspects related to employee compensation. This includes budgeting for salaries and benefits, ensuring compliance with tax regulations, coordinating with human resource management to gather necessary employee data, and overseeing the disbursement of accurate and timely payments to employees. Integrating human resource management and financial management practices enhances organizational efficiency, strategic planning, and decision-making by aligning human capital management with financial goals and objectives. Human resource management plays a significant role in producing and managing the payroll system by Thirty one percent from the sample of the study. Both departments collectively contribute Sixty nine percent to the production and management of the payroll system based on the study sample. The study showed that the integration of human resource management and financial management practices is essential in all organizations to produce a convenient, valuable and most accurate payroll. Mainly human resource management contributes to the development of a payroll system in the following area: Proficiency in labor laws, Control over payroll information, Addressing employee inquiries and Safeguard confidentiality. Human resource management's involvement in payroll system management vital for the organization's success. It is clear that the payroll system is also considered as part of the accounting and the finance department. The core responsibilities include: Conducting payroll operations, dealing with taxation issues concerning the payroll, Strong internal controls necessitate that payroll responsibilities fall within the domain of the finance department. The integration of human resource management and financial management practices has some incredible benefits: better employee experience as far as applying human resource technology,

adopting a unified and payroll platform that definitely reduce administrative workload and, integrating human resource management and finance systems, work load to empower people and finance managers to participate in more valuable strategic discussions-based on easily accessible, shared data. Internal control provides accurate budget and suitable forecast analysis for the companies. Good connection between departments provides good budget results. The budget forecast includes the payroll results and should be specific related to expenses. This study confirms the essential roles of human resource management and financial management practices in producing effective payroll system. The integration of qualitative observations with accurate quantitative analyses offers a comprehensive understanding of how these practices operate. The findings not only support all the proposed hypotheses but also highlight the importance of an integrated management approach where financial practices mediate and enhance the impact of human resource management thus providing actionable insights for both researchers and practitioners. This study limitation is limited to the relation between human resource management and finance management to produce a successful payroll system. Time limitation was during 2023 – 2024. The sample size was 13 international companies from different sectors and 160 respondents from 32 Lebanese miscellaneous companies. Future studies are encouraged on investigating on the role of digitalization and artificial intelligence on human resource management and payroll system.

Abbreviations

FMP: Financial Management Practices, HR: Human Resources, HRIS: Human Resource Information System, HRM: Human Resource Management, PS: Payroll System.

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Author Contributions

Najla'a Alkilani: Introduction, literature review, observations results, analysis, Hikmat Chamma:

methodology, data, SPSS, AMOS, Analysis, Bassam Hijazi: review, editing, supervision, writing.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the study of this article.

Ethics Approval

Not applicable.

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