# RELATIONSHIP BETWEEN HUMAN RESOURCE INFORMATION SYSTEM AND MANAGEMENT OF HUMAN CAPITAL AT JAMES FINLAY LIMITED, KENYA

#### ROBERT KIPLANGAT KOECH

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Administration (Human Resource Management Option) of

University of Kabianga

UNIVERSITY OF KABIANGA

**JANUARY**, 2022

# DECLARATION AND APPROVAL

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| Robert Kiplangat Koech  |
| MBA/A/013/18  |
|   |
| Approval  |
| This thesis has been submitted for examination with our approval as University      |
| supervisors: -  |
| Signature:Date:   |
| Dr. Joseph Kirui  |
| Department of Marketing Management Science, Tourism and Hospitality                 |
| University of Kabianga  |
| Signature:Date:   |
| Dr. Lydia Langat  |
| Department of Marketing Management Science, Tourism and Hospitality                 |
| University of Kabianga  |

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# **DEDICATION**

I dedicate this thesis to my wife and my children for their moral support throughout the study period.

# ACKNOWLEDGEMENT

My profound gratitude goes to my supervisors Dr. Joseph Kirui and Dr. Lydia Langat for their guidance throughout this thesis writing.

#### **ABSTRACT**

Technological advancement in the 21st century has unlocked possibilities in all spheres of existence. Lately with the advent of the Covid-19 pandemic, the workplace has been transformed and businesses are operating in unchartered waters. Human resource management information system is believed to guarantee more efficient and effective way of managing human capital in organizations. However, many organizations are still stuck with the traditional way of managing human capital despite its usefulness. It is on this basis that this study sought to assess the relationship between human resource information system and management of human capital. Specifically, the study sought to assess the relationship between training information system, recruitment information system, performance management information system, self-service information system. human resource planning information system and management of human capital at James Finlay (Kenya) limited. The study was anchored on human capital theory, the resource based theory and organizational fit theory. The study used cross sectional research design with a target population of 458 employees. Yamane's formula was also used to obtain a sample size of 213 respondents. The study adopted primary data collection method where structured questionnaires were administered to the respondents. Content and construct validity of the research instrument was ensured through extensive literature review and consultation with the subject experts and the supervisor. On the other hand, instrument reliability was determined through Cronbach's Alpha coefficient where a value 0.8945 was established and considered ideal for the study. Data for checking reliability of the instrument were obtained from a pilot study using 10% of the sample size from Unilever limited. To uphold research ethics, the researcher obtained all the necessary approvals such as a research permit from NACOSTI and the ministry of education before commencement of data collection exercise. The obtained data was analyzed by the use of descriptive, correlation and regression analysis. The study established that there was a positive significant relationship between training information system ( $\beta$ =0. 0.409; p<0.05), recruitment information system ( $\beta$ =0.511; p<0.05), performance management information system ( $\beta$ =0.446; p<0.05), self-service information system ( $\beta$  =0.512; p<0.05) and human resource planning information system ( $\beta$  =0.514; p<0.05). The study concluded that training information systems, recruitment information systems, performance management information systems, self-service information systems and human resource planning had a positive influence on management of human capital. The study recommended that James Finlay (Kenya) Limited develops a strategy of ensuring that the HRIS at the company are customized to the company processes to increase their effectiveness. The study findings are expected to contribute directly to the field of information systems and their application in human resource management, build on the existing body of Human Resource knowledge, provide practical data to support Human Resource and information system theories and as well provide a guide to James Finlay in effectively implementing Human Resource Information System policies.

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#### LIST OF ABBREVIATIONS AND ACRONYMS

**BCP** Berkah Cipta Persada

**BIS** Business Intelligence Systems

**ESS** Electronic Self-Service

**ESS** Employee Self Service

**HCM** Human Capital Management

**HR** Human Resource

**HRD** Human Resource Development

**HRIS** Human Resource Information System

**HRM** Human Resource Management

**HRP** Human Resource Planning

IT Information Technology

MIS Management Information System

**PMIS** Performance Management Information System

**RBV** Resource Based View

SPSS Statistical Packages for Social Sciences

**TPS** Transaction Processing System

TRA Tanzania Revenue Authority

#### **DEFINITION OF TERMS**

**Human Capital** 

Management

it refers to a set of practices related to human resource management specifically focusing on workforce acquisition, workforce management and workforce optimization (Mugo, 2017). In this study, Human Capital Management is used to refer to a set of practices or systems used by an organization to enhance.

**Human Resource** 

**Information System** 

it is a software or online solution that is used in an organization for data entry, data tracking and management of all human resource functions in an organization (Wibowo, Grandhi, and Deng, 2016). In this study, HRIS is used to refer to a collection of technologically enabled modules that help in the effective implementation and execution of the human resource functions such as training, recruitment, performance management, personnel management and human resource planning.

**Human Resource** 

**Planning Information** 

**System** 

This is software that analyses staff situations, available vacant positions and qualification deficits (Muma, 2018). In this study human resource planning information system is used in records management, job analysis, resource allocation and reward systems

**Performance** 

This is a system that is used to track and monitor employee,

**Management Information** 

department, and organization performance.

**System** 

**Recruitment Information** 

**System** 

This is a software application organizations use to manage

efficiently and effectively the process in acquiring new

employees to the organization (Arefin and Hosain, 2019). In

this study, the recruitment information system is the use of

information systems technology by an organization in

vacancy advertisement, selection, interview and potential

candidate tracking.

**Self-Service Information** 

**System** 

Is software that allows organizational employees to access

and update their personal information without a direct

involvement of the human resource personnel.

**Training Information** 

**System** 

According to Mulyo, Sutarto, Siswanto & Shofwan (2019)

training information system is a software application that is

used in the documentation, administration, tracking and

reporting of the training activities in the organisation. In this

study, this is a system that leverage on technology to manage

the training process such as need analysis, scheduling,

execution and training evaluation.

#### **CHAPTER ONE:**

#### **INTRODUCTION**

#### 1.1 Overview

This chapter contains a brief background on the research. It explores the statement of the problem, research objectives, research questions, scope of the study, and significance of the study, limitations and assumptions of the study.

#### 1.2 Background of the Study

Over the last two decades, information technology has been found to have profound effect on human resource management practices and processes. According to Johnson, Lukaszewski, and Stone, (2016), Information Systems have been used by organizations to aid business functions including production, accounting, marketing, and management of human resources. The use of Information systems in the management of human resource entails the application of technology to facilitate HR function. The information systems transform each of the organization processes in a bid to help the organization gain a competitive advantage and efficiency, (Peneva & Ivanov, 2016).

Human resource information systems (HRIS) is a technology based system that is used in collecting, storing, retrieving, using and validating data required by an organization about human resources. According to Silva and Lima, (2018), HRIS is a management system that is designed to offer managers the required information to make human resource decisions in the organization. The systems also enable human resource managers to keep track of any information regarding employees in the organizations. It is mostly done in a database or in a series of interrelated databases.

Adoption of Information systems increases the level of efficiency of human resource management functions though improved and effective human resource planning, recruitment methods, selection process, performance management, employee involvement, organizational communication and increased skills for human resource managers (Stone, Deadrick, Lukaszewski & Johnson 2015). The quality of human resource management is an essential success factor in organizations. This requires that organizations adapt to new logics and abandon outdated ways of thinking and acting in order to improve the efficiency of human capital. Integrating information systems in human resource processes help organizations to define their strategies and build programs that can be used to develop their human capital.

According to Theeb and Abdullah, (2018) comprehensive and integrated information systems play a critical role in the improvement of the activities that are related to the management of human resource. Effective application of the information systems related to human resource in organizations in this era of globalization is necessary as it can move the organization to another level. According to Wibowo, Grandhi, and Deng, (2016), human resources management support through the application of information systems (IS) has become increasingly important for organizations in improving their competitiveness. HRIS promotes automation and human resource competence and enhances reliability, objectivity, responsiveness and accuracy.

Bondarouk and Brewster (2016) assert that technology has changed the way human resources are managed in organizations, specifically; technology has changed the manner in which organizations gather, store use and disseminate information about their human resources. Information technology systems have also enabled human resource

professionals to deliver better services to all stakeholders and minimize administrative burden for the organization, (Stone, & Deadrick 2015).

In examining the influence of technology on the future of human resource management, Stone, Deadrick, Lukaszewski and Johnson (2015) indicate that information technology has had far reaching effects on human resource practices in the organizations. However, maximum utilization of HRIS potential has been affected by various challenges such as the system allowing one-way communication which is impersonal and passive, lack of interpersonal interaction and creation of artificial distance between individuals and organization.

A study by Sadiq, Khan, Ikhlaq and Mujtaba (2013) to examine the degree of sophistication of information technology in human resource management between Canada and Hong Kong established that information systems were widely used in the management of human capital in both countries. However, the cost of maintaining the HR information systems and effective change management in organizations hindered the efficient use of the systems which resulted in some organizations using both traditional human resource management practices and modern practices by use of HRIS.

An empirical investigation on the practice of HRIS application in business organizations in Jordan, Dmour, Hani, Obeidat, Yousef, Masa'deh, Almajali and Abdelkarim, (2015) established that the extent of implementation of HRIS in organizations was moderate. The variation in implementation of HRIS was found to be influenced by the type of business that the organization was engaged in and the size of the organization. Large organizations relied heavily on HRIS due to the large workforce and the need for efficient decision making.

In a study to determine the extent to which Human Resource Information Systems implementation is effective on human capital in organizations in Pune, India, Nagendra and Deshpande (2014) revealed that human resource information systems play a key role in human resource effectiveness and efficiency through acquiring human resource information skills. Further the study indicated good effectiveness and efficiency of human resource can be attained if and only if human resource information systems are aligned with strategies of information systems and human resource strategies. The study findings also established that as much as human resource information systems had capabilities for enhanced management of human capital, it did not offer much effectiveness to the human resource due to poor implementation.

In a survey to examine why human resource information system was not common a practice to most organizations in Ghana, Nyame and Boateng (2015) established that two thirds of the institutions in Ghana were found not to have implemented human resource information system. This was attributed to high installation costs of the system; adoption rate of the system was found to be slow hence most organizations had not prioritized the implementation of the system. The findings were supported by Noutsa, Wamba and Kamdjoug (2016) who claimed that Cameroon was experiencing some challenges in adopting human resource information system. The challenges identified were associated with high cost of installation of the system, reluctance from the management and employees, work culture of the organization and lack of expertise.

A study to determine the technological attributes and effectiveness of human resource information system in Tanzania's local government authority by Matimbwa, Masue and Shilingi (2020) found that there was limited implementation of the HRIS in the country.

The few cases available indicated that institutions were not concerned with the adoption and use of the system without factoring in the benefits accrued. It was revealed that local government authority faced challenges in implementation and the use of the system. Therefore, this called for recruiting employees who understand the system and training present workers on the use human resource information system.

Mugo (2017) opines that good human resource management contributes to a positive effect on the performance of the organization but these calls for other measures to be taken in order for the organization to achieve optimum efficiency and effectiveness. One of the measures is to introduce human resource information system which will enable the organization to be more effective in terms of time and cost. In the study to determine the influence of human resource information system in Kenya breweries limited, it was found out that usefulness of human resource information system had not been fully achieved. Therefore, the study suggested for further studies to be carried in the same area examining the influence of human resource information system in management of human capital

#### 1.2.1 James Finlay (Kenya) Limited

James Finlay was established in the year 1750 and the company is owned by Swire group which is a diversified global business group. The company has business interests in horticulture and tea farming sectors in Kenya, China, Sri Lanka and South Africa. The company has its primary markets in Asia, USA, UK and part of Europe continent. There are three multinational companies in Kericho producing tea in large scale which includes George Williamsons limited, Unilever limited and James Finlay (Kenya) limited. The largest of them all is James Finlay (Kenya) limited. In Kenya James Finlay (Kenya)

Limited is among the biggest suppliers of tea. The company is involved in sourcing of tea and packing operation which is being done in Mombasa. In Kericho, the company has nine tea farms, four black tea factories, and one instant tea factory

#### 1.3 Statement of the Problem

The application of Information technology in the human resource management field is believed to guarantee a more efficient and effective way in managing the human capital. However, failure to implement human resource management systems has seen many organizations continue to experience malpractices in management of human capital such as payroll fraud where ghost workers continue to earn salaries, irregularities in the hiring process and detection of irregularities taking long time. To this effect several studies have been done to examine the relationship between HRIS and the management of human capital. But majority of these studies have focused on the organizations in developed countries and especially in the public sector. The few studies that have been done in Kenya have focused on one or two modules of the HRIS, for example a study was done on the influence of electronic training and electronic recruitment on human resource performance, on the impact of E-recruitment and selection information systems on performance of listed companies, the effectiveness of performance management information systems on firm performance, and also on effects of HRPS on organizational efficiency. All these studies did not comprehensively address all the components of HRIS and therefore it was on this basis that the current study sought to assess the relationship between training information system, recruitment information system, performance management information system, self-service information system, human resource planning information system management of management on human capital.

#### 1.4 General Objective

The general objective of the study was to assess the relationship between human resource information system and management of human capital at James Finlay (Kenya) limited

#### 1.5 Specific Objectives

The study was guided by the following objectives

- i. To establish the relationship between training information system and management of human capital at James Finlay (Kenya) limited.
- ii. To evaluate the relationship between recruitment information system and management of human capital at James Finlay (Kenya) limited.
- iii. To determine the relationship between performance management information system and management of human capital at James Finlay (Kenya) limited.
- iv. To assess the relationship between self-service information system and management of human capital at James Finlay (Kenya) limited.
- v. To investigate the relationship between human resource planning information system and management of human capital at James Finlay (Kenya) limited.

#### 1.6 Research Hypotheses

The following research hypotheses were tested;

- H<sub>01</sub> There is no significant relationship between training information system and management of human capital at James Finlay (Kenya) limited.
- H<sub>02</sub> There is no significant relationship between recruitment information system and management of human capital at James Finlay (Kenya) limited.

H<sub>03</sub> There is no significant relationship between performance management information system and management of human capital at James Finlay (Kenya) limited.

H<sub>04</sub> There is no significant relationship between self-service information system and management of human capital at James Finlay (Kenya) limited.

H<sub>05</sub> There is no significant relationship between human resource planning information system and management of human capital at James Finlay (Kenya) limited.

#### 1.7 Justification of the Study

Organizations worldwide grapple with how best to utilize the most important of all the factors of production and that is the human resource, to gain commitment, to retain the best skills, knowledge and experience and most importantly to deliver competitive advantage through people. Technology provides an opportunity to turn around the employee experience and to truly understand the needs and motivations of employees. To this end, organizations invest in the information systems integrating human resource in order to automate the HR tasks and streamline processes. Efficiency gains accrue and productivity improves with investment in technology. All investments must return back value and therefore the research sought to ascertain the relationship between the systems of information related to human resources and management of human capital.

#### 1.8 Significance of the Study

The study contributes directly to the field of information systems and their application in human resource management. It would build on the existing body of HR knowledge and provide practical data to support HR and information systems theories.

The study could also provide a guide to James Finlay in implementing HRIS policies. It would provide the company and readers insights into whether HRIS is an effective tool in the Management of human capital.

The study would identify areas of HRIS that requires review so as to be able to effectively accomplish its intended outcomes. The study could also promote existing body of HR knowledge in relation to systems of information. The findings could further provide data on the relationship between HRIS in management and management of human capital in organizations.

Finally, the findings from this study could be beneficial to academicians and students interested in the study of HRIS. It could allow them to understand HRIS in the business context and provide material for future and further research. The study could also fill the gap in literature on HRIS in the Kenyan context.

#### 1.9 Scope of the Study

The study sought to assess the relationship between human resource information system and management of human capital. Contextually, the study sought to assess the relationship between training information system, recruitment information system, performance management information system, self-service information system, human resource planning information system and management of human capital. The study targeted all the employees working at James Finlay (Kenya) limited which is in Kericho County in Kenya between January 2020 and September 2021.

#### 1.10 Limitations of the Study

The major limitation of the study was reluctance of some respondents to give accurate information for fear of being reprimanded by the management even after being assured for confidentiality and that the information was required for an academic research only. To overcome this limitation, the researcher kept on reminding the respondents of their anonymity in the research process.

The study was done in one of the multi-national tea processing companies in Kericho county which had implemented the use of HRIS. Therefore, the findings may not be generalizable to other tea processing firms that are owned independently or run by Kenya Tea Development Authority. Due to this limitation, the researcher recommend that further research could be done in the other firms.

Finally, this research focused on the use of HRIS irrespective of the size of the organization. The findings could therefore vary depending on the context of the organization adopting and implementing the HRIS.

#### 1.11 Assumptions of the Study

The study assumed that all organizations had adopted and implemented HRIS and therefore it was appropriate to do an assessment of the relationship between HRIS and management of human capital in the organization. The honesty, reliability and accuracy in responding to questions by the selected respondents was also an assumption that the researcher had no control over but which could have influenced the research outcome.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter provides a synthesis of previous studies on the influence of human resource information system in management of human capital. The chapter also presents the literature review, theoretical foundation of the study, conceptual framework and identification of knowledge gap.

#### 2.2 Review of Empirical Literature

The following literature were reviewed based on the research variables;

#### 2.2.1 Training information system and management of human capital

Proper implementation of human resource information system in an organisation entirely depend on the readiness of organization entities to adopt the systems. Departments in the organization play a key role in the effective implementation of the HRIS (Belkur, Mehta, Shafter & Amar, 2017). Human capital in those departments must have a know-how on the usage and the benefits accrued from the system. This calls for proper training of the employees on information system to equip them with the knowledge associated with the human resource information systems in order to adopt and put into use the system effectively and efficiently, (Nagendra & Deshpande, 2014).

According to Michael (2013), well trained workforce who have interest in making themselves effective and efficient at their work place could be assets to the organization by equipping them with new knowledge on information system. From a study on the effects E-Training model and its Enhancement of PAUD-DIKMAS Educators

Professional Competence in Indonesia, Mulyo, Sutarto, Siswanto and Shofwan (2019) found that E-training had a statistical impact on PAUD-DIKMAS Educators Professional Competence. The study was quantitative in nature and adopted a descriptive research design. The target population of the study was eight management and 120 training personnel who selected because of their familiarity of the systems and were to provide information on the model of training and the effects linked to the implementation of the model of E-Training respectively. Data was obtained and analyzed quantitatively using regression model. The study established that implementation of model of E-Training had significant effect on professional competence of the PAUD-DIKMAS educators. The study further revealed that management capacity and goodwill had a great influence on the effectiveness of E-training.

Asare (2019) carried a study to assess the effect of information system training on performance of employees in cocoa research institute in Ghana. The study adopted a case study design and purposive sampling technique to select 120 respondents from a target population of 542 employees. Obtained data was analyzed using qualitative and inferential statistics. The results indicated that training information system contributed greatly to the performance of human labour at the institute. However, the study failed to demonstrate how effective information system training was in the human resource function.

A study conducted by Mulegi (2014) sought to determine the effectiveness of implementing human resource information system in Tanzania Revenue Authority. Specifically, the study sought to assess the effectiveness of training information system on employee's performance. The research used a case study design with a target

population of all the employees working in the Tanzania Revenue Authority. Pearson correlation and Multiple regression model were used to assess the nature of relationship between the study variables, the findings indicated that training information system improved human resource function and performance at TRA. The study also revealed that lack of enough financial support affected training information system, network issues and poor maintenance of the system.

Walichio, Amuhaya, and Muchelule, (2018) did a study to assess the effect of HR Information System on Performance of Employees in Vihiga County Government, Kenya. The main focus of the study was to establish the effect of e-recruitment, e-training and development and e-payroll management and decision making. The study was both qualitative and quantitative in nature and it adopted a descriptive research design targeting a population of 1689 employees of the county government. The findings from both inferential and descriptive statistics indicated that both the independent variables had a positive and significant statistical relationship with employee performance. In addition, it was established that e -recruitment led to cost reduction in the recruitment process, E-training enhanced effectiveness of generating data on employees, E-payroll management helped in eliminating time wastage in banking funds and that decision making had improved as a result of HRIS.

Mwangi and Reuben, (2019) carried out a study on influence of electronic-training and erecruitment on performance of HR within Telkom Kenya. The study adopted a descriptive survey research design. To effectively carry out the study, a sample size of 105 respondents were drawn from a target population of 210 employees which had been divided into three stratas (managers, supervisors and general staff). Primary data was

obtained from the respondents using questionnaires and secondary data from the company's website respectively. Data was processed and analyzed both descriptively and inferentially. The findings indicated that organization's website enhanced the process of hiring potential employees. E-recruitment also reduced the time taken for recruitment and enhanced hiring decision in the department of the human resource to a great extent. The study recommended that organizations should develop policies to ensure that proper implementation of training information systems.

#### 2.2.2 Recruitment information system and management of human capital

Recruitment is the process where an organization attracts potential applicants to apply and fill for a vacant position. Efficiency and effectiveness in recruitment information system can be determined by faster filling advertised vacancy, cost reduction for recruitment and, quantity, quality and diverse of applicants. Recruitment information system helps to generate data faster and keep employees updated about the availability of the job all at a low cost (Muma, 2018). HRIS can support long range human resource planning with information with sufficient information on supply and demand of the labour force. HRIS can enable organization keep information on need for employment arising from separations, termination and retirement. It also keeps a data base of potential employees and other information such as appropriate training programs, salary forecasts, pay budgets and labor/employee relations with information on contract negotiations and employee assistance needs (Shibly, 2011).

Arefin and Hosain, (2019) investigated the role of HRIS on firm's performance selected pharmaceutical firms in Bangladesh. Specifically, the study sought to examine the influence of job analysis, recruitment and selection, performance appraisal and

communication on profitability of the pharmaceutical firms. The researcher employed Pearson's correlation coefficient technique to test the relationship between independent and dependent variables and employed linear regression analysis in testing the hypothesis. The findings indicated that all the four independent variables had positive and strong relationship with organizational performance. The study established that efficient utilization of HRIS in job analysis, recruitment and selection, performance appraisal and communication led to improvement of the firm's profitability.

Eckhardt, Laumer, Maier and Weitzel (2014) did a survey on transformation of people, processes and information technology in e-recruitment. The survey involved an eightyear-old case study from German Media Corporation. Interviews were carried out and each interview was recorded and transcribed and materials given by the firm were appropriately analyzed, cross-checked and coded depending on the adopted survey model. Positive effects of e-recruitment in the survey indicated that e-recruitment in collaboration with implementations of HRIS contributed to improved overall performance of the organization. This was due improved recruitment schedule that led to reduced time taken to perform the entire process and sub-processes such as time-tointerview, time-to-hire and a time-to-publish-job-ads. The services of recruiting were open to external and internal customers on a service level that is standard. More so a firm was able to establish a decision regarding hiring that is faster compared to those employed in the past and thus better results of the job offer acceptance process. The study also indicated that e-recruitment enabled a firm to decrease the recruitment cost such as that the marketing costs of personnel, the process costs, and the incoming costs reduced application.

Samkarpad, (2017) studied the effectiveness of HR information systems on HR functions of manufacturing units of Sangareddy district (India). The study was an effort to establish a study framework of the effectiveness of HRIS applications. The main focus of the study was to measure the influence of HRIS Recruitment application in a firm, to focus on HR Information System contribution in Planning of Human Resource. The research framework was composed of 2 sub-systems of HRD; HRIS Planning of Human Resource and HRIS recruitment. The analysis of data collected from 50 HR professionals clearly highlighted that the executives of HR were conscious of the fact that they could escalate the HR planning efficiency through HRIS as the systems helped the company save coasts and time.

A study by Maduagwu, (2018) highlighted that information technology today enhances many of the recruitment function's sub processes such as long and short-term candidate attraction, generation, pre-screening, and processing of applications or contracting and deployment of new employees. Online job advertisements on corporate web sites and internet job boards, online CV databases, different forms of electronic applications, applicant management systems, corporate skill databases, and IS supported workflows for the contracting phase are only few examples of the various ways by which information systems today support recruitment processes.

A study by Gitari (2019) sought to examine the impact of recruitment and selection information system on the performance of listed companies in Nairobi stock exchange. The study adopted descriptive - exploratory research design, where the target population was 60 companies listed in Nairobi stock exchange where purposive and quota sampling method was used to come up with 30 companies for the study. The study findings

established that recruitment information system contributed positively to listed firms' performance.

From the above reviewed studies, it is evident that recruitment information systems have a positive influence on organizational performance. However, the studies have not established the extent to which various variables related to recruitment are influenced by Recruitment information systems hence the need to carry out further studies to examine the relationship between HRIS and management of human capital.

# 2.2.3 Performance management information system and management of human capital

Cui, Wu, Lu, Jin, Dai and Bai (2016) carried an empirical review on the impact of performance management information systems on shanghai ninth people's hospital performance in China. In their review, medical data was collected in the year January 2013 to December 2013. This period was before the implementation of performance management information system and the second review done from January 2014 to December 2014 after the implementation of performance management information systems. Comparative data analysis was subjected to statistical description and measurement deviations analysis. The study findings indicated that performance management information system improved the performance of the clinical officer. The clinical officers were able to improve on service delivery because the health facility could easily identify training needs.

Gafarova and Özarı (2019), carried a study to examine the relationship between employee job satisfaction and organizational performance. Specifically, the study aimed

to assess the role of information technology in performance appraisal and its impact on employee motivation and overall performance of the organization. The findings revealed that performance of the telecom and IT sector of Turkey improved due to efficient implementation information technology systems in assessing employee feedback and managing employee appraisal processes. The study findings also indicated that companies were using the latest state of the art performance appraisal systems based on the 360-degree appraisal method. Further, it was established that employees participated in decision making and performance management which was found to be satisfactory.

Zvavahera (2014) sought to establish how effective is performance management information systems in Zimbabwe service delivery in the civil service sector. The study was carried within four months of January to April 2013 and it targeted four ministries. From the analyzed data, it was revealed that implementation of performance management information system was not effective because of the challenges which were contributed by the ministries management not adhering to key principles of PMIS and also the complexity of the system. The study concluded that, performance management information systems did not improve on service delivery because the workers did not find any relevancy of the system application.

Mbise (2014) examined the relationship between performance management information system and performance of employee in the University of Arusha, Tanzania. The study adopted convergent research design where a sample size of 120 participants was used as the study respondents. The research findings showed that performance management information system was effective on enhancing employee performance. Majority of the respondents felt empowered by being rewarded for the best service delivery they offered.

Further, the system was able to distinguish the achievements of workers at different levels. The study recommended that all the tenets of performance management information systems should be implemented wholesomely in order to add value to the organizations and workers.

Nyaga (2018) sought to find the effectiveness of performance management information system on coast general hospital performance in Kenya. The study adopted descriptive research design which was complimented by census survey technique. Data was analyzed using correlation and regression analysis was used to determine the relationship that existed between the variables which were under study. The study findings established a positive significant relationship between PMIS and performance of coast general hospital. The study was in conclusion that implementation of effective PMIS in the healthy sector is important because it assist in monitoring employees continuously and be able to identify the areas required for training. Because the study focused on the health sector, this study targeted management of human capital in tea farming sector a case of James Finley Kenya limited Kericho.

#### 2.2.4 Self-Service information system and management of human capital

Institutions are advancing due to the changes in technology and the environment. Both private and public organizations are focusing on effective service delivery to the customers as well as creating conducive working environment for the employees and thus reducing employee turnover. HRIS has come up with tenets that help organizations achieve their goals and objectives successful if well implemented. Employee self-service is one of the tenets offered by the Self-Service Information System. Organizations which have adopted and implemented Self-Service Information System encourage employees to

use the self-service technology to create institutional efficiency and thus make the responsibility of human resource management easy and effective and on the other lead to cost reduction, (Ramaseshan, Kingshott, & Stein, 2015).

Margatama (2017) considers HRIS as one of the decision support system which provides vital information in relation to human resource in the institution. Employee self-service information system provides necessary solutions to the human resource and enables the workers to be more focused on their line of duty rather than procedures of human resource administration. Organizations that implements employee self-service are expected to boost employee satisfaction leading to the effectiveness of the performance of the employees. This is vital to the organization due keeping the cost of operation as low as possible by improving service delivery.

According to Madhura (2016), scholars realized the strategic importance of HRM only recently leveraging human resource management through employee self-service. HRIS has different features which are suitable in handling different HRM functions. One of the main features being implementation of employee self-service (ESS). This feature helps employees access information regarding the organization and their work related issues from the HRIS on their own, thus saving a lot of time of the HR department.

Snicker (2013), sought to determine the impact of employee self-service acceptance in Tap Company, Portugal. The study adopted quantitative research design taking middle level managers to be the target population for the study. Pearson correlation coefficient was used to measure the strength between independent and dependent variables while regression analysis was used to estimate the relationship between the variables. The study findings revealed that majority of the employee accepted the employee self-service

information system because of its usefulness also it was indicated that, human resource management department played a key role in sensitizing employee on the benefits an individual could enjoy. Further, the study found that organizations that adopted employee self-service information system benefited from cost reduction and time management.

Margatama (2017) assessed employees' Self Service-Based HRIS development and implementation in Indonesia. The study was carried out by adopting mixed research design and primary data. Data was analyzed in two ways; administrative way and functional way where functional analysis was conducted on the basis of user acceptance test which was conducted at different levels of the employees. The user acceptance test was meant to determine the outcome of employee self-service if it attained or exceeded targets which were set by the BCP Company. The study established that employee self-service information system shortened time of carrying out tasks and the employee self-service overcame human error which led to cost effectiveness.

Mugo (2017) did a study on the effectiveness of HRIS in Kenya Breweries Ltd Company. The study was guided by descriptive design and 464 employees of Kenya breweries limited formed a target population of the study. The study findings indicated that quality of service needed some improvement and more especially in regards to trainings on employee self-service information system. Further employee self-service information system if effective, it could allow employees to do their task effectively without following human resource procedures which consumes time and update their personal details effectively.

# 2.2.5 Human resource planning information system and management of human capital

Human resource management information systems is basically an intersection of human resource and information technology through human resource management software. This allows human resource activities and functions to be undertaken electronically. In most cases, the human resource systems are used to gather and store information on the organization's employees. It encompasses the basic processes such as performance management, recruitment, training and development and many more, (Birungi & Katumba, (2021).

A study by Khera and Gulati (2012) on the impact of human resource information system and human resource planning on organizational performance using a case study of information technology companies in India established that Human Resource Information System keeps employee's information of the organization which helps in speeding up the HRP processes. Human Resource Information System also assist in strategic operations of HRM particularly in development, training, tracking in selection recruitment, succession planning and applicant and manpower planning. The study concluded that HRIS efforts in HRP are identifying and filling vacant positions in a firm efficiently.

A study on the role of Human Resource Information Systems (HRIS) on HR planning and development in mid - large sized organizations by Nagendra and Deshpande (2014) established that HRIS contributed to the effectiveness and efficiency of HR planning as it facilitated the use of inventory element to assess the HRIS skills, needs of HRIS training analysis module, planning module of HRIS succession, HRIS labor supply and demand analysis module. Further, the study established that the system had feature that made it

easy to accurately identify vacant positions in the organization to ensure easy replacement. A final revelation was that the HRIS needed to offer capabilities that are more intelligent to upsurge the effectiveness of Human Resource Planning.

Srinivas and Raj (2018) carried out a study on HRIS significance in HR Planning. The main focus of the study was to assess the significance of integrating HRIS with other organizational systems so as to achieve a fast and accurate information sharing and transmission between departments to aid in effective decision making. The study revealed that vacant positions were able to be identified easily alongside the positions' duties and responsibilities. The systems also generated information regarding training needs of the employees. It also made it easy to select employees who require training at the right time and evaluating the effectiveness of the training programs. This facilitated the organization with quality and quick decision making.

Kakuru (2016) did a study on the impact of human resource planning information system on employee performance in Uganda Christian University - faculty of business and administration. The study adopted quantitative research design and the target population of the study was all the academic and administrative staffs. The findings indicated that human resource planning information system was positively related with employee performance.

Njeje, Chepkilot and Ochieng (2018) conducted a study on effect of electronic human resource planning system on organizational efficiency. The study relied on cross sectional research design and targeted 54 employees from the department of human resource who were the respondents for the study. Descriptive statistics and inferential statistics were used to analyze collected data from the respondents. The findings indicated that

electronic human resource planning did not show any significant relationship with the efficiency of the organization.

#### 2.3 Theoretical Framework

The study was guided by Human Capital Theory, Resource Based View (RBV) and Organizational Fit Theory

### 2.3.1 Human capital theory

Schultz (1961) proposed the human capital theory and posits that knowledge and skills, being forms of capital, are a result of deliberate organizational growth. The theory proposes that there is need to invest in people through education and training in order to be able to increase human productivity that thus leads to positive returns on investments and growth of firms. Schultz believes that people are an organization's assets and therefore organizations must invest in her people for it to generate worthwhile returns and generate a competitive advantage.

Human capital theory is narrowly related to the RBV of strategy developed by Barney (1991) which argues that for a firm to attain a competitive advantage that is sustainable and have a pool of human resource which unique and cannot be substituted or imitated by competitors. The theory of human capital was of great relevance to the current study as it emphasized the need for firms to invest in systems that would lead to improvement in the capacity of its employees to produce more through effective human capital management. Therefore, this theory was anchored on first and third objectives that is establishing the relationship between training information system, assessing the effectiveness of human resource self-service information system and management of human capital.

#### 2.3.2 Resource based view (RBV)

A theoretical paradigm of RBV of the organization has its origins from strategic management. Resources and attributes of the firm are more important to sustained competitive advantage than industry structure and the actions of competitors, (Barney, 1997). Barney (2001) defined resources as the tangible and intangible assets a firm uses to choose and implement its strategies and generally include organizational, human, financial and physical resources.

In outlining a framework to determine what is required of a resource to be considered a source of sustained competitive advantage, Barney (1991) and Teece, Pisano and Shuen (1997) listed the following as the key elements; resources have to be rare, not substitutable valuable and inimitable. The resource based view theory argues that technology, natural resources and economies of scale can create value, but that these sources of value are increasingly available to almost anyone anywhere and anytime and they are easy to copy, whereas human resources can provide the firm with a source of competitive advantage with respect to its competitors. The theory was relevant to the study since both HRIS and human resources are important resources within which an organization could use to deliver competitive advantage.

This theory lends credence to investment in technology that would enhance performance of the firm's most important resource – the human resource. The theory also underscores the need to ensure appropriate use of the resources engaged in an organization. The second objective was anchored on this theory, that is; evaluating the relationship between recruitment information system and management of human capital.

#### 2.3.3 Organizational fit theory

The theory as proposed by Drazin and Van de Ven (1985) argues that elements in an environment influence each other. In organizational set up, the theory proposes that there has to be a perfect mix between the organizational elements of strategy, technology, organizational size, structure and an organization's culture in order to obtain maximum efficiency and optimal performance. According to Reinking, (2012) there must be a fit between the information system and the organization as information systems become more and more integral to the business. An organization finds a system that is a good fit for the organization that quickly adapts to the organization.

The theory was relevant to the study as it informed the independent variable of the study which is that HRIS must fit into organization's processes in order to guarantee its effectiveness. Thus the relationship between human planning information system and management of human capital was anchored by this theory.

## 2.4 Conceptual Framework

A conceptual framework is a diagrammatic representation of the relationship between the variables under study. It is pillared by concepts, empirical research and theories that the researcher believes would best explain the relationship between the variables. According to Kothari (2008), it is the researcher's schematic view of the connection between the independent variables and dependent variable. Human resource information system is the independent variable and management of human capital is the dependent variable. The HRIS was operationalized by training information system, recruitment information system, performance management information system, self-service information system

and human resource planning information system. The dependent variables (management of human capital) was measured by training program scheduling, efficiency, training need analysis, service delivery, job satisfaction and optimum manning levels.

# **Independent Variable Dependent Variables Human resource information system Training Information Systems** Need analysis Scheduling Execution **Evaluation** Recruitment Information **Systems** Advertisement Selection Interview **Management of Human Capital** Tracking Performance Management Quality of training program **Information Systems Appraisal Systems** Efficiency Self- Assessment Quality of service delivery **Performance Tracking** Reward System Job satisfaction Optimum manning levels **Self-service information system** • Access to information Flexibility Cost management **Timeliness** Human Resource **Planning Information Systems** • Records management Job analysis

Figure 2.1 Conceptual Framework

Source: Researcher (2021)

Resource allocation Job evaluation

# 2.5 Identification of Knowledge Gap

Several studies on the relationship between human resource information systems and management of human capital have been reviewed to establish the knowledge gap. On training information management systems, the reviewed studies used survey, descriptive-case study and case study research designs. The current study adopted cross sectional research design. The studies also focused majorly on the corporate sector other than the agricultural sector and therefore this study focused on the tea sector.

On recruitment information systems and management of human capital, the reviewed studies established inconsistent results; some studies indicated that recruitment information systems had a positive significant influence on the management of human capital while some suggested that other factors had to be considered for the organization to reap the benefits of recruitment information systems. Most of the studies reviewed relied on secondary data. The current study used both primary and secondary data.

On performance information systems, the unit of analysis in the studies focused on different organization, such as management of human capital in hospitals in the IT industry in Turkey, the service delivery in the civil service sector, performance of employee in the University of Arusha and finally Kenyan Public universities, however the current study was done in the tea sector. Further, most of the relied secondary data which was analyzed through document analysis. The current study will rely on both primary and secondary data.

Finally, on self-service and human resource planning information systems, the reviewed literature indicated that researchers adopted different research designs leading to

inconsistent results. The theories underpinning the studies varied from the theories that the current study was underpinned on. It is from these research gaps that the current study sought to establish the relationship between human resource information systems and management on management of human capital at Finlay (Kenya) limited.

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter details the research design that was used for the study, the target population from which data was obtained from to test the research hypothesis, sampling and sampling procedures. Data collection instruments, test for reliability and validity of the instruments, data collection procedure, analysis, presentation and ethical issues that were considered while collecting data.

# 3.2 Research Design

A research design is a systematic plan as well as structure of examination or investigation specifically meant to come up with answers to the research questions or testing hypothesis under study (Cooper & Schindler, 2014). This study adopted a cross sectional research design. According to Nerison, (2021), a cross sectional research design is used to establish or conclude the cause and effect relationship between two variables where one variable is dependent on the other variable. The research design is considered ideal in a situation where the independent variable cannot be manipulated and its effect on the dependent variable is measurable. In this study, the design helped the researcher to examine the relationship between human resource information systems and management of human capital. Wahyuni, (2012) also recommends the use of cross sectional research design when the researcher intends to test the research hypothesis.

# 3.3 Location of Study

The study was carried out at James Finlay (Kenya) limited in Kericho which is 35° 15′ 16″ to the East and 0° 22′ 09″ South of equator. James Finlay (Kenya) limited is a multinational company with its headquarters in Glasgow, UK but has its Kenyan business in Kericho County. It employs 9,500 employees.

James Finlay (Kenya) limited is the largest multinational company producing tea for export in Kericho among two other companies (Unilever and Williamson tea) situated in Kericho. The company is comprised of 13 tea estates (Bondet Estate, Changana Factory, Chemamul Estate, Chemases Factory, Chemasingi, Cheptabes, Chomogonday Factory, Kapsongoi, Kimulot Factory, Kitumbe Factory, Marinyin Estate, Tenduet Factory, Tuluet Factory, (Bett, 2018).) producing approximately 23 million kilograms of processed tea every year (James Finlay's Research Centre 2019). Therefore, it is for this reason that the study opted to use the company for this study.

# 3.4 Target Population

According to Kothari (2008), a target population is the total number of people, objects or elements that the researcher is interested in studying or researching about and analyzing of which a sampling frame is then drawn from. The target population of the study was the employees of James Finlay (Kenya) limited. This population was categorized into management staff and non-management staff.

Table 3.1

Target population

| Category             | Population | Percentage |
|----------------------|------------|------------|
| Management Staff     | 150        | 32.8       |
| Non-Management staff | 308        | 67.2       |
| Total                | 458        | 100        |

Source: James Finlay (Kenya) limited (2020)

Table 3.1 indicates that there were 150 Management staff and 308 Non-Management staff at James Finlay (Kenya) limited.

# 3.5 Sample Size and Sampling Procedures

Sampling is the process of selecting a number of observations or replicates to be included in a statistical sample, (Kothari,2008). According to Cooper and Schindler, (2014), a sample size is part of the total population selected for an experiment or a survey and which a researcher can use to make inferences about the entire population. In this study the researcher identified two subgroups from the population through stratified sampling technique. The two strata were chosen because they had the requisite information about the human resource information system used in the organization for their daily activities in the workplace. Yamane Taro formula was then used to determine the sample size from the population. The formula assumes 95% confidence level.

$$\mathbf{n} = \frac{\mathbf{N}}{\mathbf{1} + \mathbf{N}(\mathbf{e})^2}$$

n =the sample size,

N =the population size

e = the level of precision.

$$n = \frac{458}{1 + 458(0.05)^2} = 213$$

N = 458,

n = 213

*Table 3.2* 

Sample Size

| Category             | Population | Sample |
|----------------------|------------|--------|
| Management Staff     | 150        | 70     |
| Non-Management staff | 308        | 143    |
| Total                | 458        | 213    |

# Source: Researcher, (2021)

The researcher used simple random sampling technique to select the respondents for the study using proportional allocation, the sample sizes for the stratum A and B were found to be 70 and 143 respectively.

#### 3.6 Data Collection Instrument

Data collection instruments are tools used by the researcher to collect data for analysis and testing of hypothesis, (Mugenda & Mugenda, 2003). A structured questionnaire that consist of a set of questions was used to collect data. The questionnaires were delivered to the respondents who personally and willingly provided the required information. In order to bring to the fore any weaknesses in the questionnaires, a pilot test was conducted with the guidance of the research supervisor. All the weaknesses that were noted from the pilot exercise were rectified before the actual data collection process commenced. The first section of the questionnaire consisted of the respondent personal information. The second section contained questions on the relationship between HRIS and management of human capital and similarly for all the other study objectives. A Likert scale with a five-point scale was used to collect the respondent's view of the statements in the questionnaire. Each of the five scales contained a numerical value to measure the attribute under investigation.

## 3.6.1 Validity of research instrument

The extent to which an instrument measures what it is supposed to measure is referred to as validity, (Kothari, 2004). To obtain validity of research instruments, this study examined content validity, face validity, construct validity and criterion validity. Content validity and face validity were enhanced by involving opinion of the experts such as supervisors and experts in the area of study. They were consulted when drafting the research questionnaire in order to ensure that the instrument collected the necessary information for analysis. Construct and criterion validity were equally ensured through a detailed literature review.

# 3.6.2 Reliability of research instrument

Reliability refers to the ability of the research instrument to consistently measure what it is intended to measure (Cooper and Schindler, 2014). To enhance the instrument reliability, a pilot study was carried out using 10 % of the study's sample size. According to Mugenda and Mugenda (2003), for high accuracy a pilot study should have at least 1% to 10% of the sample size targeting a population frame that qualifies for the study but excluded from the final study. Therefore, piloting was conducted at Unilever Kenya limited using 21 respondents being 10% of the study's sample size. The company was selected for piloting because it manages and processes tea in the same area with Finlay's Kenya limited. Internal consistency of the instrument was determined through use of Cronbach's Alpha coefficient ( $\alpha$ ), which was found to be 0.8598. The Cronbach's Alpha coefficient values ranges from 0 to 1 whereby Lancaster *et al*, (2010) argues that a coefficient of 0.7 and above is deemed ideal for the study. Therefore, a value of 0.8241implied that the research instrument had good internal consistency.

Table 3.3

Instrument Reliability Results

| Research variables                         | No of Items | Coefficient |  |
|--|-------------|-------------|--|
| Training Information System                | 6           | 0.7586      |  |
| Recruitment Information System             | 5           | 0.8456      |  |
| Performance Management Information System  | 5           | 0.7898      |  |
| Self-Service Information System            | 5           | 0.9584      |  |
| Human Resource Planning Information System | 4           | 0.7124      |  |
| Management of Human Capital                | 5           | 0.8795      |  |
|  |             | 0.8241      |  |

# **3.7 Data Collection Procedures**

Questionnaires were personally administered by the researcher to collect primary data. This was done after the researcher had received a research permit from National Commission for Science, Technology and Innovation. Permission from the county government of Kericho and ministry of education were also sought. Since the respondents were geographically dispersed across the area of study, the distribution and collection of the questionnaires took about one week. The respondents were allowed a reasonable time to fill in the questionnaires.

## 3.8 Data Analysis and Presentation

The obtained data was analyzed using descriptive and inferential statistics. Results from the analysis were then presented in the form of tables and graphs. Prior to the analysis and presentation, the researcher checked the questionnaires to assess whether they were properly and completely filled. This process was done to ensure that the facts that were obtained were consistent. Once the questionnaires were found to be complete, coding was done and data entered into SPSS version 26 for analysis. Inferential statistics were used to establish the relationship between human resource information system and the management of human capital in James Finlay (Kenya) Limited. Pearson product-moment correlation coefficient was used to ascertain the direction of the relationship between the study variables. In addition, multiple regression analysis was used examine the association between the independent variable (human resource information system) and the dependent variable (Management of Human Capital).

The following regression model was used to determine the linkage between the independent and dependent variable.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where, Y = Human Capital Management

 $\beta_0$ = constant

 $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$ ,  $\beta_5$ = Coefficients for Independent Variables,  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$  and  $X_5$  respectively

 $X_1$  = Training Information System

 $X_2$  = Recruitment Information System

 $X_3$  = Performance Management Information System

 $X_4 = Self$  -Service Information System

 $X_5$  = Human Resource Planning Information System

 $\varepsilon = \text{error term}$ 

 $R^2$  was used to measure the relationship between the independent variable and dependent variable.

#### 3.9 Ethical Considerations

The Board of Graduate Studies of Kabianga University granted the researcher an authority to undertake this research. The clearance letter from the board of graduate studies helped the researcher to obtain a research permit from NACOSTI, the County Government of Kericho, the county commissioner and the Ministry of Education before commencement of data collection exercise. Participation was on voluntary basis and respondents were informed prior to commencement of the research process that they were free to withdraw their consent and participation from the study without prejudice at any time. The researcher provided sufficient information related to the research topic, processes and assurances about taking part to allow respondents to understand the implications of participation and to reach a fully informed decision regarding their participation. The researcher made reference on the scholarly work of other writers using APA system of referencing in accordance with the University of Kabianga Research Guidelines.

#### **CHAPTER FOUR**

## RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the results and discussion of findings from the analyzed data. The response rate, demographic characteristics of the respondents, descriptive, inferential and testing of hypothesis are presented in this section.

# **4.2 Response Rate**

The researcher managed to collect 204 questionnaires out of the 213 questionnaires issued to the respondents which translates to a response rate of 95.8%. This rate was considered appropriate based on the recommendation by Mugenda and Mugenda (2003) that any response rate of 80% and above is ideal for social sciences.

Table 4.1

## Response Rate

| Respondents | Issued         | Returned       | Response rate |
|-------------|----------------|----------------|---------------|
|             | Questionnaires | Questionnaires |               |
| Employees   | 213            | 204            | 95.8          |

Source: Researcher, (2021)

# 4.3 Demographic Information

The study collected information about the respondents' age, gender, academic qualification, current job category and working experience. This was in a bid to establish the suitability and relevance of the provided information.

# **4.3.1** Gender of the respondents

The study sought to assess the gender of the respondents for the study. The findings are illustrated in Table 4.2

Table 4.2

Gender of the respondents

| Ge    | ender  | Frequency | Percent | Valid   | Cumulative |  |
|-------|--------|-----------|---------|---------|------------|--|
|       |        |           |         | Percent | Percent    |  |
|       |        |           |         |         |            |  |
| Valid | Male   | 90        | 44.1    | 44.1    | 44.1       |  |
|       | Female | 114       | 55.9    | 55.9    | 100.0      |  |
|       | Total  | 204       | 100.0   | 100.0   |            |  |

**Source: Research Data (2021)** 

In establishing the gender of the respondents, the results presented in Table 4.2 revealed that 90 (44.1%) of the respondents were male while 114 (55.9%) of the respondents were female. This implies that there was no gender biasness when collecting data, there was a balanced representation of gender. The findings also imply that majority of the workers at the organization are female.

## 4.3.2 Age of the respondents

The study sought to establish the age of respondents. The findings are illustrated in Table 4.3.

Table 4.3

Age of the respondents

|       |                       | Frequency | Percent | Valid<br>Percent | Cumulative<br>Percent |
|-------|-----------------------|-----------|---------|------------------|-----------------------|
| Valid | 25 Years and<br>Below | 27        | 13.2    | 13.2             | 13.2                  |
|       | 26-35 Years           | 67        | 32.8    | 32.8             | 46.1                  |
|       | 36-45 Years           | 66        | 32.4    | 32.4             | 78.4                  |
|       | 46-55 Years           | 32        | 15.7    | 15.7             | 94.1                  |
|       | 55 Years and<br>Above | 12        | 5.9     | 5.9              | 100.0                 |
|       | Total                 | 204       | 100.0   | 100.0            |                       |

Source: Research Data (2021)

The results on the age of respondents presented in table 4.3 indicate that 27 (13.2%) of the respondents were employees below the age 25 years. 67 (32.8%) of the employees were between the ages of 26-35 years, 66 (32.4%) employees were between 36-45 years while 32 (15.7%) were between 46-55 years and 12 (5.9%) were above 55 years of age. The findings imply that majority of the respondents were between their youthful age which is between 26 and 35 years. This indicates that the respondents were able to understand the influence of HRIS as it is one of the innovative process in the organization.

# 4.3.3 Academic qualification of the respondents

The study sought to establish the highest academic qualification of respondents who were involved in the study. The findings are illustrated in Table 4.4

Table 4.4

Academic qualification of the respondents

|       |                   | Frequency | Percent | Valid<br>Percent | Cumulative<br>Percent |
|-------|-------------------|-----------|---------|------------------|-----------------------|
| Valid | Certificate       | 12        | 5.9     | 5.9              | 5.9                   |
|       | Diploma           | 44        | 21.6    | 21.6             | 27.5                  |
|       | Degree            | 102       | 50.0    | 50.0             | 77.5                  |
|       | Post-<br>Graduate | 46        | 22.5    | 22.5             | 100.0                 |
|       | Total             | 204       | 100.0   | 100.0            |                       |

Source: Research Data (2021)

The results presented in Table 4.4 indicate that 12 (5.9%) of the respondents had obtained a certificate in their studies. 44 (21.6%) of the respondents had obtained a diploma while 102 (50%) of the respondents had a bachelors' degree and 46 (22.5%) had obtained a post graduate degree. These findings reveal that the organization is dependent on a fairly knowledgeable workforce and also that the respondents understood well their responsibility in providing information for this study.

# **4.3.4** Current job position of the respondents

The study sought to establish the current position that the respondent held at the company at the time of conducting the study. The findings are tabulated in Table 4.5.

Table 4.5

Current job position

|       | Job Position         | Frequency | Percent | Valid   | Cumulative |
|-------|----------------------|-----------|---------|---------|------------|
|       |                      |           |         | Percent | Percent    |
| Valid | Management           | 50        | 24.5    | 24.5    | 24.5       |
|       | Non-Management Staff | 154       | 75.5    | 75.5    | 100.0      |
|       | Total                | 204       | 100.0   | 100.0   |            |

The findings from the study indicated that majority of the respondents were non-Management staff, 154 (75.5%) and then the Management 50 (24.5). Despite the different job categories, the respondents had a clear understanding of management processes at the company.

# 4.3.3 Working experience

The study sought to establish the duration that the respondent had worked at the company. The findings are illustrated in Table 4.6.

Table 4.6
Working experience

|       |                | Frequency | Percent | Valid<br>Percent | Cumulative<br>Percent |
|-------|----------------|-----------|---------|------------------|-----------------------|
| Valid | Below 3 Years  | 36        | 17.6    | 17.6             | 17.6                  |
|       | 4-7 years      | 70        | 34.3    | 34.3             | 52.0                  |
|       | 8-11 Years     | 64        | 31.4    | 31.4             | 83.3                  |
|       | Above 12 Years | 34        | 16.7    | 16.7             | 100.0                 |
|       | Total          | 204       | 100.0   | 100.0            |                       |

The study findings indicated that majority of the respondents 70 (34.3%) had worked in the company for a period of 4 to 7 years. 64 (31.4%) of the employees had worked in the company for a period of 8-11 years while 36 (17.6%) had worked for the company for less than 3 years and 34 (16.7%) of the respondents had worked in the company for more than 12 years. From the findings, it can be concluded that the respondents had enough work experience at the company and therefore understood the use of HRIS in the management processes

# **4.4 Descriptive Statistics**

The study used a likert scale to assess the respondents' feedback on the specific objectives which were to assess the relationship between training information system, recruitment information system, performance management information system, human resource self-service information system, human resource planning information system

and management of human capital. The likert scale had weights ranging from 5=strongly agree, 4=agree, 3= neutral, 2=disagree and 1=strongly disagree.

# 4.4.1 Training information system and management of human capital

The study sought to assess the respondents' opinion on the relationship between training Information System in management and management of human capital. The findings are outlined in Table 4.7.

Table 4.7

Descriptive statistics for training information system

| Statement  | N   | Min  | Max  | Mean  | Std. Deviation |
|--|-----|------|------|-------|----------------|
| The company uses training information system to assess the training need analysis  | 204 | 3.00 | 5.00 | 4.250 | 0.667          |
| The use of training information system in the company has led to effective job scheduling  | 204 | 2.00 | 5.00 | 3.985 | 0.839          |
| Use of training information<br>system in the company has<br>led to effective execution of<br>policies                            | 204 | 2.00 | 5.00 | 4.093 | 0.907          |
| Training information system has led to the improvement in planning of training programmes  | 204 | 2.00 | 5.00 | 4.069 | 0.599          |
| The training information<br>system in the company has<br>enhanced employee<br>appraisal processes                                | 204 | 2.00 | 5.00 | 3.946 | 0.831          |
| Implementation of Training information system in the organization enhances the Quality of training programs in the organization. | 204 | 1.00 | 5.00 | 4.117 | 0.803          |
| Valid N (list wise)  | 204 |      |      |       |                |

The study established that majority of the respondents strongly agreed (mean=4.250, Standard deviation=0.667) that the company uses training information system to assess

the training need analysis. The respondents also agreed (mean=3.985; standard deviation =0.839) that the use of training information system in the company has led to effective job scheduling. Further, the respondents were in agreement that use of training information systems in the company has led to effective execution of policies (mean = 4.093; Standard deviation =0.907) and on whether training information system has led to the improvement in planning of training programmes, majority of the respondents agreed to the statement (Mean = 4.068 and Standard deviation = 0.599). When asked whether the training information system in the company has enhanced employee appraisal processes, majority of the respondents agreed (mean = 3.946, standard deviation = 0.831) and finally, majority of the respondents agreed that the implementation of Training information system in the organization enhances the Quality of training programs in the organization (Mean=4.117; Standard deviation =0.803). These results reveal that Training Information System led to efficient Management of Human Capital at the organization. The findings concur with those Mulyo, Sutarto, Siswanto and Shofwan (2019), Asare (2019), Mulegi (2014), Walichio, Amuhaya, and Muchelule, (2018) and Mwangi and Reuben, (2019) who found that E-training had a statistical impact on management of employees

## 4.4.2 Recruitment information system and management of human capital

The researcher sought to assess the respondents' opinion on the relationship between recruitment information system and management of human capital.

Table 4.8

Descriptive statistics for recruitment information system

| Statement   | N   | Min  | Max  | Mean  | Std. Deviation |
|---|-----|------|------|-------|----------------|
| Recruitment information<br>system in the company has<br>led to improved online<br>vacancy advertisement.        | 204 | 1.00 | 5.00 | 4.098 | 0.871          |
| Recruitment information<br>system in the company has<br>contributed to effective<br>employee selection process. | 204 | 2.00 | 5.00 | 4.054 | 0.783          |
| Recruitment information system in the company has enhanced the interview process.                               | 204 | 2.00 | 5.00 | 3.956 | 1.004          |
| The recruitment information system have led to ease of applicant tracking and appointment.                      | 204 | 1.00 | 5.00 | 3.936 | 0.947          |
| Effective recruitment<br>information system in the<br>organization has enhanced<br>efficiency of human capital  | 204 | 1.00 | 5.00 | 4.152 | 0.948          |
| Valid N (list wise)   | 204 |      |      |       |                |

The findings outlined in table 4.8 indicates that majority of the respondents agreed (Mean=4.098; Dev=0.871) that recruitment information system in the company has led to improved online vacancy advertisement. The respondents also agreed (Mean= 4.054;

dev=0.783) that recruitment information system in the company has contributed to effective employee selection process. However, the respondents were neutral (Mean=3.956; dev=1.004) as to whether recruitment information system in the company has enhanced the interview process. Likewise, the respondents were also neutral (mean = 3.937; dev = 0.947) on whether the recruitment information system had led to ease of applicant tracking and appointment. Further, the respondents agreed (mean =4.152; dev = 0.948) that effective recruitment information system in the organization has enhanced efficiency of human capital. The findings indicate that at least all the respondents agreed to the statements relating to recruitment information system thus confirming that Recruitment Information System has a positive influence on management of human capital. These findings concur with those of Arefin and Hosain, (2019), Eckhardt, Laumer, Maier and Weitzel (2014), Samkarpad, (2017) and Gitari (2019) who established a positive relationship between HRIS and management of human capital

# 4.4.3 Performance management information system and management of human capital

The researcher sought to assess the respondents' opinion on the relationship between performance management information system and management of human capital.

Table 4.9

Descriptive statistics for performance management information system

| Statement   | N   | Min  | Max  | Mean  | Std. Deviation |
|---|-----|------|------|-------|----------------|
| Performance management information system has led to effective and efficient appraisal process systems in the company.        | 204 | 2.00 | 5.00 | 3.971 | 0.847          |
| Performance management information system has enabled the employees to track their performance effectively.                   | 204 | 2.00 | 5.00 | 3.838 | 1.016          |
| Performance management<br>information systems have<br>created easy method for<br>employee self-assessment.                    | 204 | 1.00 | 5.00 | 4.029 | 0.931          |
| Performance management<br>information system has<br>contributed to the<br>development of fair and<br>effective reward systems | 204 | 2.00 | 5.00 | 3.892 | 0.956          |
| Performance management<br>information system has<br>improved the training need<br>analysis in the organization                | 204 | 1.00 | 5.00 | 3.941 | 0.924          |
| Valid N (list wise)   | 204 |      |      |       |                |

The findings as outlined in table 4.9 indicate that majority of the respondents were neutral (Mean =3.97; dev=0.847) as to whether performance management information

system has led to effective and efficient appraisal process systems in the company. The respondents were also not decided (mean =3.838; dev =1.016) as to whether performance management information system has enabled the employees to track their performance effectively. The respondents further agreed that (mean=4.029; dev= 0.931) performance management information system have created easy method for employee self-assessment. Equally, the respondents agreed (mean=3.892; dev = 0.956) that performance management information system has contributed to the development of fair and effective reward systems. The respondents agreed (mean=3.941; dev =0.924) that performance management information system has improved the training need analysis in the organization. The findings therefore indicate that Performance Management Information System has an influence on the management of human capital at James Finlay (Kenya) limited. These findings similar to those of Cui, Wu, Lu, Jin, Dai and Bai (2016), Gafarova and Özarı (2019), Mbise (2014) and Nyaga (2018) who established a similar association between the research variables. However, the findings contradict those of Zvavahera (2014) who did establish that PMIS did not have any influence on service delivery.

# 4.4.4 Self-Service information system and management of human capital

The researcher sought to assess the respondents' opinion on the relationship between self-service information system and management of human capital.

Table 4.10

Descriptive statistics for self-service information system

| Statement   | N   | Min  | Max  | Mean  | Std. Deviation |
|---|-----|------|------|-------|----------------|
| Self-service information<br>system has led to employee<br>access to information easily<br>and faster.                                 | 204 | 3.00 | 5.00 | 4.152 | 0.621          |
| There is flexibility in the use of the self-service information system to communicate with management, employees and customers.       | 204 | 2.00 | 5.00 | 4.118 | 0.896          |
| Self-service information system has led to cost management.   | 204 | 2.00 | 5.00 | 3.804 | 0.882          |
| Self-service information<br>systems has enabled the<br>employees to access their<br>personal information at their<br>convenient time. | 204 | 2.00 | 5.00 | 4.181 | 0.813          |
| Effectiveness of Self-service information system has contributed to employee effective service delivery in the organization.          | 204 | 1.00 | 5.00 | 3.868 | 0.934          |
| Valid N (list wise)   | 204 |      |      |       |                |

From the findings, the respondents agreed (mean=4.152; dev=0.621) that Self-service information system has led to employee access to information easily and faster. The respondents also agreed (mean = 4.117; dev = 0.896) that there was flexibility in the use

of the self-service information system to communicate with management, employees and customers. Moreover, the respondents were neutral (mean =3.803; dev =0.882) on whether Self-service information system has led to cost management. When asked on whether self-service information system have enabled the employees to access their personal information at their convenient time, majority of the respondents agreed (mean=4.181; dev=0.813) and were neutral (mean=3.867; dev=0.934) as to whether Effectiveness of Self-service information system has contributed to employee effective service delivery in the organization. These findings are supported by the findings of Snicker (2013), Margatama (2017) and Mugo (2017) who equally established a positive relationship between the research variables.

# 4.4.5 Human resource planning information system and management of human capital

The researcher sought to assess the respondents' opinion on the relationship between human resource planning information system and management of human capital.

Table 4.11

Descriptive statistics for human resource planning information system

| Statement   | N   | Min  | Max  | Mean  | Std. Deviation |
|---|-----|------|------|-------|----------------|
| Effective human resource planning information system has improved records management in the company.                                      | 204 | 3.00 | 5.00 | 4.274 | 0.675          |
| Implementation of human resource planning information systems has improved job analysis in the company                                    | 204 | 2.00 | 5.00 | 3.960 | 0.841          |
| Human resource planning information system has contributed to fair distribution of resource by the management.                            | 204 | 1.00 | 5.00 | 4.152 | 0.947          |
| Human resource planning information system has contributed to the development of effective job evaluation systems and optimum supervision | 204 | 2.00 | 5.00 | 3.951 | 0.886          |
| Valid N (list wise)   | 204 |      |      |       |                |

From the findings, majority of the respondents agreed (mean =4.274; dev =0.675) that human resource planning information system has improved records management in the company. Majority of the respondents were neutral (mean=3.960; dev =0.841) that

Implementation of human resource planning information system has improved job analysis in the company. The respondents also agreed (Mean=4.152; dev=0.947) that human resource planning information system has contributed to fair distribution of resources by the management and finally, majority of the respondents agreed (mean =3.951; dev = 0.886) that human resource planning information system has contributed to the development of effective job evaluation systems and optimum supervision. All the preposition indicated that the respondents agreed on the influence of human resource planning information system. Therefore, human resource planning information system has an influence of management of human capital. The findings are supported by those of Khera and Gulati (2012), Nagendra and Deshpande (2014), Srinivas and Raj (2018) and Kakuru (2016). However, the findings contradicted those of Njeje, Chepkilot and Ochieng (2018) who indicated that electronic human resource planning did not show any significant relationship with the efficiency of the organization

# 4.4.6 Management of human capital

The researcher sought to assess the respondents' opinion on the relationship between human resource information system and management of human capital.

Table 4.12

Descriptive Statistics for Management of Human Capital

| Statement   | N   | Minimum | Maximum | Mean  | Std. Deviation |
|---|-----|---------|---------|-------|----------------|
| Efficient management of human capital has led to employee efficiency.                 | 204 | 3.00    | 5.00    | 4.250 | 0.794          |
| Efficient management of human capital has contributed to improved employee retention. | 204 | 1.00    | 5.00    | 3.735 | 1.13976        |
| Efficient management of human capital has led to quality service delivery.            | 204 | 2.00    | 5.00    | 4.019 | 0.893          |
| Efficient management of human capital has led to employee job satisfaction            | 204 | 1.00    | 5.00    | 4.044 | 0.963          |
| Efficient management of human capital has led to optimum manning levels               | 204 | 2.00    | 5.00    | 3.936 | 0.931          |
| Valid N (list wise)   | 204 |         |         |       |                |

The findings indicated that majority of the respondents strongly agreed (Mean=4.250; dev =0.794) that Efficient management of human capital has led to employee efficiency. The respondents were neutral (mean =3.735; dev=1.139) that efficient management of human capital has contributed to improved employee retention. Further, the respondents agreed (mean=4.019; dev=0.893) that efficient management of human capital has led to quality service delivery. The respondents also agreed (mean=4.044; dev = 0.963) that

efficient management of human capital has led to employee job satisfaction. However, majority of the respondents were neutral (mean = 3.936; dev = 0.931) as to whether efficient management of human capital has led to optimum manning levels. Gafarova and Özarı (2019), Margatama (2017) and Kakuru (2016) also established that HRIS had a positive statistical relationship with management of human capital.

#### 4.5 Inferential Statistics

The study adopted inferential analysis to assess the relationship between the independent and dependent variables. The study used Pearson correlation coefficients to determine the direction and strength of the relationship while multiple regression model was used to establish the relationship by predicting the variation of the dependent variable (management of human capital) from independent variable.

# 4.5.1 Correlation analysis

The study sought to examine the relationship between each independent variable and the dependent variable.

Table 4.13

Correlation coefficient

|                                   |                                    | Training<br>Informati<br>on<br>System | Recruit<br>ment<br>Inform<br>ation<br>System | Perfor<br>mance<br>Manage<br>ment<br>Informa<br>tion | Self-<br>Servic<br>e<br>Inform<br>ation<br>Syste | Human<br>Resource<br>Planning<br>Informat<br>ion<br>System | Manageme<br>nt of<br>Human<br>Capital |
|-----------------------------------|------------------------------------|---------------------------------------|--|--|--|--|---------------------------------------|
|                                   |                                    |                                       | # 0 O **                                     | System   | m  | **   | 0 4-4*                                |
| Training<br>Information           | Pearson<br>Correlation             | 1                                     | .598**                                       | .574**   | .638**   | .552**   | 0.474**                               |
| System                            | Sig. (2-<br>tailed)                |                                       | .000   | .000   | .000   | .000   | 0.000                                 |
|                                   | N                                  | 204                                   | 204  | 204  | 204  | 204  | 204                                   |
| Recruitment<br>Information        | Pearson<br>Correlation             |                                       | 1  | .702**   | .682**   | .547**   | 0.527**                               |
| System                            | Sig. (2-<br>tailed)                |                                       |  | .000   | .000   | .000   | 0.000                                 |
|                                   | N                                  |                                       | 204  | 204  | 204  | 204  | 204                                   |
| Performance<br>Management         | Pearson<br>Correlation             |                                       |  | 1  | .729**   | .579**   | 0.499**                               |
| Information<br>System             | Sig. (2-tailed)                    |                                       |  |  | .000   | .000   | 0.000                                 |
| •                                 | N                                  |                                       |  | 204  | 204  | 204  | 204                                   |
| Self-Service<br>Information       | Pearson<br>Correlation             |                                       |  |  | 1  | .564**   | 0.632**                               |
| System                            | Sig. (2-<br>tailed)                |                                       |  |  |  | .000   | 0.000                                 |
|                                   | N                                  |                                       |  |  | 204  | 204  | 204                                   |
| Human<br>Resource                 | Pearson<br>Correlation             |                                       |  |  |  | 1  | 0.602**                               |
| Planning<br>Information           | Sig. (2-                           |                                       |  |  |  |  | 0.000                                 |
| System                            | tailed)<br>N                       |                                       |  |  |  | 204  | 204                                   |
| Management<br>of Human<br>Capital | Pearson<br>Correlation<br>Sig. (2- |                                       |  |  |  |  | 1                                     |
| Supriur                           | tailed)<br>N                       |                                       |  |  |  |  | 204                                   |
| **. Correlation                   | is significant at the              | he 0.01 level (2                      | 2-tailed).                                   |  |  |  |                                       |

The findings outlined in table 4.13 indicate that there is a positive statistical relationship between training information system and management of human capital which is positive

and significant (r=0.474; p<0.01). The study also established a positive significant relationship between recruitment information system (r=0.527; p<0.01), performance management information system (r=0.499; p<0.01), self-service information system (r=0.632; p<0.01) and human resource planning information system (r=0.602; p<0.01). These findings indicate that HRIS practices under study positively influenced management of human capital. These findings are supported by Mulyo, et al., (2019) who established a positive correlation between E-Training model and its Enhancement of PAUD-DIKMAS Educators Professional Competence in Indonesia. Asare (2019) established a positive correlation between information system training and performance of employees in cocoa research institute in Ghana. Mulegi (2014) found a positive effect of human resource information system on performance of Tanzania Revenue Authority. Arefin and Hosain, (2019) on influence of job analysis, recruitment and selection, performance appraisal and communication on profitability of the pharmaceutical firms and Gitari (2019) who established a positive relationship between recruitment and selection information system and performance of listed companies in Nairobi stock exchange.

# 4.5.2 Regression analysis

The study sought to examine the estimate relationship between HRIS and management of human capital through regression analysis.

Table 4.14

Multiple regression model

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | 0.873 | 0.762    | 0.734             | 0.57276                    |

a. Predictors: (Constant), Training Information System, Recruitment Information System, Performance Management Information System, Self-Service Information System, Human Resource Planning Information System, Management of Human Capital

The study findings established a correlation coefficient (R=0.873). This is an indication the independent variables are good predictors of the dependent variable. The proportion of variance is indicated by the coefficient of determination ( $R^2=0.762$ ) which can be explained by the independent variables as accounted by the regression model. This implies that 76.2% variability was due to the independent variables while 23.8% was due to other factors not under study. Thus, there is a strong relationship between training information system, recruitment information system, performance management information system, self-service information system, human resource planning information system and management of human capital.

#### **4.5.3 ANOVA**

Training Information System, Recruitment Information System, Performance Management Information System, Self-Service Information System, Human Resource Planning Information System, Management of Human Capital.

b. Dependent Variable: Management of Human Capital

Table 4.15

Analysis of Variance

| Mode | el         | Sum of  | df  | Mean Square | F      | Sig.        |
|------|------------|---------|-----|-------------|--------|-------------|
|      |            | Squares |     |             |        |             |
| 1    | Regression | 63.563  | 5   | 12.713      | 38.751 | $0.000^{b}$ |
|      | Residual   | 64.955  | 198 | 0.328       |        |             |
|      | Total      | 128.518 | 203 |             |        |             |

a. Dependent Variable: Management of Human Capital

Analysis of variance was carried out to examine whether the regression model was a good fit for the collected data. The findings established that there was a significant statistical relationship between the independent and dependent variable, F (5,198) = 30.751, p<0.05. This confirms that the regression model was a good fit for the obtained data. Analysis of variance results reveal that training information system, recruitment information system, performance management information system, self-service information system and human resource planning information system had an influence on management of human capital. Therefore, this calls for an emphasis by the management to ensure that the tested variables are well implemented.

**b.** Predictors: (Constant), Training Information System, Recruitment Information System, Performance Management Information System, Self-Service Information System, Human Resource Planning Information System, Management of Human Capital

Table 4.16

Regression Coefficient

| Model            | Unstanda<br>Coeffic |       | Standardized<br>Coefficients | G     |       |           | nearity<br>istics |  |
|------------------|---------------------|-------|------------------------------|-------|-------|-----------|-------------------|--|
|                  | В                   | Std.  | Beta                         |       |       | Tolerance | VIF               |  |
|                  |                     | Error |                              |       |       |           |                   |  |
| 1 (Constant)     | 0.578               | 0.345 |                              | 1.677 | 0.035 |           |                   |  |
| Training I.S     | 0.414               | 0.103 | 0.409                        | 4.019 | 0.000 | 0.516     | 1.937             |  |
| Recruitment I.S  | 0.518               | 0.092 | 0.511                        | 5.636 | 0.000 | 0.431     | 2.319             |  |
| Performance      | 0.487               | 0.099 | 0.446                        | 4.919 | 0.000 | 0.379     | 2.638             |  |
| Management       |                     |       |                              |       |       |           |                   |  |
| I.S              |                     |       |                              |       |       |           |                   |  |
| Self-service I.S | 0.589               | 0.097 | 0.512                        | 6.072 | 0.000 | 0.472     | 2.118             |  |
| Human            | 0.532               | 0.091 | 0.514                        | 5.846 | 0.000 | 0.579     | 1.727             |  |
| resource         |                     |       |                              |       |       |           |                   |  |
| planning         |                     |       |                              |       |       |           |                   |  |

a. Dependent Variable: mean- Management of Human Capital

The regression analysis indicates that management of human capital can be predicated by training information system, recruitment information system, performance management information system, self-service information system and human resource planning information system. The coefficients from table 4.16 indicate that the independent variables significantly contribute to the model at 0.05 level of significance.

To explain the regression analysis; the regression function

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

was used whereby,

Y = Human Capital Management

 $\beta 0$ = constant

 $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$ ,  $\beta_5$ = Coefficients for Independent variables namely: -

 $X_1$  = Training Information System

 $X_2$  = Recruitment Information System

 $X_3$  = Performance Management Information System

 $X_4 = Self$  -Service Information System

 $X_5$  = Human Resource Planning Information System

 $\varepsilon = \text{error term}$ 

The findings from the regression model were interpreted as

 $Y=0.578+0.4094X_1+0.511X_2+0.446X_3+0.512X_4+0.514X_5$ 

This means that when all the study variables are kept constant, a unit increase of Training Information System causes an increase of 0.409 in management of human capital while a unit increase in Recruitment Information System causes an increase of 0.511 on management of human capital and a unit increase in Performance Management Information System causes a 0.446 increase in management of human capital. In addition, a unit increase of Self -Service Information System and Human Resource Planning Information System causes an increase of 0.512 and 0.514 respectively.

# **4.6 Testing of Hypotheses**

The study tested the following hypotheses;

**H**<sub>01</sub>: There is no significant relationship between training information system and management of human capital at James Finlay (Kenya) limited. The study established a statistical relationship between Training information system and management of human capital ( $\beta$  =0.409; p=0.000<0.05). Therefore, the null hypothesis was rejected and the

alternative hypothesis that there is a significant relationship between Training information and effective management of human capital adopted.

 $H_{02}$  There is no significant relationship between recruitment information system and management of human capital at James Finlay (Kenya) limited. The study established a statistical relationship between Recruitment information system and management of human capital β =0.511; p=0.000<0.05). Therefore, the null hypothesis was rejected and the alternative hypothesis that there is a significant relationship between Recruitment information system and effective management of human capital adopted.

H<sub>03</sub> There is no significant relationship between performance management information system and management of human capital at James Finlay (Kenya) limited. The study established a statistical relationship between Performance management information system and management of human capital ( $\beta$  =0.446; p=0.000<0.05). Therefore, the null hypothesis was rejected and the alternative hypothesis that there is a significant relationship between Performance management information system and effective management of human capital adopted.

 $H_{04}$  There is no significant relationship between self-service information system and management of human capital at James Finlay (Kenya) limited. The study established a statistical relationship between Self-service information system and management of human capital ( $\beta$  =0.512; p=0.000<0.05). Therefore, the null hypothesis was rejected and the alternative hypothesis that there is a significant relationship between Self-service information system and effective management of human capital adopted.

Hos There is no significant relationship between human resource planning information system and management of human capital at James Finlay (Kenya) limited. The study established a statistical relationship between Human resource planning information system and management of human capital ( $\beta$  =0.514; p=0.000<0.05). Therefore, the null hypothesis was rejected and the alternative hypothesis that there is a significant relationship between Human resource planning information system and management of human capital adopted.

#### **CHAPTER FIVE**

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

The chapter presents the summary of the findings, conclusion, recommendations and suggestion for further studies

# **5.2 Summary**

The study adopted a cross sectional research design to assess the relationship between human resource information system and management of human capital at James Finlay (Kenya) limited. The target population for the study was comprised of all the employees, Management and non-management, of James Finlay (Kenya) limited. Data was collected through structured questionnaire out of which 204 questionnaires were collected from 213 questionnaires that were issued. The findings are summarized objective wise below: -

# 5.2.1 Training information system and management of human capital

The study established that James Finlay uses training information system to assess the training need analysis. The use of training information system in the company was found to have led to effective execution of policies, improvement in planning of training programmes and enhances the quality of training programs in the organization. However, use of training information system and management was found to have some influence on effective job scheduling and employee appraisal systems. Training information system was found to have a positive statistical relationship with management of human capital.

#### 5.2.2 Recruitment information system and management of human capital

The study found that recruitment information system at James Finlay had led to improved online vacancy advertisement and employee selection process. The use of Recruitment Information System also was found to have an average influence of the interview process and the ease of applicant tracking and appointment. However, effective recruitment information system in the organization had a positive statistical relationship with management of human capital.

# 5.2.3 Performance management information system and management of human capital

The study established that performance management information system at the company has led to effective and efficient appraisal process systems. It was also revealed that performance management information system had enabled the employees to track their performance effectively and had also created an easy method for employee self-assessment. The respondents further strongly agreed that the performance management information system had created an easy method for employee self-assessment and also contributed to the development of fair and effective reward systems. Performance Management Information System had a positive statistical relationship with management of human capital.

# 5.2.4 Self-Service information system and management of human capital

The findings indicated that employees at James Finlay used self-service information system to access information easily and faster. The findings also established that there was flexibility in the use of self-service information systems to communicate with management, employees and customers. The systems also enabled the employees to access their personal information at their convenient time. However, the respondents were not in agreement whether Self-service information system led to cost management. The study also revealed that effectiveness of Self-service information system has contributed to employee effective service delivery in the organization. Self-service information system was found to have a positive statistical relationship with management of human capital.

# 5.2.5 Human resource planning information system and management of human capital

The study established that effective human resource planning information system had improved records management in the company. The systems had also significantly improved job analysis and distribution of resource by the management. In addition, human resource planning information system was found to have contributed to the development of effective job evaluation systems and optimum supervision. Human Resource Planning Information System was found to have a positive statistical relationship with management of human capital.

#### 5.3 Conclusion

On Training Information System, the study found that the company used training information system to assess training needs of employees and that led to enhanced effective job scheduling, effective execution of policies, improvement in planning of training programs and enhanced employee appraisal systems. The study further revealed

that efficient implementation and use of training information system in the organization could enhance training programs in the company.

On Recruitment Information System, the study found that James Finlay (Kenya) limited had implemented recruitment information system. There was efficient use of the system at the company and this led to improved online vacancy advertisement. The system was also responsible to the effective employee selection process. However, the systems were not effective in carrying out interviews to potential employees and it was also difficult to track job applications online using the system. In conclusion it was established that effective use of recruitment information system in the organization led to enhanced human capital.

On Performance Management Information System, the study found that the company used PMIS in its operations. The use of PMIS in the company was responsible for improved appraisal processes. Employees were also able to track their performance online and it created an easy method for employee self-assessment. In addition, the system led to development of an effective reward system that led to improved employee motivation and hence improved performance.

On Self-Service Information System, the study established that use of SSIS in the company led to improved access to information. The employees also used the systems to efficiently communicate with management, employees and customers. In addition, the systems enabled employees to easily and conveniently access their personal information and also to deliver services effectively to the clients.

#### **5.4 Recommendations**

The study recommended that training information systems should be enhanced to ensure efficiency in job scheduling process. The system should also enhance employee appraisal system as this will enable the management to identify areas of improvement in employee training and development.

The study recommended that the company should improve the recruitment information system so as to enhance the interview process. It should also make an improvement on the system to allow efficiency in tracking of job application and appointment process.

On performance management information systems, the study recommended that the system is improved employee self-assessment. In addition, the system should be able to ensure fair and effective reward system. This will lead to improved employee motivation and performance.

Self-service information system in the company should also be improved to ensure efficiency and effectiveness in service delivery. The company should also use the system to manage the cost of operations in the company.

Finally, the study recommended that for effective human resource planning system at the company, management should develop an effective job evaluation system for optimum supervision.

#### 5.5 Suggestions for Further Research

The study analyzed five major components of human resource information systems which were believed to have a significant relationship with management of human capital. Further studies can be done by incorporating more other components (Variables).

The targeted population of the study was James Finlay's limited which is one of the multinational tea processing companies in Kericho county. Further studies can be undertaken by involving other tea processing companies especially those managed by Kenya Tea Development Agency. Finally, a similar study could be conducted using different research design in the same area or different areas.

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#### **APPENDICES**

# APPENDIX I: LETTER TO RESPONDENTS

Robert Koech

University of Kabianga

Po Box 2030-20200

Kericho

Dear Respondents:

# **RE: INTENT TO COLLECT DATA**

Attached herewith is a questionnaire to gather data and for my research work titled: "Relationship Between Human Resource Information System and Management of Human Capital at James Finlay (Kenya) limited". In this connection, I request for your kind support and consideration by answering every question included in this questionnaire. Rest assured that any information you give will be treated with outmost confidentiality.

Thank you very much for sharing your precious time and effort.

Respectfully yours,

Robert Koech

# APPENDIX II: QUESTIONNAIRE

# **INSTRUCTIONS**

Please complete the questionnaire to the best of your knowledge by putting a tick ( $\sqrt{}$ ) against your choice of response.

**SECTION A** 

| 1. | Respondent's gender            | Male     | [ ]      |                 | Female         | [ ]    |   |
|----|--------------------------------|----------|----------|-----------------|----------------|--------|---|
| 2. | Age of the respondent          | 25 and   | below    | years [ ]       | 26 to 35 years | s [    | ] |
|    | 36 to 45 years [ ] 46 to 5     | 55 years | []       | 55 and above    | years [ ]      |        |   |
| 3. | Highest academic qualification | Certifi  | cate [   | ]Diploma [ ]    | Bachelor's de  | gree [ | ] |
|    | Post graduate degree [ ]       |          |          |                 |                |        |   |
| 4. | Job position                   |          |          |                 |                |        |   |
|    | Management [ ] Staff [ ]       |          |          |                 |                |        |   |
| 5. | How long have you worked for J | James F  | inlay (] | Kenya) limited? |                |        |   |

0 to 3 years [ ] 4 to 7 years [ ] 8 to 11 years [ ] 12 and above years

[ ]

# **SECTION B**

Please tick inside the appropriate box to indicate the extent of your view with the following statements with regard to the relationship between human resource information system and management of human capital. Use the key provided.

# **Training Information System and Management of Human Capital**

| No  | Statement   | 5    | 4          | 3   | 2          | 1    |
|-----|---|------|------------|-----|------------|------|
|     |   | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 6.  | The company conducts training need analysis to      |      |            |     |            |      |
|     | establish the effectiveness of training information |      |            |     |            |      |
|     | system in management of human capital               |      |            |     |            |      |
| 7.  | Training information system in management of        |      |            |     |            |      |
|     | human capital has led to effective scheduling       |      |            |     |            |      |
| 8.  | The training information systems have led to        |      |            |     |            |      |
|     | effective execution of plans, action and orders.    |      |            |     |            |      |
| 9.  | The training information systems has led to         |      |            |     |            |      |
|     | effective scheduling of training programmes         |      |            |     |            |      |
| 10. | The training information systems have led to        |      |            |     |            |      |
|     | improved employee evaluation.                       |      |            |     |            |      |
| 11. | Implementation of Training information system in    |      |            |     |            |      |
|     | the organization enhances the Quality of training   |      |            |     |            |      |
|     | programs in the organization.                       |      |            |     |            |      |
|     |   |      |            |     |            |      |

# **Recruitment Information System and Management of Human Capital**

| No  | Statement   | 5    | 4          | 3   | 2          | 1    |
|-----|---|------|------------|-----|------------|------|
|     |   | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 12. | Recruitment information system leads to effective |      |            |     |            |      |
|     | online vacancy advertisement.                     |      |            |     |            |      |
| 13. | Recruitment information systems contribute to     |      |            |     |            |      |
|     | effective employee selection process.             |      |            |     |            |      |
| 14. | Recruitment information system leads to effective |      |            |     |            |      |
|     | interview process.                                |      |            |     |            |      |
| 15. | The recruitment information systems have led to   |      |            |     |            |      |
|     | ease of applicant tracking and appointment.       |      |            |     |            |      |
| 16. | Effective recruitment information system in the   |      |            |     |            |      |
|     | organization has enhanced efficiency of human     |      |            |     |            |      |
|     | capital   |      |            |     |            |      |

# Performance Management Information System and Management of Human Capital

| No  | Statement  | 5    | 4          | 3   | 2          | 1    |
|-----|--|------|------------|-----|------------|------|
|     |  | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 17. | Performance management information system has    |      |            |     |            |      |
|     | led to effective and efficient appraisal process |      |            |     |            |      |
|     | systems in the company.                          |      |            |     |            |      |
| 18. | Performance management information system has    |      |            |     |            |      |
|     | enabled the employees to track their performance |      |            |     |            |      |
|     | effectively.                                     |      |            |     |            |      |
| 19. | Performance management information systems       |      |            |     |            |      |
|     | have created easy method for employee self-      |      |            |     |            |      |
|     | assessment.                                      |      |            |     |            |      |
| 20. | Performance management information system has    |      |            |     |            |      |
|     | contributed to the development of fair and       |      |            |     |            |      |
|     | effective reward systems.                        |      |            |     |            |      |

| 21. | Performance management information system has |  |
|-----|---|--|
|     | improved the training need analysis in the    |  |
|     | organization                                  |  |

# Self-Service Information System and Management of Human Capital

| No  | Statement   | 5    | 4          | 3   | 2          | 1    |
|-----|---|------|------------|-----|------------|------|
|     |   | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 22. | Self-service information system has led to employee |      |            |     |            |      |
|     | to access information easily and faster.            |      |            |     |            |      |
| 23. | There is flexibility in the use of the self-service |      |            |     |            |      |
|     | information systems to communicate with             |      |            |     |            |      |
|     | management, employees and customers.                |      |            |     |            |      |
| 24. | Self-service information system has led to cost     |      |            |     |            |      |
|     | management.   |      |            |     |            |      |
| 25. | Self-service information systems has enabled the    |      |            |     |            |      |
|     | employees to access their personal information at   |      |            |     |            |      |
|     | their convenient time.                              |      |            |     |            |      |
| 26. | Effectiveness of Self-service information system    |      |            |     |            |      |
|     | has contributed to employee effective service       |      |            |     |            |      |
|     | delivery in the organization.                       |      |            |     |            |      |

# **Human Resource Planning Information System and Management of Human Capital**

| No  | Statement  | 5    | 4          | 3   | 2          | 1    |
|-----|--|------|------------|-----|------------|------|
|     |  | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 27. | Effective human resource planning information system has contributed to efficient records management in the company.                         |      |            |     |            |      |
| 28. | The use of the human resource planning information systems has led to effective job analysis exercise  |      |            |     |            |      |
| 29. | Human resource planning information system has contributed to fair distribution of resource by the management.                               |      |            |     |            |      |
| 30. | Human resource planning information system has contributed to the development of effective job evaluation systems and optimum manning levels |      |            |     |            |      |

# **Management of Human Capital**

| No  | Statement  | 5    | 4          | 3   | 2          | 1    |
|-----|--|------|------------|-----|------------|------|
|     |  | (SA) | <b>(A)</b> | (N) | <b>(D)</b> | (SD) |
| 31. | Efficient management of human capital has led to |      |            |     |            |      |
|     | employee efficiency.                             |      |            |     |            |      |
| 32. | Efficient management of human capital has        |      |            |     |            |      |
|     | contributed to low employee turnover.            |      |            |     |            |      |
| 33. | Efficient management of human capital has led to |      |            |     |            |      |
|     | effective and efficient Service delivery.        |      |            |     |            |      |
| 34. | Efficient management of human capital has led to |      |            |     |            |      |
|     | employee job satisfaction                        |      |            |     |            |      |
| 35. | Efficient management of human capital has led to |      |            |     |            |      |
|     | optimum manning levels                           |      |            |     |            |      |

| End |
|-----|
|-----|

# APPENDIX III: CLEARANCE TO COMMENCE FIELD WORK



# UNIVERSITY OF KABIANGA ISO 9001:2015 CERTIFIED

Date: 11TH JUNE, 2021

#### OFFICE OF THE DIRECTOR, BOARD OF GRADUATE STUDIES

**REF: MBA/A/013/18** 

Robert Kiplangat Koech, MMT&H, University of Kabianga, P.O Box 2030- 20200, KERICHO.

Dear Mr. Koech,

#### RE: CLEARANCE TO COMMENCE FIELD WORK

I am glad to inform you that the Board of Graduate Studies during its meeting on 19<sup>th</sup> May 2021 approved your research proposal entitled "Effectiveness of Human Resource Information System in Management of Human Capital: A Case of James Finlay Kenya Limited Kericho".

I am also acknowledging receipt of your corrected proposal via email and hard copies. You are now free to commence your field work on condition that you obtain a research permit from NACOSTI.

Please note that, you are expected to publish at least one (1) paper in a peer reviewed journal before final examination (oral defense) of your Masters thesis.

Thank you.

Yours Sincerely,

Prof. J. K. Kibett

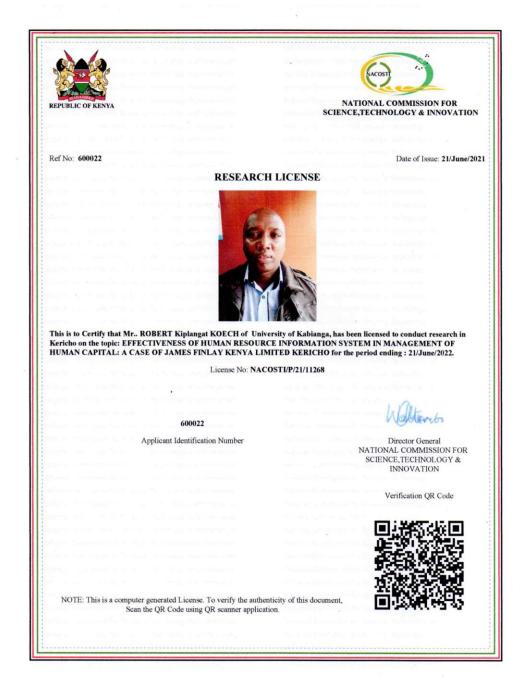
**DIRECTOR, BOARD OF GRADUATE STUDIES.** 

cc 1. Dean, SBE

2. HOD, MMT&H

3. Supervisors

# APPENDIX IV: RESEARCH PERMIT FROM NACOSTI



# APPENDIX V: CLEARANCE TO COMMENCE FIELD WORK FROM

# MINISTRY OF EDUCATION



Ref: No.KER/C/ED/GC/2/VOL.II/103

22<sup>nd</sup> JUNE 2021

#### TO WHOM IT MAY CONCERN.

# RE: RESEARCH AUTHORIZATION: ROBERT KIPLANGAT KOECH LICENCE NO.NACOSTI/P/21/11268.

I refer to the Director General NACOSTI Letter Ref: No. 600022 dated 21<sup>ST</sup> JUNE 2021 granting the above student authority to proceed for field work. His area of study is titled: "EFFECTIVENESS OF HUMAN RESOURCE INFORMATION SYSTEM IN MANAGEMENT OF HUMAN CAPITAL: ACASE OF JAMES FINLAY KENYA LIMITED KERICHO". for the period ending 21st June 2022.

This is to request your office to accord him the necessary support during the data collection process.

Thank you.

P.O. BOX 149 - 20200, KERICHO.

FOR COUNTY DIRECTOR OF EDUCATION
KERICHO COUNTY

2 2 JUN 2021

ROSE K SAGARA
COUNTY DIRECTOR OF EDUCATION
KERICHO COUNTY.

# APPENDIX VI: AUTHORIZATION TO COMMENCE FIELD WORK AT THE COUNTY GOVERNMENT OF KERICHO

# REPUBLIC OF KENYA



# COUNTY GOVERNMENT OF KERICHO OFFICE OF THE GOVERNOR

P. O. Box 112 - 20200 KERICHO Ref: KEC/CS/PSM/VOL.III (2)

Email: info@kericho.go.ke Date: 28th June, 2021

# TO WHOM IT MAY CONCERN

Mr. Robert Kiplangat Koech Licence No. Nacosti/P/21/11268

# RE; AUTHORIZATION TO COMMENCE FIELD WORK AT THE COUNTY GOVERNMENT OF KERICHO

The above named person is hereby authorized to conduct his related research within the departments of the County Government of Kericho.

His area of study is titled "Effectiveness of Human Resource Information system in Management of Human Capital".

Kindly accord him any necessary assistance.

COUNTY SECRETARY
THE COUNTY GOVERNMENT OF KERICHO

28 JUN 2921

P. O. Box 112-20200,
KERICHO-KENYA



COUNTY SECRETARY AND HEAD OF COUNTY PUBLIC SERVICE

# APPENDIX VII: LOCATION OF THE STUDY

