

## **E-Performance Management Systems and Organization Performance of Sacco's in Kenya**

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**Abstract:** *Human resource information system (HRIS) is a concept which utilizes the information technology for effective management of the human resource, its functions and applications. E-performance management system is an important component of HRIS whose effects on organization performance remains largely unknown. Several studies both local and international have underscored the importance of HRIS on performance of organizations. However, the effects of the individual components of the system such as E-Performance Management were largely subsumed, hence, the exact impact of E-Performance Management is not known. Further, the focus of the studies was not on Saccos. Therefore, the purpose of the current study was to examine the effect of e-performance management systems on organization performance of Saccos in Kenya. The study was guided by the technology acceptance theory. The study employed a cross sectional survey design targeting a population of 54 respondents drawn from 18 Saccos in the country. Purposive sampling was used to select the 54 respondents who were mainly the employees in the human resource department. Questionnaires were used as data collection instruments and data was quantitative in nature. Data was analyzed using descriptive and inferential statistics and correlation and presented in tables. The validity and reliability of the instrument was determined by Cronbach. The results showed that E-performance management had a significant effect on the performance of Saccos. The study therefore recommended that firms should improve more on data management in areas of performance assessment to allow for timely and speedy delivery of services to the employees.*

**Key words:** *E-Performance Management Systems, Human Resource Information System, Organization*

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### **I. Introduction**

Business organizations today find themselves operating in a highly competitive world characterized by among other things multiple stakeholder interests, increased regulations, demand for new or superior products, innovations, new entrants in the market, increased local and international labour movements and changing technology just to name a few (Albert et al., 2011). All these aggregated together with the firm internal characteristics, such as, size and complexity ultimately affect its performance and competitive positioning in the market. As a result internal service providers, such as, human resource (HR) function have been forced to re-examine their own competencies in the light of a dramatic increase of organizational demands on them (Gloet & Berrel, 2003). Evidently, businesses must find and adopt newer and more effective ways of measuring and managing their performance on a regular basis (Richard et al., 2011). According to Robert Kaplan (2003), professor at Harvard Business School: "Each organization must create and communicate ways to measure performance to reflect its unique strategy." Therefore, it follows that the first condition necessary to improve and achieve excellence in business is developing and implementing a system for measuring performance of the organization. With the benefit of the rapidly evolving technology, e-performance management systems are gaining currency in many organizations. In Kenya, several organizations including Saccos are adopting e-performance management systems which is one of the major components of the Human Resource Information System (HRIS).

#### **1.1 Human Resource Information System (HRIS)**

The development of Information and Communication Technologies (ICTs) has radically changed the world's social and economic lives, and has had a big effect on the way organizations are managed. Consequently, Human Resource Information System (HRIS) has emerged as a concept which utilizes the Information Technology for effective management of the human resource, its functions and applications. HRIS enables systematic procedure for collecting, storing, maintaining and recovering data required by the organizations about its human resources (Singh, Jindal, & Samim, 2011). HRIS support planning, administration, decision making and control. The system supports applications such as employee selection and placement, payroll, pension and benefits management, intake and training projections, career pathing, equity

monitoring and productivity evaluation. The information generated from HRIS increases coordination between the HR department and the top administrators in organizations (Tumuhirwe, 2011).

HRIS has been in operation in the Sacco industry in Kenya and includes the following activities in human resource management; employee information systems, payroll administration, job analysis and job design. The Saccos in Kenya are in the early and middle stages of HRIS development since they had begun the use of the system in 2001. The typical HRIS users are the first line managers and the middle level managers. A human resource department if well maintained ensures that the employees are motivated and therefore ready to maximize their outputs. Sacco customers are selective and mind the services provided. Such services can only be offered by a well-managed workforce. A major problem is that most Saccos have not changed their service delivery systems despite the growing need for better services by its members (Mudibo, 2005). The major components of a HRIS are; E-training and development system, E-human resource planning systems, E-staffing system and E-performance management system. The present study focused on the E-performance management system.

E-performance management system is used in organizations for assessing of performance through electronic means. E-performance management is the relational e-HRM function to support business processes. The tool has simplified performance contracting and appraisal. Using E-Performance Management, the goals of the organization are linked to the balanced scorecard elements giving the organization an overall view of performance capability from departments, sub departments and down to individuals (Ravisha&Pakkeerappa, 2013). HR managers continue to discover the benefits that come with adopting electronic employee assessment tools to support the performance review process and have determined that a unifying digital appraisal system has revolutionized their evaluation process, making it faster, easier and more effective (Lloyd, 2016). Ideally, each evaluation should serve as a source of information, reflection and inspiration for your esteemed staff members. Even employees with the highest performance ratings move forward more effectively after reviews with a solid sense of their current job performance, along with new goals for encouragement and enrichment.

## **1.2 Saccos in Kenya**

According to the survey carried out by international cooperative alliance (ICA, 2010), the Kenya cooperative sector is rated the best with the highest revenue mobilization in Africa and the 7<sup>th</sup> in the world. Consequently, the Savings and Credit Cooperative Organizations (SACCO) sub sector occupies a strategic position in the social and economic development in the country. Currently, there are SACCOs in almost all sectors of the economy (Khumalo, 2008), making SACCO movement one of the economic pillars of the Kenyan nation. SACCOs play a significant role in the development of the economy and in raising the standards of living of the majority of the Kenyan population. They contribute to over 30 percent of the country's national savings (Ndung'u, 2010; Republic of Kenya (RoK), 2008). By the year 2010, Kenya had over 5,000 registered SACCOs with a membership of about 7 million. As at the year 2010, the Saccos had mobilized savings of over Kshs 200 billion and an asset base valued at Ksh 300 billion, the Sacco subsector also continued to grow rapidly at the rate of 25% per year (Cooperative Bank of Kenya, 2012). Further, the regulator - SACCO Societies Regulatory Authority (SASRA) (2013) - reported that as at December 2012, one hundred and twenty-four (124) had been licensed as deposit taking SACCOs while another 20 had Letters of Intent.

Based on these performance reports, it is evident that the subsector has a lot of promise if the Saccos increased their service delivery capabilities. There is, therefore, an urgent need by the Saccos to pay close attention to the services that they offer their members and how this services are offered. Quality and user friendly services are the major determinants in the performance of an institution in the financial sector (Ademba, 2010), and as such, innovations in provision of the services is crucial. Service quality in modern organizations including Saccos is largely leveraged on human resource and technology interaction. This has led to the rise of Human Resource Information System (HRIS). Saccos in Kenya have incorporated HRIS and this includes 75% of the Saccos which include 18 of the Saccos which had started using the HRIS from 2001 to date. Saccos which have been formed recently are in the early stages which deal more with employee information processing (Ireru, 2015). Many Saccos still use HRIS as database HR transactional tasks only, and have not yet optimized the actual capability of HRIS. Hence, little is known about the e-performance measurement function of the HRIS in the Saccos.

Several studies both local and international have underscored the importance of HRIS on performance of organizations (Al-Raisi et al., 2011; Kundu&Kadian, 2012; Chwodhuryet al. 2013; Odhiambo&Kamau, 2013; Midiwo, 2015; Mbugua, 2015; Opiyo&Abok, 2015). However, the effects of the individual components of the system such as E-Performance Management were largely subsumed, hence, the exact impact of E-Performance Management remained unknown. Further, the focus of the studies was not on Saccos, thus, revealing little about the importance of e-performance management systems on organization performance of Saccos in Kenya. This, therefore, motivated the current study to examine the effect of e-performance management systems on organization performance of Saccos in Kenya. The study, thus, sought to test the hypotheses;

**Ho:** *E-performance management system does not have a statistically significant effect on organizational performance in Saccos in Kenya*

**Ha:** *E-performance management system does have a statistically significant effect on organizational performance in Saccos in Kenya*

## **II. Literature Review**

### **2.1 Theoretical Review**

#### **2.1.1 Technology Acceptance Model**

The technology acceptance model is the information systems theory that shows how users come to accept and use technology broadly it emphasize that the intensity of an individual intention to use a technology can be explained jointly by his or her perception about the technologies usefulness and attitude towards the technology in the firm (Chau & Hu, 2001).The model suggested that when organization users are presented with a new technology, a number of issues influence their decision about how and when they will use the technology, perceived usefulness and perceived ease of use (Bagozzi, Davis &Warshaw, 2012).

King and He (2006) concluded in a statistical meta-analysis of the technology acceptance model as applied in various fields analyzed 88 published studies that provided sufficient data to be credible. The results showed that TAM was a valid and robust model that has been largely used, but which potentially has wider implications in organizations. The original TAM according to (Fu *et al.*, 2006) was developed using the setting of MIS usage within firm's boundaries, where availability of technological resources, training of staff, MIS experience and expectations of users were homogeneous to some extents. TAM would be used to guide in the conceptualization of the adoption of information systems in Saccos. As guided by the theory, adoption would be used to measure in terms of the actual usage of IT in human resource management functions mainly in performance management within the firm.

#### **2.1.2 E-Performance Management System**

E-performance management is the planning, implementation, and application of information technology in managing the PMS. E-performance management is a part of e-HRM or HR information system (HRIS) (Al-Raisi, Amin & Tahir, 2011). E-Performance Management is a web-based tool, has been designed to make performance reviews easier in organizations (Ravisha&Pakkeerappa, 2013). Through IT enabled performance management systems (PMS), it is possible to integrate strategies, policies, and practices of the organization with the performance management process (Bhattacharyya, 2017). This enables for faster measurements of indicators of performance and, therefore, leads to efficiency in the performance appraisal process and provides permanent records which are transparent leading to a motivated workforce and therefore increasing the performance of the employee. This will provide accurate estimation of productivity which will help to establish promotion plans and compensation programs.E-performance management system also provides flexible application components to develop and establish individual performance policies, long term performance management objectives and performance oriented compensation strategies.

The benefits of E-performance management for future employee reviews are: Faster and easier administration and completion meaning managers spend less time and intensive effort on performance reviews (Kariznoee, Afshani&Moghadam, 2012). Another benefit is better organization for context and understanding. With electronic performance reviews, it is possible to capture organizational, divisional and/or departmental goals in the tool, which the manager can examine and share with employees. This data helps the management see each employee's individual performance, as well as within the context of the organization to see how his or her performance rates among peers (Kundu&Kadian, 2012). Sharing this information with employees gives them a unique view on their performance and how it benefits the whole organization while sharing it with managers can help them guide team members to better productivity and improved performance (Khashman& Al-Ryalat, 2015). E-performance management systems also improve data collection and analysis. An electronic assessment system will give you the tools to gather and analyze data need by the management. This might include high-performers, underperformers, development and training needs, progress on goals, alignment of goals, and ratings by department. The system also enables feedback, feedback – positive and not-so positive – is essential for every employee's growth and motivation within the organization. It is important to let employees know how well they have adjusted to their job tasks. Whether they have exceeded expectations or fallen short, information becomes an invaluable tool. Finally, it helps protect the organization legally (Bharti, 2015). Through proper performance documentation, it can help dispel litigations of unfair termination.

## **2.2 Empirical Review**

A study by Al-Raisiet *al.*, (2011) in the United Arab Emirates (UAE) revealed that E-Performance Management systems have major components that dramatically affect the efficiency and effectiveness of governmental operations. It facilitates the monitoring and evaluating of employee performance by supervisors and organizations. Midiwo (2015) on the influence of HRIS on the performance of Kenyan Public Universities revealed that HRIS application on recruitment and selection, training and development, payroll and performance management cumulatively provide quality, accurate and consistent data that enables effective and efficient decision making for organizational competitive advantage. The results further confirm that HRIS reduces operational cost compared to manual systems as it helps to maintain data with more accuracy and in less time. Mbugua (2015) examined the role of human resource information systems in organizational effectiveness in Kenya Commercial Bank. The study found that HRIS based employee performance appraisal has created environments conducive for effective organization through better collaborative relationships, positive perception toward the company by stakeholders, more efficiency and quality in the work and service provisions, better change management prospects through low resistance to changes among other important denominators.

Odhiambo and Kamau (2013) investigated the impacts of the use of electronic based employee appraisal techniques on employee and organization performance in CAK established that HRIS based appraisal technique has more positive benefits to an organization in respect of the performance, profitability, competitiveness, innovation, flexibility and motivation. Further, according to the findings the use of HRIS based processes results in high commitments, better customer services provisions, increased profitability productivity and production with low wastes in terms of time and resources thus contributing to high organizational effectiveness. Opiyo and Abok (2015) in her study indicated that e-training, e-recruitment, and e-performance appraisal has an effect on organization performance in commercial banks in Kenya.

## **III. Research Methodology**

### **3.1 Research Philosophy**

The research philosophy that was used in the study was that of post positivist philosophy. This held a deterministic approach which used the underlying philosophy that that uses probability to determine effects or outcomes (Kothari, 2008). It reflected the need to identify and assess the causes that influence the outcome. It reduced the ideas into small, discrete set of ideas to test such as variables that comprise of hypotheses and research questions. Further, it enabled the development of numeric measures of observations for studying the behavior of respondents towards their perception of HRIS implementation in the organization.

### **3.2 Research Design**

The study adopted a cross-sectional survey research design, whereby information was gathered on a population at a single point in time because a pre-determined set of questions was used to elicit a pre-formulated set of feelings and answers from the respondents based on the objectives of the study (Mugenda&Mugenda, 2003). The main objective of this type of design was to obtain insight into the relationships between variables and new ideas relating to the research problem.

### **3.3 Target Population**

The study targeted 18 Saccos in Kenya that utilized human resource information system or use human resource management modules. These Saccos were chosen because they are in their early and middle stages of the implementation of HRIS. From these, the accessible population were the human resource managers, assistant human resource managers and human resource officers in each of the 18 Saccos who are in charge of human resource practices and HRIS implementation within the Saccos.

### **3.4 Sampling Design**

The study adopted a purposive sampling technique, whereby all Saccos using HRIS were involved in the study. Hence this formed a sample frame for the study of 54 personnel in the Saccos who are both in the early and middle stages of HRIS adoption who were directly in charge of HRIS implementation. The human resource manager, assistant human resource manager and human resource officer in each of the 18 Saccos were purposively selected for the study purposes.

### **3.5 Data Collection Instruments and Procedure**

The study used primary data collected using structured (closed-ended) questionnaires. The questionnaire was pilot tested and also subjected to validity and reliability tests. Content validity was employed to test the validity of the research instrument while internal consistency test using the Cronbach's alpha reliability coefficient was used to estimate the reliability of the instruments (Saunders, Lewis& Thornhill, 2009).

The questionnaire had 75 items which had an overall Cronbach’s alpha reliability coefficient of 0.969, this was above the recommended values of 0.700 and, therefore, considered “acceptable” for the study.

**3.6 Data Analysis and Presentation**

The analysis was quantitative in nature and was analyzed using descriptive and inferential statistical methods. Descriptive measures involved frequencies, percentages and chi-squares while inferential statistics used were the Pearson correlation co-efficient and regression analysis. The regression model was assumed to hold under;

$$y_i = \beta_0 + \beta_1 + \epsilon$$

or more precisely;

$$y_i (\text{OP}) = \beta_0 + \beta_{\text{PM}} + \epsilon$$

Where:

- $y_{i(\text{OP})}$  Organization performance (value of dependent variable)
- $\beta_0$  Model Constant
- $\beta_{\text{PM}}$  E- performance management systems and its coefficient
- $\epsilon$  error term

**IV. Results and Discussions**

**4.1 Introduction**

The researcher issued 54 questionnaires to selected Saccos in Kenya using the human resource information systems. The 54 questionnaires were successfully filled and returned representing 100% response rate was.

**4.2. General Characteristics of Respondents and Established HRIS**

**Table 4.1: General Characteristics of Respondents**

	Category	Frequency	Percent
Gender (n = 54)	Male	33	61.1
	Female	21	38.9
Age of the respondents (n = 54)	Between 18-25 years	6	11.1
	Between 26-33 years	20	37
	Between 34-41 years	10	18.5
	Over 42 years	18	33.3
Respondents experience in years (n = 54)	1-2 years	21	38.9
	3-4 Years	16	29.6
	More than 4 Years	17	31.5
Duration of using HRIS (n = 54)	Less than 1 year	8	14.8
	Between 1-2 years	11	20.4
	Between 3-5 years	23	42.6
	More than 5 years	12	22.2

SOURCE: Research data (2018)

The respondents’ characteristics in gender indicated that majority of the respondents were male which formed 61.1% of the respondents and 38.9 % of the respondents were female. The age of the respondents indicated that 37% were between 26-33 years, while 33.3% were above 42 years, those between 34-41 years were 18.5% of the respondents and lastly those at the age of between 18-25 years had 11.1% of the respondents. This indicated that majority of the respondents were between 26-33 years in the human resource department. The respondents experience in years in the human resource department showed that majority had worked between 1-2 years which is shown by 38.9% while those with more than 4 years were 31.5% while those that had worked for 3-4 years had 29.6% which showed that majority had worked in the department for more than one year. This showed that they had enough experience in the human resource department. In relation to the duration of using the HRIS majority of the respondents had used it between 3-5 years which was 42.6%, while for more than 5 years was 22.2%, then those who had used it for 1-2 years had 20.4% while 14.8 % of the respondents had been less than one year. This indicated that the respondents had used the HRIS for a reasonable long time to understand its operations in the organization and therefore its contribution to the organization performance.

4.3 The Effects of E-performance Management Systems on Organization Performance

**Table 4.2: Effects of E-performance Management Systems on Organization Performance**

E-Performance Management systems (n = 54)	SD	D	UD	A	SA	$\chi^2$	P value
1. The HRIS has been used for effective payment and salary administration.	0(0%)	0(0%)	0(0%)	1(2%)	53(91%)	50.074	0.000
2. The HRIS is used in performance appraisal and review of employees.	0(0%)	1(2%)	18(30%)	11(20%)	24(44%)	21.704	0.000
3. The HRIS provides for the determination of employment rewards.	0(0%)	3(6%)	5(9%)	38(70%)	8(15%)	60.222	0.000
4. The HRIS is used in absence monitoring for wage administration and calculation of overtime.	0(0%)	0(0%)	14(26%)	31(57%)	9(17%)	14.778	0.001
5. The HRIS is not effective in merit increases and bonus incentives.	1(2%)	15(28%)	15(28%)	23(42%)	0(0%)	18.593	0.000
6. The HRIS results in not effective in claim processing and establishment of benefits statement.	2(4%)	20(37%)	16(30%)	15(27%)	1(2%)	28.037	0.000
7. The HRIS helps in making of estimates of productivity of employees.	0(0%)	7(13%)	12(22%)	34(63%)	1(2%)	46.000	0.000
8. The organization has been able to have proper reward management by use of HRIS.	2(4%)	7(13%)	11(20%)	26(48%)	8(15%)	30.630	0.000
9. As a result of the knowledge of HRIS, the HR staffs performance management is good.	0(0%)	2(4%)	11(20%)	33(61%)	8(15%)	40.667	0.000
10. As a result of our HRIS, there is timeliness in the processing of salary and bonus claims.	1(2%)	1(2%)	2(4%)	37(68%)	13(24%)	88.963	0.000
11. The HRIS has led to effective level of compliance with the department objectives.	0(0%)	1(2%)	2(4%)	39(72%)	12(22%)	69.704	0.000
12. The organization HRIS has standardized programs and procedures for performance management.	0(0%)	0(0%)	1(2%)	31(57%)	22(41%)	26.33	0.000
13. The HRIS has enhanced the ability of the firm to implement the performance evaluation.	0(0%)	0(0%)	0(0%)	24(44%)	30(56%)	0.667	0.414

SOURCE: Research data (2018)

The respondents in the study strongly agreed that HRIS had been used for effective payment and salary administration which is indicated by ( $\chi^2 = 50.1, P \leq 0.001$ ) this showed that the observed data was statistically different from the expected values which indicated that there was a strong, positive and significant relationship between HRIS and effective payment and salary administration in the firm. This implied that the system was used for salary administration and had proper processing of pay. They also strongly agreed that HRIS was used in performance appraisal and review of employees with ( $\chi^2 = 21.7, P \leq 0.001$ ) this indicated the effect of HRIS on performance appraisal and review of employees was positive and significant which meant the HRIS had been highly used for performance appraisal. This is supported by Jarrar and Schiuma, (2007) in which the authors stated that e-performance helped the organization to retain and motivate top talent by gaining insights into top performers in the firm. The respondents agreed with HRIS provided for determination of employee rewards ( $\chi^2 = 60.2, P \leq 0.001$ ) hence the strong and significant association between HRIS and calculations of employee rewards. This indicated that HRIS provided for the determination of employee rewards. This implied that the system provided more accurate calculations on employee rewards.

While majority of the respondents were in agreement that HRIS was used in absence monitoring, wage administration and calculation of overtime which had a ( $\chi^2 = 14.8, P \leq 0.001$ ) this indicated that the observed data was statistically different from the expected values and therefore a strong, positive and significant relationship between HRIS and absence monitoring, wage administration and calculation of overtime. This showed that the system was able to help with the establishment of extra work and provided appropriate rewards. The respondents agreed that HRIS was not effective in merit increases and bonus incentives which had ( $\chi^2 = 18.6, P \leq 0.001$ ) this indicated that there was an association between HRIS and non-effectiveness in merit increases and bonus incentives in the firm which was positive and significant. This implied that HRIS was

not being used for adequate merit and bonus incentives management and for the establishment of proper merit and bonus increases.

The majority of the respondents disagreed that HRIS resources was not effective in claim processing and establishment of benefits statements this had ( $\chi^2 = 28.0, P \leq 0.001$ ) this indicated that the statistics provided strong evidence against the null hypothesis therefore indicated a strong, positive and significant relationship between HRIS and effective claim processing and establishment of benefits. This showed that the system provided efficiency in adequate benefits for the employees and proper scheduling of claims. The respondents in the study agreed that HRIS helped in the making of estimates of productivity of employees with ( $\chi^2 = 46.0, P \leq 0.001$ ) which means there was a significant and positive relationship between HRIS and determination of estimates of productivity.

The respondents also agreed that organization had been able to have proper reward management by use of HRIS with ( $\chi^2 = 30.6, P \leq 0.001$ ) this indicated that association between HRIS and proper reward management was positive and significant. The researcher, therefore, concluded that HRIS was helpful in the establishment of financial rewards and providing proper estimates of employee productivity. The respondents agreed that as a result of the knowledge of HRIS, the HR staff performance management was good and had the results as ( $\chi^2 = 40.7, P \leq 0.001$ ) indicating that the effect of Knowledge of HRIS and HR staff performance management was positive and significant. The respondents agreed that the system was more effective in performance management in the organization. This has been supported by Frayne and Geringer, (2005) in which the authors indicated that integration between e-performance management and competency data ensured effective communication. It also increased organizations business success by improving employee engagement with the business objectives in a clearer process.

The respondents agreed that as a result of HRIS, there was timeliness in the processing of salary and bonus claims which had ( $\chi^2 = 89.0, P \leq 0.001$ ) this indicated that there was a strong and positive correlation between HRIS and timeliness in the processing of salary and bonus claims. This showed that the system was able to be fast in processing the salary due to the software as opposed to the manual system. This is in agreement with the study by Frayne and Geringer (2005) in which the authors agreed that the HRIS was able to help the management to achieve true pay for performance. The respondents agreed that HRIS had led to effective level of compliance with the department objectives with ( $\chi^2 = 69.7, P \leq 0.001$ ) this indicated that the observed data were statistically different from the expected values therefore rejection of the null hypothesis which meant there is a significant and strong relationship between HRIS and effective compliance with the department objectives. This showed that there was proper tracking of the achievement of goals and there for proper contribution to the department goals.

The respondents also agreed that the organization HRIS had standardized programmes and procedure for performance management with ( $\chi^2 = 26.3, P \leq 0.001$ ) this showed that there was strong, positive and significant relation between HRIS and standardized programs and procedure for performance management. This indicated that HRIS provided proper standardized format on how to manage performance management and thereby providing efficiency in the department. The respondents also strongly agreed that HRIS had enhanced the ability of the firm to implement the performance evaluation with ( $\chi^2 = 0.667, P \leq 0.001$ ) this indicated that that the statistics provided strong evidence against the null hypothesis therefore there was a strong association between HRIS and enhanced ability of the firm to implement the performance evaluation. This implied that the system was able to proper evaluate the performance based on the performance criteria of the firm and proper logging in of performance metrics. This is supported by the study of Bharti (2015) in which the findings indicated a strong significant positive relationship between HRIS components and performance. This is supported by the study by Kariznoee, Afshani and Moghadam (2012) a study that was done in manufacturing food companies, the authors found a significant and positive relationship between HRIS and the performance of employees.

#### 4.3 Effects of HRIS on the Profitability on the Basis of Human Resource Cost

**Table 4.3: Effects of HRIS on the Profitability Based on Cost**

(n = 54)		SD	D	UD	A	SA	$\chi^2$	P Value
1.	The HRIS has decreased the cost per hire.	0(0%)	2(4%)	8(15%)	35(65%)	9(17%)	47.78	0.000
2.	The HRIS has decreased training expenses.	0(0%)	0(0%)	7(13%)	38(70%)	9(17%)	33.44	0.000
3.	The HRIS has decreased	0(0%)	0(0%)	6(11%)	41(54%)	7(13%)	44.11	0.000

recruiting expenses.	)	)	)	)	)	)
4. The HRIS has decreased the data	0(0%)	0(0%	8(15	36(67	10(19%	27.11
input expenses.	)	)	)	)	)	0.000

SOURCE: Research Data (2018)

The respondents agreed that HRIS had decreased the cost per hire which had ( $\chi^2 = 47.8, P < 0.05$ ) hence the association between HRIS and decreased cost per hire was significant. This showed that HRIS had significantly reduced the cost per hire which is usually high due to the manual processing of new hires in the organization. The respondents also indicated that they agreed that HRIS had decreased training expenses with ( $\chi^2 = 33.4, P < 0.05$ ) this indicated a strong, positive and significant relationship between HRIS and decreased training expenses, which implied that HRIS had significantly reduced the expenditure associated with training. The respondents in the study agreed that HRIS had decreased recruiting expenses with ( $\chi^2 = 44.1, P < 0.05$ ) this indicated that the data had strong evidence against the null hypothesis hence HRIS had a positive and significant influence on decreased recruiting expenses. This is supported by the study of William (2009) on which the author agreed that the e-recruitment showed reduced recruitment spending at the expense of traditional methods of recruitment. Majority of the respondents also agreed that HRIS had decreased the data input expenses which had ( $\chi^2 = 27.1, P < 0.05$ ) this indicated that the association between HRIS and decreased data input expenses was positive and significant. The study concluded that HRIS had reduced the expenses of the department and thereby contributing to the profitability of the SACCO. This ensured that the human resource costs had been minimal since the use of HRIS. This is in agreement with (Pfieffelmann *et al.*,2010) who stated that the internet enabled applications have changed the recruitment process making it effective and efficient. This is also supported by Jarrar and Schiuma (2007) in which the authors stated that streamlining the performance management to be web based the company can be able to cut costs.

**Regression Analysis**

Regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variable. The results are given in Table 2.

**Table 4.4: Multiple linear regression analysis model summary**

R	R Square	Adjusted Square	R	Std. Error of the Estimate	
.546 <sup>a</sup>	0.2981	0.2846		1.5382	
	Sum of Squares	df	Mean Square	F	Sig.
Regression	121.131	1	121.131	51.1928	.000 <sup>b</sup>
Residual	123.041	52	2.36617		
Total	244.172	53			

a. Dependent Variable: Organization Performance of Saccos

b. Predictors: (Constant), E-performance

Looking at the results in Table 4.4, the model correlation coefficient is  $r = 0.546$  is higher than any other zero order value in the table and in addition, its coefficient of determination adjusted  $r$  square = 0.2846, also indicates that the multiple linear regression model could explain for approximately 28.5 % of the variations in the performance of Saccos in Kenya attributable to e-performance management system.

**Table 4.5: Summary of Multiple Regression Analysis**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	SE	Beta		
1	(Constant)	28.787	8.517		3.38	0.001
	E-performance	0.546	0.178	0.337	3.061	0.004

a. Dependent Variable: Overall Performance

b. Predictors: (Constant), E-performance

The results in Table 4.5, indicate that E-performance management component of HRIS strongly influenced the Organization Performance of Saccos in Kenya ( $\beta = 0.337; p < 0.05$ ). This was a significant result and led to the rejection of the null hypothesis;

**Ho:** E-performance management system does not have a statistically significant effect on organizational performance in Saccos in Kenya

And acceptance of the alternative hypothesis;

**Ha:** E-performance management system does have a statistically significant effect on organizational performance in Saccos in Kenya



The study therefore established that e-performance management was an important element of HRIS influencing the organization performance of Saccos in Kenya. This finding is supported by Khashman and Al-Ryalat (2015) whose findings similarly revealed that HRIS dimensions for e-performance appraisal significantly positively impacted on the operational activities. The finding also agrees with Bharti (2015) whose findings showed that there was a significant positive relationship between HRIS components among them e-performance management and organization performance.

## **V. Conclusions and Recommendations**

### **Conclusions**

Based on the results of the study, it was observed that HRIS led to timeliness in the processing of salary and bonus claims and it also resulted in effective level of compliance with the department objectives, standardization of programmes and procedures for performance management. Additionally, HRIS was being used for effective administration of compensation and also in performance appraisal and review of employees. Therefore, it can be concluded that there existed a relationship between e-performance management systems and organization performance of Saccos at the 5% level of significance. Moreover, the variable positively affected the firms market share and human resource efficiency, however, it had a negative influence on the cost effectiveness, time and speed of human resource processes of the firm. This finding was consistent with Kundu and Kadian (2012) who established that the extensive use of HRIS affected performance and reward management. Similar conclusions were arrived at by Opiyo (2015) who found that e-performance appraisals had an effect on organization performance of commercial banks in Kenya.

### **Recommendations**

Following the foregoing findings, the study recommended concerning e-performance management systems that firms should improve more on data management in areas of performance assessment to allow for timely and speedy delivery of services to the employees. The firms should also incorporate more cost effective performance management programs to allow for lean processes. The system should also have proper absence monitoring and calculation of wages and for proper allocation of employment rewards through proper analysis of productivity levels.

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