

# Effect of Human Resource Information System on Employee Performance in Vihiga County Government, Kenya

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**Abstract:** Tremendous implementation of technology on organizations has amplified the use of information systems in various functions and departments for organizational competitive advantage and success. Even though Human Resource Information Systems (HRIS) propels this technology rush, little information exists on HRIS in devolved systems within Vihiga County Government forming the focus of this study. To get a clear understanding of the effect of human resource information systems on systems performance in Vihiga County, this study assessed the levels of systems manipulation of human resource functions like e-recruitment, e-training and development, e-payroll management and performance management on proper decision making to determine the underlying assumption of this research study. This study used a descriptive research design method, by employing both qualitative and quantitative approaches. The target population of the study was 1689 with a sample size of 313 of HRIS users and service providers who serve in Vihiga County. Questionnaires were used to collect both quantitative and qualitative data respectively. Stratified sampling was adopted to identify category of respondents for the study. Qualitative data was analyzed under the thematic method and quantitative data under statistical method. Data was analyzed using descriptive and inferential statistics to establish the relationship between the study variables. The study recommends that online recruitment should be adopted for time management or rather to speed up the process. Such an approach will make HRIS technological recruitment process. There is need however to fully entrench the concept of training by ensuring that training policy and training strategies are designed by a specific period in the calendar year HRIS.

**Keywords:** Human Resource Information System, Human Resource Management Practices, Information and Communication Technology, E-recruitment, Organizational Performance, Performance Management Practices.

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## 1. INTRODUCTION

A HRIS is an integrated software, hardware, support functions, system policies and procedures into an automated system process that support the strategic and operational process of HR departments and their managers. HR Information Systems provide Human Resource Management with the opportunity to become a more efficient and strategic function by standardizing the majority of the organization's HR processes, improving the quality and speed of available information and improving services to employees. It is necessary for firms to have highly skilled human capital to provide them with a competitive edge. When a company invests in an affordable HRIS, it suddenly becomes capable of handling its workforce by looking at two of the primary components: that of payroll and that of HR

Africa has been experimenting with Technology since the 1980's; it is now time to fully embrace it with the rest of the world as a way of life and especially to manage Human resources. Unfortunately, HR function in Africa has not been proactive in its use of technology to provide integrated services or to communicate more effectively[8]. Once a human resource information systems investment has been implemented by an organization, management needs to assess how successful it has been in achieving its goals. Many companies find this hard and may take an informal approach to evaluation [6]; few organizations systematically attempt to measure the effectiveness of their information systems or even know how to do so. The evaluation should determine whether or not human resource information systems is performing up to its expectations and if it is being used to its full advantage and return on investment [5].

## 2. EMPIRICAL REVIEW

HRIS can be used in such a wide variety of ways and can represent a large investment decision for companies of all sizes, a convincing case must be made to persuade decision makers that the benefits outweigh the costs. [7] observed that organizations need to be convinced of the benefits of HRIS for their company before they implement such a system. [7] Have also noted that IT may potentially enable HR to lower administrative costs, increase productivity and reduce response times.

Most organizations that adopt HRIS rely on available, accessible and tangible measures to make a business case for the investment. Some metrics that are used to justify HRIS include: the average cost of an HR transaction, number of inquiries to the service centre, cycle times, headcount changes, employee satisfaction, and financial metrics, such as the return on investment or payback period [7]. According to [2], security is another factor to consider for HR and IT professionals, as with any software system. Human Resources by its very nature deals with very confidential data and companies need to be conscientious in managing that data. Although vendors offer high security and are aware of its priority, HR professionals should never let their guard down. Another bigger factor may be resistance to change, employees like the feeling of safety in the old paper system. Thus, change management is another issue for HR and it might be the most serious one. Most organizations greatly underestimate the cultural impact of technology on their employees. HR needs to spend as much time with employees on “change” as they do on the training and implementation software.

## 3. CONCEPTUAL FRAMEWORK

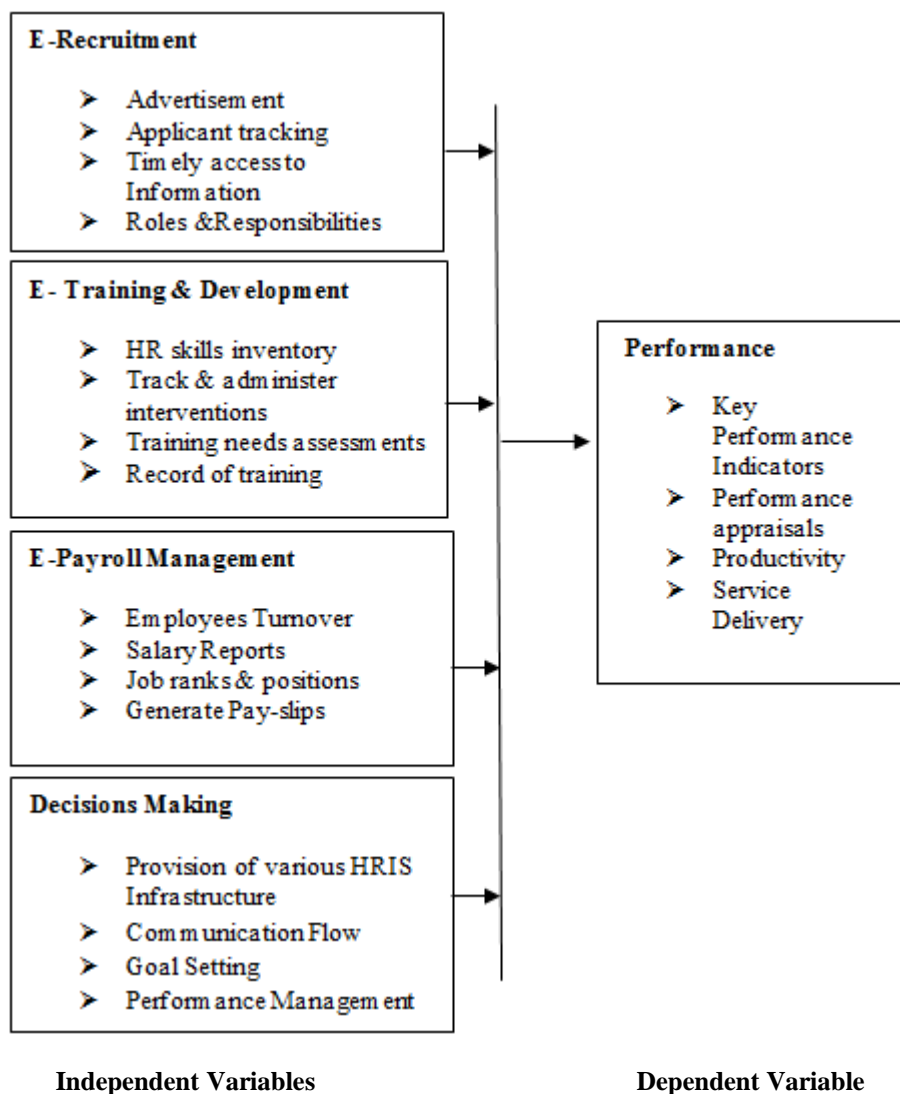


Figure 2.1: Conceptual Framework

#### **4. SUMMARY AND CRITIQUE OF EXISTING LITERATURE**

[4] Analyzed the HRIS of NALCO in his study. The author exhibits that the present HRIS of NALCO has improved the overall pace and competence of HR functions, but still needs reengineering. The study supports that HRIS is used for administrative purpose and not analytical purpose. To gain cost effectiveness in-house development of HRIS is decided but it was very time consuming process. In addition to this there are some other drawbacks that have to be surmounted to make the HRIS of NALCO more proficient. HRIS system usage is determined by human resources strategy, reciting a corresponding process between different strategies and different system practice. [1] Avowed that the main obstruction in the implementation of a HRIS is the sky-scraping cost of setting up and maintaining a HRIS in line with lack of funds and support of top management are the stumbling blocks in achieving the full potential of HRIS. Due to this obstacle in order to endorse the embracing of HRIS operations, primary it is necessary to make certain that bankers or organizations are agreeable to give their support for setting up a HRIS .

The foregoing summary literature review reveals that the need for efficiency and effectiveness of HR operations and strategic involvement lies in sound HRIS. Organizations have gone out of their way to get this investment implemented. There are success stories, but also littered within are stories of failure. Most of the failure is caused by the people side of the enterprise, which lacks interest and commitment and sometimes feel human resource information system is a technological issue out of their realms of understanding.

Where the HRIS has been implemented, major challenges are also to be found in the measurement and evaluation of the success of the system. Because this is a hard and tall call to make, some organizations aim low (few and routine expectations of human resource information systems and always tend to score that low. This study is seeking to unravel the gains made by HRIS as implemented and evaluated in Kenya and establish challenges encountered and the way forward to managing these challenges.

#### **5. RESEARCH METHODOLOGY**

Descriptive research design was used to allow researcher to gather, summarize, present and interpret information for the purpose of clarification. It is mainstreamed to fact finding and may result in the formulation of important principles of knowledge and solution to significant problems. In this study the target population is 1,689 as per the 2016 human resource annual report and financial statement of Vihiga county. The study specifically focused on 313 employees drawn from two different cohorts of 20 top management and 293 unionisable employees affected directly by HRIS functions in Vihiga County. The study used questionnaires to collect data from respondents. The structured (closed-ended) and unstructured (open-ended) questionnaires were used to get uniform responses from respondents. This study utilized both primary and secondary data. Questionnaires were used to collect primary data which was distributed to the staff. Pick and drop method was used to administer the questionnaires to 10 respondents who did not take part in the study to evaluate the survey questionnaire for flow of questions, accuracy clarity, readability and understand ability of the research instruments to be used in this study.

#### **6. RESULTS AND DISCUSSION**

##### **Response Rate:**

A sample of 313 respondents were interviewed using questionnaires that allowed the researcher to drop the questionnaire to the respondents and then collect them at a later date when they had filled the questionnaires. A total of 313 questionnaires were distributed to employees. Out of the population covered, 200 were responsive representing a response rate of 63.9 %.

##### **Pilot Study:**

The cronbach's alpha was computed in terms of the average inter-correlations among the items measuring the concepts. The rule of thumb for cronbach's alpha is that the closer the alpha is to 1 the higher the reliability (Ngechu, 2009). Cronbach's alpha was used to measure realibility. This was done on the four objectives of the study. The higher the coefficient, the more reliable is the test.

##### **E-Recruitment:**

The respondents were also asked to rate the impact level of motivation had on training and development. The mean of the responses was also 2, thus confirming. Asked whether E-recruitment Provide comprehensive database for applicant tracking, respondents agreed; the mean response was 1.8. Database plays a big role in any organization. The respondents

noted that E-recruitment ensures timely access to recruitment information; the mean was 2.6 which denoted neutrality. Slightly more than half of the respondents agreed that E-recruitment assures cost reduction in the recruitment process with the rest being neutral or disagreeing. Another factor was speed of recruitment, the study sought to establish whether E-recruitment facilitates speedy recruitment process. The mean was 2, indicating that the county enjoyed speed in recruitment process as a result of HRIS. This is further evident in author who argued on the impact of e-recruitment and organization performance that HRIS has been envisioned as having a substantial impact on the importance of human resource departments, leading to a more strategic/managerial role and contributing to the organization's competitiveness, as well as creating new paths for HR to add value to the organization.

#### **E-Training & Development:**

All the respondents strongly agreed that E-training can support Decisions on career management and succession planning. The mean score was 1.2 denoting strong agreement. Asked whether E-training ensures up-to-date skills inventory, the mean score was 4.8 denoting strong disagreement. The respondents agreed that E-training enhances Effectiveness of generating data on employee's, the mean score was 1.3; this denotes a strong agreement. Asked whether the criteria used for selection of employees to attend training are fair and just, the mean response was 4.2. This denoted that the staff did not agree to it. The respondents did not think there E-training improved generation of records on training expenses.

#### **E-Payroll Management:**

All the respondents strongly agreed that E-payroll assures accuracy of data in payroll management. The mean score was 1.2 denoting strong agreement. Asked whether E-payroll improves the payroll interface with Accounts for efficiency in payroll management, the mean score was 4.8 denoting strong disagreement. The respondents agreed that E-payroll improves record of hours absent for effective payroll management, the mean score was 1.3; this denotes strong agreement. Asked whether E-payroll improves generation of payslips, the mean response was 4.2 this denoted that they did not agree to it. The respondents did not think that Information generated from e-payroll helped the county in deciding employee remunerations emoluments, the mean score was 3.3.

#### **Decision making:**

HRIS has improved the decision making process in the organization. The respondents agreed that decision making had improved as a result of HRIS; mean was 1.9, denoting agreement. The respondents strongly agreed that HRIS provides clear frameworks and guidelines on how decisions should be made in organizations. The mean score was 1.5. Asked if communication flow has been enhanced by use of HRIS hence improving the organization decisions, the respondents strongly agreed that regular communication and new information was hugely influenced. The mean response was 1.5 denoting that they agreed that communication was influenced. Regular interaction and feedback is very essential. The communication should be two-way where the employees are allowed to voice their opinions during workshops and appraisals, this way decisions are not viewed as 'orders from above'. The respondents agreed that HRIS ensures monitoring and evaluation of HR performance through the decisions made within the organization management; giving it a mean score of 1.8. A positive experience of monitoring and evaluation is a major factor in facilitating acceptance of decision making and performance. Negative experiences on the other hand will fuel negative perceptions.

#### **Regression Analysis:**

In this study multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. Regression analysis was conducted to find the proportion in the dependent variable (Human resource information system) which can be predicted from the independent variables (E-recruitment, E-training and development, E-payroll management and decision making).

The research used a multiple regression model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_0$$

Where:

$\beta_0$  = Y intercept (constant) whose influence on the model is insignificant

$X_1$  = E-recruitment

$X_2$  = E-Training and Development

$X_3$  = E-Payroll Management

$X_4$  = Decision Making

$\beta_1, \beta_2, \beta_3, \beta_4$  = Model coefficients which are significantly large to have significant influence on the model.

e is the error term.

## 7. CONCLUSION

The study established that indeed slightly more than half of the respondents agreed that E - recruitment assures cost reduction in the recruitment process with the rest being neutral or disagreeing. The study established that E - training ensures up-to-date skills inventory and furthermore E- training enhances Effectiveness of generating data on employee's. Shibly, (2012) affirms that beyond these E training solutions, organizations also invest in HRIS modules that help them put the full productivity of their workforce to use, including the varied experiences, talents, and skills of all staff within the enterprise. The study established that E-payroll assures accuracy of data in payroll management. Furthermore E-payroll improves record of hours absent for effective payroll management. The respondents agreed that decision making had improved as a result of HRIS and that HRIS provides clear frameworks and guidelines on how decisions should be made in organizations.

This study had sought to investigate the effects of HRIS on system performance of Vihiga County Government, Kenya. The study concluded that E -recruitment assures cost reduction in there recruitment process, E- training enhances effectiveness of generating data on employee's, E payroll management eliminates time wastage to bank for funds and that decision making had improved as a result of HRIS. These aspects may create a positive attitude towards the process of HRIS. The study also concluded that e-recruitment, e- training and development, e payroll management and decision making are regarded as being useful in the organization and had indeed achieved their objective of increasing work output and efficiency. The study concluded that there is immense support of HRIS which has reinforced the positive effect of employees towards it.

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