

**PERCEPTION OF EFFECTIVENESS OF HUMAN RESOURCES INFORMATION  
SYSTEM BY BRANCH MANAGERS IN KENYA COMMERCIAL BANK LTD, KENYA**

**SHIKUTWA CHRISTINE ATSANGA**

**A Management Research Project Submitted in Partial Fulfillment of the Requirement  
for the Award of the Degree of Master of Business Administration, School of Business**

**University of Nairobi**

**NOVEMBER, 2013**

## DECLARATION

I, the undersigned, declare that this project is my original work and that it has not been presented in any other university or institution for academic credit.

Signature.....

Date.....

SHIKUTWA CHRISTINE ATSANGA

ADM. NO.: D61/73645/2009

This project has been submitted for examination with my approval as university supervisor.

Signature.....

Date.....

MR. GEORGE OMONDI

Lecturer

University of Nairobi

School of Business

## **ACKNOWLEDGEMENTS**

First and foremost I would like to thank the Almighty God for making all things possible for me through this programme. My sincere thanks go to my supervisor Mr. George Omondi for guiding and challenging me from conceptualization of the subject matter to completion of the report.

Special thanks go to my entire family. Their support, patience and encouragement during the entire period of the study were invaluable. I would like to express my gratitude to my classmates and all those who gave me the possibility to complete this project.

God be with you all.

## **DEDICATION**

I dedicate this project to my parents Mr. & Mrs. Festus Shikutwa, husband Paul Asunda, my daughter Anele Asunda, my niece Laura Opande, and my entire family for their genuine support and encouragement.

You have always believed in me.

## **ABSTRACT**

Perception is the process by which individuals organize and interpret their sensory impression in order to give meaning to their environment (Robbins & Judge, 2011). Perception leads to decision making and action taking, at the most basic level, the decision to act or not to act, and this depends on how an individual develops motivation. The objective of the study was to determine the perception of effectiveness of human resource management information system by branch managers in Kenya Commercial Bank Ltd. The target population consisted of all the 155 Branch Managers of Kenya Commercial Bank countrywide. The study sampled 100 respondents. Primary data was obtained using a semi structured questionnaire. Descriptive statistics was used to analyze the data. It was assumed the data analysis that the results obtained were quite representative for the general population considering the sample size, The study found that human resource management information enhanced information quality in Kenya Commercial Bank, The study revealed that branch managers support the functions of the human resource management information system in Kenya Commercial Bank Ltd The branch managers agreed the adoption of the system was a success. The study recommends that commercial banks should adopt the human resource management information system and conduct more training, as it was found to give current and quality information critical for decision making. The study recommends that future researchers should perform a longitudinal study to check the trends in adoption of a successful human resource management information system by commercial banks in Kenya. This is because this study was done in one period of time.

## TABLE OF CONTENTS

DECLARATION .....	ii
ACKNOWLEDGEMENTS .....	iii
DEDICATION .....	iv
ABSTRACT .....	v
LIST OF FIGURES .....	ix
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background.....	1
1.1.1 Concept of Perception.....	2
1.1.2 Concept of Effectiveness of Human Resource Management Information System.....	3
1.1.3 Kenya Commercial Bank, Kenya .....	6
1.2 Research Problem .....	7
1.3 Research Objective .....	8
1.4 Value of the study .....	8
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>10</b>
2.1 Introduction.....	10
2.2 Management Information Systems .....	10
2.3 Human Resource Management .....	11
2.4 Human Resource Management Information Systems.....	12
2.5 Measures of an Effective Human Resource Management Information System.....	14

<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>17</b>
3.1 Introduction.....	17
3.2 Research Design.....	17
3.2 Population .....	17
3.3 Sample.....	17
3.4 Data collection .....	18
3.5 Data Analysis .....	18
<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION .....</b>	<b>19</b>
4.1 Introduction.....	19
4.2 Response rate .....	19
4.3 Demographic Characteristics .....	19
4.3.1 Gender.....	19
4.3.4 Highest level of education .....	21
4.4 Effectiveness of Human Resource Management Information System .....	22
4.4.1 System Quality.....	22
4.4.2 Information System Success .....	22
4.4.3 Information Usefulness .....	23
4.4.4 System User Satisfaction .....	24
4.4.5 EASE USE OF THE SYSTEM .....	24
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>26</b>
5.1 Introduction.....	26

5.2 Summary .....	26
5.3 Conclusion .....	27
5.3 Recommendations.....	28
5.4 Suggestions for further study .....	28
REFERENCES .....	29
Appendix 1: Questionnaire .....	37



## LIST OF FIGURES

Figure 4.1. Age of the respondents .....	20
Figure 4.2.Length of Service .....	21

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

There is a global perception that human resource is a key business partner to realization of organizational strategic goals (Storey,2004). In contemporary society, corporations consistently advance the value of human assets in their own organizations for monitoring their competitiveness (Tahssain & Zgheib, 2011). Human resource managers should comprehend how their decisions contribute to business surplus incorporating human competence and performance to the organization; this can only be achieved with an effective human resource management information system (Lengnick-Hall & Moritz, 2003).In today's organizations human resource management is considered as one of the key aspects of business growth (Wilson2002).

The last decade has seen a significant increase in the number of organizations gathering, storing and analyzing human resources data using human resource information systems (Ball, 2001; Barron et al., 2004; Hussain et al., 2007; Ngai et al., 2006). Organizations must treat information as any other resource or an asset. The information must be organized, managed and disseminated effectively for the information to exhibit quality (Haag & Cummings, 2008). Businesses invest in information systems as a way of coping with and managing their internal production functions and key demand factors in their environments (Laudon & Laudon, 2009). The effective management of human resource management information system enables a firm to gain competitive advantage in the market place required for timely and accurate information on current employees and

potential employees in the labor market (Armstrong, 2008). Human resource management and information system technology are the elements that many firms are learning to use as strategic weapons to compete, thus human resource management and information system are two critical factors that will lead to the development of human resource management in the new era (Cole, 2002).

### **1.1.1 Concept of Perception**

Perception is the process by which individuals organize and interpret their sensory impression in order to give meaning to their environment (Robbins & Judge, 2011). It involves organizing and interpreting various stimuli into physiological experience. Similarly, Vance, Konopaske, and Matteson, (2005) defined perception as the cognitive process by which an individual selects, organize, and give meaning to environmental stimuli. Perception leads to decision making and action taking, at the most basic level, the decision to act or not to act, and this depends on how an individual develops motivation. Our perception and judgment of a person's actions therefore will significantly influenced by the assumptions we make about that person's internal state (Robbins & Judge, 2011).

Greenberg and Baron (2003) viewed perception as a social process, they argued that it is the process of combining, integrating and interpreting information about others to gain an accurate understanding about them. In the same vein, Robbins & Judge (2011) stated that when an individual looks at a target and attempts to interpret what he or she sees, interpretation is heavily influenced by the personal characteristics of the individual

perceiver. Personal characteristics that affect perception include a person's attitudes, personality, motives, interests, past experience and expectations.

Perception affects management decisions, whether deciding to hire new employees, giving performance review, or making a major decision regarding the direction or position of their business. Perception has been eluded to play a significant role to behavior in organizations; perception can be depicted in three organizational activities: employee performance appraisal, the employment interview, and organizations development of its corporate image (Greenberg & Baron, 2003). Factors in the situation or context in which the perception is made, that is time, work setting and social setting (Robbins & Judge, 2011).

### **1.1.2 Concept of Effectiveness of Human Resource Management Information System**

According to Wilson, (2000), human resource information management refers to the planning, organizing, directing, and controlling information within an open system and use of technology and techniques for effective management of information, knowledge, resources and assets in an organization. Human resource management information is crucial for an organization to identify and manage various means and tools from both knowledge management and information management approaches (Mudor & Tooksoon, 2011). Increasing demands placed upon human resources managers by co-workers are rendering manual human resource management systems completely inadequate (Beckers & Bsat, 2002). Given such trends Tinsley and Watson, (2000), argued that information

systems has considerable potential as a tool that managers can use both generally and in human resource functions in particular to increase capabilities of the organization. Ngai and Wat, (2006) stated that those managing human resource functions have not ignored such advice and a widespread use of human resource information systems has occurred. However, few organizations systematically attempt to measure the effectiveness of their human resource management information system, or even know how to do so (DeLone& McLean, 2003; Ngai&Wat, 2006). Consequently human resource managers as well as information system researchers are stressing the need to better understand how to measure the performance of human resource management information systems.Ngai and Wat, (2006).

An effective human resource management information system has been defined as the organization wide capacity of creating, maintaining retrieving and making immediately available the right information, in the right place at the right time, in the hands of the right people, at the lowest cost, in the best media for use in decision making (Langemo, 1980). In the same vein,Cole (2002) defines effective human resource management information system as the economic, effective co-ordination of the production, control, storage sources, in order to improve the performance of the organization and retrieval and dissemination of information from external and internal sources, in order to improve the performance of the organization.

Tinsley and Watson, (2000) distinguished between administrative applications, talent management applications, workforce management applications, service delivery

applications, workforce analysis and decision support applications. This means a shift has been made from labor-intensive human resource management to technology-intensive human resource management (Beardwell & Claydon, 2007), a transformation that has been all but simple. Ngai and Wat (2006) affirmed that human resource management information system was the only way to achieve both administrative and strategic advantages of human capital. Human resource management information system functionality nowadays includes corporate communication, recruitment, selection, training, employee opinion survey, compensation, payroll services and employee verification as well as general information. As a consequence Kovach, Hughes, Fagan and Maggitti (2002), stated that management should always consider getting the staff to adopt and adapt to the human resource management information system.

Human resource management information system supplies information for strategic tactical and operational decision making at all subsystems within an organization, this information provides an essential part of the feedback control mechanism in these areas and is necessary for the realization of subsystem objectives (Curtis & Cobhan, 2002). However a case study conducted in Australia in 2006 suggested that the potential of human resource management information system is to deliver the strategic competencies promised remains largely unrealized and that instead human resource management information system is used to increase administrative efficiency and obtain compliance support. Specifically, find that the implementation and use of human resource management information system is being hindered by three main challenges: maintaining

organizational attention, addressing the complexities associated with people management, and managing user acceptance of the change associated with the system (Wiblen, 2006).

### **1.1.3 Kenya Commercial Bank, Kenya**

Kenya Commercial Bank is a financial services provider headquartered in Nairobi, Kenya (Muthoka, 2011). The history of Kenya Commercial Bank dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Mombasa. Eight years later in 1904, the bank extended its operations to Nairobi, which had become the headquarters of the expanding railway line to Uganda. The next major change in the bank's history came in 1958, Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon Kenya's independence in 1963, the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government of Kenya acquired 100% ownership of the bank's shares to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was renamed Kenya Commercial Bank. The Government has over the years reduced its shareholding in Kenya Commercial Bank to 23%, as of December 2008 (Ambira & Kemoni, 2011).

Kenya Commercial Bank has an automated human resource information system which was purchased in 1999, the software is known as prepay. The management information system is a unit within the human resource department in Kenya Commercial Bank Ltd, (Maranga, 2010). The human resource management information system within Kenya Commercial Bank Ltd, has several functions like record keeping, bio-data related to staff,

information related to organizational structure, transition of staff, maintaining records related to staff compensation, information on training and development of staff within the organization, leave management and other functions related to staff information. (Maranga, 2010).

## **1.2 Research Problem**

Human resource information system has become an important source of enterprise competitive advantage. Wilson (2000) noted that there is a general consensus in our rapidly changing technological world that human resource information systems have increasingly become difficult to keep up with technological advances (Foot & Hook, 2008). On the contrary, Nyakoe (2003) argued that it's not length of time as to how often human resource information system should be upgraded but a matter of functionality. Laudon and Laudon (2003) reported that when managing a human resource management information system, a human resource manager must first find out exactly what information decision-makers require to complete related human resource functions.

Kenya Commercial Bank adopted a prepay system in year 1999 to automate their human resource functions from the manual system. Despite the automation of data, there have been problems on accuracy and timely data from the human resource department, the bank has been faced with a plethora of challenges including lack of an updated reward system, an inefficient bio-data system, which affects decisions on career development in Kenya Commercial Bank (Ambira & Kemoni, 2011). With the ongoing development of knowledge, economy and information technology use in the banking sector, the



realization of human resource information systems at Kenya Commercial Bank has not been comprehensively investigated, (Cheruto, 2005).

A number of studies have been done on human resource management information system in the banking and corporate sector. Muturi (2003), studied the development of human resource information system in the banking industry in Kenya; Cheruto (2005), examined the use of human resource management in the banking sector in Nairobi; Nyakoe (2007), investigated the extent of use of information communication technology in human resource management in large manufacturing firms in Kenya; Kanini (2008), looked at the implementation of strategic information systems in Commercial Banks in Kenya. The area of perception of effectiveness of Human resource Management Information Systems by Managers in Kenya Commercial Bank Limited is understudied. This study therefore seeks to examine how managers perceive the effectiveness of Human Resource Management Information Systems in Kenya Commercial Bank Ltd. This therefore leads to the research question, “What are the perceptions of managers of the effectiveness of Human Resource Management Information Systems in Kenya Commercial Bank?”

### **1.3 Research Objective**

To determine the perception of effectiveness of human resource management information system by branch managers in Kenya Commercial Bank Ltd.

### **1.4 Value of the study**

The research project is important to human resource professionals; it will shade light on the value of incorporating effective human resource management systems. The findings

would support the importance of continued monitoring of human resource management systems to leverage their effects in maximizing benefits for the organizations.

Other organizations intending to adopt a human resource management information system, will find this information helpful especially to policy makers. They may therefore find this research helpful as a basis of setting an effective human resource management information system.

Scholars and researchers may use it for reference as a basis for further research. The findings of this study will act as a spring board for future researchers who may wish to conduct further studies on area of human resource management information system.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews studies that have been done in the area of human resource management information system and managers' perception. The use of human resource information system has been advocated as an opportunity for human resource professionals to become strategic partners with top management. The idea has been that human resource management information system would allow for the human resource function to be more efficient and provide better information for decision making. The question remains whether human resource information system has fulfilled the promise.

#### **2.2 Management Information Systems**

Organizations ensure that different departments and business processes are well coordinated. These departments have their own goals and processes and they obviously need to cooperate in order for the whole business to succeed. Firms achieve coordination by hiring managers whose responsibility is to ensure the various parts of an organization work together. The hierarchy of management is composed of senior management which makes long term decisions, middle management who carries out programs and plans and operational management which is responsible for monitoring the daily activities of the business (Laudon & Laudon, 2009).

Management information system is designed to assist managerial and professional workers by processing and disseminating vast amounts of information to managers'

organization-wide Alavi & Leidner, (1999). Management information system supplies information for strategic, tactical and operational decision making to all subsystems within the organization. This information provides an essential part of the feedback control mechanism in these areas and is necessary for the realization of subsystem objectives (Curtis & Cobham, 2002). Management information system is any system that provides information for management activities carried out within an organization. The information is selected and presented in a form suitable for managerial decision making and for the planning and monitoring of the organization's activities. (Curtis & Cobham, 2002).

### **2.3 Human Resource Management**

Human resource management focuses on managing people within the employer-employee relationship. Specifically, it involves the productive use of people in achieving the organization's strategic business objectives and the satisfaction of individual employee needs (Stone, 2002). Organizations must treat information as any other resource or asset. It must be organized, managed and disseminated effectively for the information to exhibit quality. Within an organization, information flows in four basic directions as upward, downward, horizontal and outward inward (Haag & Cummings, 2008). Organizations understandably place considerable value on achieving the optimum use of their resources, given that fact that human resources constitute such an important part of any organization's resource base, the department of information system which provides ongoing assessment of utilization of these resources is essential element for effective decision making. (Kanini, 2008).

The effective management of human resources in a firm to gain a competitive advantage in the marketplace requires timely and accurate information on current employees and potential employees in the labor market. With the evolution of computer technology, meeting this information requirement has been greatly enhanced through the creation of human resource management information system. A basic assumption behind this book is that the effective management of employee information for decision makers will be the critical process that helps a firm maximize the use of its human resources and maintain competitiveness in its market (Haag & Cummings,2008).

#### **2.4 Human Resource Management Information Systems**

Increasing pressure to support strategic objectives and greater focus on shareholder value has led to changes in both job content and expectations of human resource professionals (Storey et al., 2000; Ball, 2001). Similarly, Wilson(2002) and Mayfield et al., (2003) noted that one such major change included contemporary use of information system in support of the human resource management process. More so, a careful analysis indicated that increased human resource management information usage enabled improved professional performance and thus facilitated involvement in internal consultancy activities. In addition, Ulrich (1997) argued that using human resource management information system provides value to the organization and improved human resource professionals' own standing in the organization. In another development, Armstrong (2008) suggested the need for human resource to become a strategic partner in the business process.

Technology in the past decade has drastically changed the human resources function. Providing support for mainly administrative activities such as payroll and attendance management in the beginning, information technology today enhances many of the recruitment function's sub processes such as long and short-term candidate attraction, the generation, pre-screening, and processing of applications or the contracting and on boarding of new hires. Online job advertisements on corporate web sites and internet job boards, online curriculum vitae databases, different forms of electronic applications, applicant management systems, corporate skill databases, and information system supported workflows for the contracting phase are only few examples of the various ways by which information systems today support recruitment processes (Keim & Weitzel,2009).

Human resource management information system is defined as an “integrated system used to gather, store and analyze information regarding an organization's human resources' comprising of databases, computer applications, hardware and software necessary to collect, record, store, manage, deliver, present and manipulate data for human resources function” (Hendrickson, 2003).As organizations become complex the amount of information needed increases, hence need for automated systems. (Kanini, 2008). Organizations must determine what kind of information is needed, and what kind of decision it will be making based on the human resource information system. (Ngai and Wat, (2006).

## **2.5 Measures of an Effective Human Resource Management Information System.**

The use of an effective human resource management information system has been advocated as an opportunity for human resource professionals to become strategic partners with top management. The idea has been that human resource management information system would allow for the human resource function to become more efficient and provide better information for decision making (Brown, 2002).

According to Victor and Andre (1997) an effective human resource management information system has a role in influencing user satisfaction of the system, characteristics or design of information system are important conditions to increase user's satisfaction. Perceived effective human resource management information system is defined as the quality of the information that produces and delivers (DeLone & McLean, 1992). Wilblen (2006) stated that human resource information quality, suggested delivering relevant, updated and easy to understand information to significantly influence users satisfaction. User satisfaction is often used as a surrogate measure of information system effectiveness. An effective system is defined as one that adds value to the organization; hence an effective system must have positive influence on users behavior, Gatian (1994). User satisfaction is also been defined as users believe that the information system meets their requirements (Brown, 2002).

An effective human resource management system allows organizations to address human resource issues adequately. This helps the workforce deliver high quality services, despite internal and external challenges to the organization. A robust human resource management system helps organizations prioritize their organizational and business strategies while effectively managing the changes inherent in their daily operations. Human resource management helps attract and retain competent employees, assists employees and managers in adapting to organizational change, and facilitates the use of technology to determine how and where work is done (Management Sciences for Health, 2001). Further, human resource can help identify and harmonize different performance improvement interventions, even if they are not directly related to human resource issues. To this end, a solid human resource system provides the basis for employee performance improvement. According to the Management Sciences for Health, (2001) performance improvement is a process for achieving individual and organizational results by identifying the key elements of strong performance, and then making sure that these elements are in place. Since an organization is a complex system, plans for organizational improvement must address all the different parts of the system, in an integrated way (Tannenbaum, (1990).

An effective human resource management system can only be realized if the system output is quality, easy to use and perceived usefulness, (McLean, 2003). In 1992 a survey by Overman (1992) concluded that the potential advantages of human resource management information system are faster processing, greater information accuracy,



improved planning and program development, ease use of information, and enhanced benefits of the system to employees.

The use of an effective human resource management information system can be measured with reduced costs by automating information and reducing the need for large numbers of human resource employees, by enabling employees to be able to control their own personal information and allowing managers to access relevant information, conduct analysis and make decisions without consulting human resource professionals, ( Awazu & Desouza, 2003; Ball, 2001). Ideally with an effective use of human resource information system less people should be needed to perform administrative tasks such as record keeping and more time would be made available for human resource managers to assist by providing data on strategic level ( Brown, 2002).

A significant problem with deciding whether human resource management benefits the organization is that measuring the effect of human resource and more particularly human resource management information system on the bottom line. There are few clear ways to measure the value of human resource management information, while there are measurements for administrative human resource information system such as cost reductions in human resource departments. It is difficult to measure precisely the return on investment and specific improvements in productivity within human resource departments (Mayfield, Mayfield & Lance, 2003). This is why user satisfaction and perception of the system has often been used as a proxy measure for effectiveness of the system (Haines & Petit, 1997).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter specifically explains how the study will be conducted, the methodology and instrument used to collect and analyze data.

#### **3.2 Research Design**

A descriptive survey research design was used. This design was considered appropriate to determine perception in the target group. According to Frankfort Nachmias and Nachmias (1996), descriptive survey design was one of the most appropriate methods of data collection in social sciences since it focuses on data rather than theory.

#### **3.2 Population**

The target population for this study consisted of all the 155 Branch Managers of Kenya Commercial Bank countrywide as shown in the table 3.1 below obtained from Kenya Commercial Bank's Annual Report of 2011.

#### **3.3 Sample**

Using table 3.1, 100 branch managers were selected representing all the five regions in the country using simple random sampling. According to Kothari (2004), a sample of thirty percent and above is adequate to make inferences about the entire population.

Region	Number of Branches	Percentage
Nairobi	31	20.0
Great rift valley	53	34.2
Central	46	29.7
Western	35	22.6
Coast	21	13.5
Total	155	100.0

**Table 3.1,** Source (Kenya Commercial Bank Annual Report, 2011), Page 32.

### **3.4 Data collection**

Primary data was used for this study. The primary data was obtained using a semi structured questionnaire. The questionnaire was divided in two sections A and B. Section A collected demographic data while section B was to determine the perception of managers of the effectiveness of human resource management information system. The questionnaire was administered through both drop and pick method and through email.

### **3.5 Data Analysis**

Descriptive statistics was used to analyze the data. These included the use of percentages, means, standard deviations and frequencies. The information was presented by use of bar charts, graphs and pie charts.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This section covers data analysis and findings of the research. The main instrument for primary data collection was a semi structured questionnaire.

#### **4.2 Response rate**

The study target was 100 branch managers from Kenya Commercial Bank, country wide. Out of the one hundred (100) branch managers of Kenya Commercial Bank who were sampled and questionnaires administered only eighty (80) responded. This gave a respond rate of 80%, which the study considered adequate for analysis.

#### **4.3 Demographic Characteristics**

This section presents the demographic characteristics of the respondents, including gender, age, length of service of the staff and the highest level of education.

##### **4.3.1 Gender**

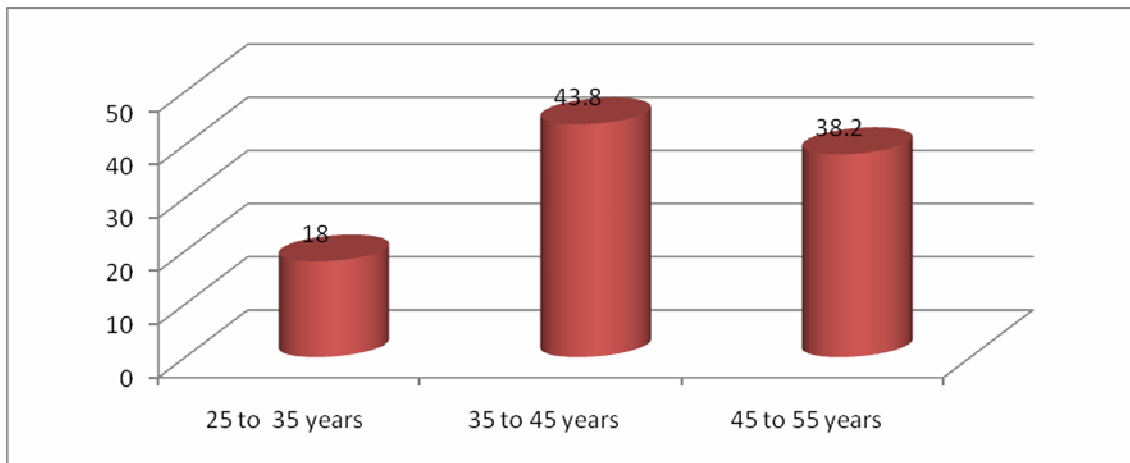
Out of 80 respondents, a total of 50 were male, this was a proportion of 63%, while 30 respondents were female representing 37%. The percentage is representative of the population since majority of Kenya Commercial Bank branch managers are male.

**Figure 4.2.1: Gender distribution of the respondents**

The study found that most of the respondent as shown by 43.8% indicated that they had been branch managers for 5 to 10 years , 32.6% of the respondent indicated that they had beenbranch managers for more than 10 years and 23.6% of the respondent indicated that they had been branch managers for 2 to 5 years.

**Age of the respondents**

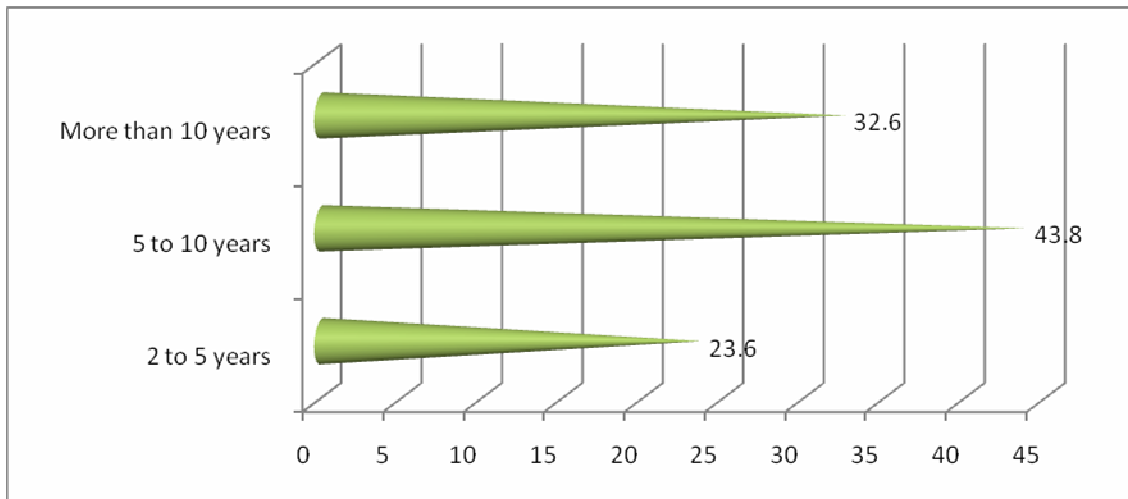
The study found that 43.8% of the respondents were aged between 35 to 45 years, 38.2% of the respondents were aged between 45 to 55 years whereas 18% of the respondents were aged between 25 to 35 years. The distribution of age followed a normal distribution with the mode age group being the age group of employees ranging between 35 to 45 years.



**Figure 4.1. Age of the respondents**

## Length of Service

The found that majority of the respondents fall between 5 to 10 years in service. A total of 35(43.8%) had between 5 to 10 years, 18(23.6%) had between 2 to 5 years, 27(32.6%) respondents were over 10 years in service.



**Figure 4.2.Length of Service**

## 4.3.4 Highest level of education

The level of education is a very good pointer into a person's ability to use the human resource management information system, hence influence their perception. The study found 35(43.7%) respondents had attained bachelor's degrees, 15(18.7%) respondents had attained Master's degree, while 30(37.5%) respondents had attained diploma certificate, as their highest level of formal education.

## **4.4 Effectiveness of Human Resource Management Information System**

### **4.4.1 System Quality**

The findings indicate 95% of the respondents strongly agreed that the human resource management information system allows information to be readily accessible to them, while 5% neither agreed or disagreed. 75% of the respondents strongly agreed that the human resource management system content meets their needs, 20% of the respondents agreed, 3% of the respondents neither agreed nor disagreed, 2% of the respondents strongly disagreed. 89% of the respondents strongly agreed that the human resource management system returns feedback to their requests and its flexible to adjust to their demands, it was generally agreed the human resource management information system at Kenya Commercial Bank has a positive impact on the overall organization objective, hence the system has lead to an effective human resource management department. Effective business partner leads to the view that human resource organization is efficient, this is consistent with the work of Brockbank (1999), which finds that performance is higher when human resource departments focus more on strategy.

### **4.4.2 Information System Success**

After administering the questionnaires, 76% of the respondents strongly agreed that the human resource management information system enhances planning, 2% of the respondents neither agreed nor disagreed, while 22% of the respondents strongly disagreed. Majority of the respondents who disagreed were aged between 25 to 35 years and had 2 to 5 years of service at the Bank. 75% of the respondents agreed that the human resource management has increased employees benefits, enhanced effective

recruitment, performances and also assessment of training needs, while 25% of the respondents neither agreed nor disagreed. Majority of the respondents who are more than 75% agreed the human resource management information system at Kenya Commercial Bank is a success, it has translated in more productivity in the organization, These results are consistent with those of Sun and Zhang (2006).

#### **4.4.3 Information Usefulness**

The findings indicate that 65% of the respondents strongly agreed the human resource management information system enables them perform work quickly, hence it has translated in them being effective at work place at their roles as branch managers, while 20% of the respondents agreed that the human resource management information system enables them perform their work quickly and they are more effective, 10% of the respondents neither agreed nor disagreed, 5% of the respondents disagreed. Majority of the respondents feel the human resource management information system at Kenya Commercial Bank is useful. Users who perceive the system useful are expected to use the system to a greater extent, Gupta (2004). This principle refers to the degree to which one believes that using human resource management information system would enhance his or her performance within an organizational setting (Davis, 1989). A user's primary motivation to use human resource management information system will derive from the functions it performs to the system user, it is important for an organization to have a quality system for it to be useful, The findings indicate that, a proportion of 85% respondents had confidence in the usefulness of the system at Kenya Commercial Bank questionnaire. This finding echoes those of Sun and Zhang (2006).



#### **4.4.4 System User Satisfaction**

The findings indicate 71% of the respondents agreed that human resource management information system meets the human resource functions, 15% of the respondents neither agreed nor disagreed, while 14% of the respondents disagreed. 55% of the respondents strongly agreed that they are satisfied using the human resource management information system and it has met their expectations as branch managers, while 30% of the respondents agreed, while 15% neither agreed nor disagreed, Majority of the respondents who were neutral which was 15% response rate had attained a diploma certificate as the highest level of education. These findings indicate majority of the respondents were satisfied with the human resource management information system which has increased efficiency within human resource management and processes. User satisfaction is often used as a surrogate measure of information system effectiveness. An effective system is defined as one that adds value to the organization; an effective system must have a positive influence on the user behavior, translating in improved productivity and decision making, Gatian (1994).

#### **4.4.5 Ease Use of the System**

The findings indicate 62% of the respondents strongly agreed that the system was easy to use, while 10 % of the respondents neither agreed nor disagreed, 28% of the respondents strongly disagreed, from my findings branch managers aged between 45 years to 55 years found it difficult to use the system. Perceived ease of use is the degree to which a person believes that using a human resource information system will be free a mental effort (Davis, 1989). Ease of use is an important determinant of use of technology or systems

and its perceived usefulness. Perceived ease of use is the degree to which a person believes that using a human resource management information system will be free a mental effort (Davis, 1989). Ease of use is an important determinant of use of technology or systems and its perceived usefulness. Perceived usefulness applies to the extent to which a person believes that using a system would enhance his or her job performance (Wiblen, 2006). This will support in decision making, hence majority of the branch managers forming 62% felt the system was easy to use while a considerable portion consisting of 28% respondents felt the system was not easy to use.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This section deals with summary, conclusion and recommendations of the study.

#### **5.2 Summary**

On the human resource information system information quality, the study revealed that the managers support the functions of the human resource information system; first, they get the information they need in time that is up-to-date and accurate. The human resource management information system also provides reports that are customized according to what they need, with clear and comprehensive information that is well-organized and timely. This human resource management information system in my organization also provides complete information.

On the managers' perception on human resource information system quality, the study revealed that human resource management information system in my organization can flexibly adjust to new work demands which also enhance salary advice.

However, the management had reservations concerning a number of issues stemming from the use of the human resource information system: it is difficult to access system

resources for personal use, and this relates to tools and facilities that are commonly used for daily operations, e.g. reports and daily operations summaries.

All in all, the human resource management information system in my organization is versatile in addressing needs as they arise, and it responds to user requests quickly. Using the human resource management information system makes it easier to do the task at hand, and it is easy to become skillful and increase employee benefits while using this management information system. It also improves job performance and individuals can perform work requirements faster. Using human resource management information system increases an individual's productivity. Again, it is easy to use and it makes information easily available to authorized users.

From the finding on the managers' perception on human resource information system satisfaction perceived ease of use, the study found that using the human resource management information system enhances recruitment and performance management, is of high quality and has met users' expectations.

### **5.3 Conclusion**

The study revealed that human resource management information enhanced information quality; the study found that managers had a positive perception on human resource information system quality. The study also revealed that the managers perceived human resource information system as easy to use and useful. On the manager's perception on the satisfaction with the human resource information system, the study revealed that the

managers were satisfied with the human resource information systems. The study also revealed that the managers perceived that human resource information system was a success.

### **5.3 Recommendations**

The study recommends that commercial banks should adopt human resource information system as it was found to give updated quality information. The study also recommends that there is need for the commercial banks in Kenya to invest in technology and training as this will effectively enhance their adoption of human resource information systems.

### **5.4 Suggestions for further study**

There is need to replicate the same study in other areas of the economy so as to check whether the same results would hold. Such areas maybe arrears such as manufacturing sector and other service allied sectors. The study recommends that future researchers should perform a longitudinal study to check the trends in adoption of a successful human resource management information system by commercial banks in Kenya. This is because this study was done in one period of time.

## REFERENCES

- Alavi, M., & Leidner, D. (1999), Knowledge management systems: Issues, challenges, and benefits, *Communications of the Association for Information Systems*, 1(7), 1-7.
- Ambira, C.M., & Kemoni, H., (2011), Records management and risk management at Kenya Commercial Bank Limited. *South African Journal of Information Management*, 13(1).92-102.
- Arkin, J. (1997), *Unlocking the solutions: Turnover and absenteeism*, Grounds Maintenance, 32, 24-7.
- Awazu, Y. & Desouza, K., (2003), Knowledge Management. *Hr Magazine*, 48(11), 107.
- Ball, K. (2001). The use of human resource information system: a survey. *Personnel Review*, 30(5), 677-693.
- Beadles, N. A., Lowery, C. M., & Johns, K. (2005), The impact of human resource information systems: An exploratory study in the public sector, *Communication of the IIMA*, 5(4), pp. 39–46.
- Bee, R. & Bee, F. (2005), *Managing information and statistics*, (2nd ed.). London: Chartered Institute of Personnel and Development.
- Beckers, A., & Bsat, M (2006), A comparison between electronic human resource systems *Review*, (6) 20-23.
- Brown, D,(2002), HR . Victim of Unrealistic Expectations, *Canadian HR Report* 15(16)1,6.

- Broderick, R. & Boudreau, W. (1992), Human resource management. *Information Technology Executive*, 6 (2), 7-17.
- Byars, L. L., & Rue, L.W. (2004), Human resource management, (7th ed.). McGraw-Hill: New York.
- Cheruto, T. S. (2005). *A survey of the use of human resource information systems in the banking sector in Nairobi*.(Unpublished MBA project).University of Nairobi, Nairobi.
- Cooper, D.R. & Schindler, P.S. (2003), *Business research methods* (8th ed.). McGraw-Hill: New York.
- Creswell, J.W. (2003), *Research design: Qualitative, quantitative, and mixed methods approaches*. Thousand Oaks: Sage.
- Central Bank of Kenya.(2007), *Supervisory annual report*. Retrieved from <http://www.centralbank.go.ke>.
- Curtis, G., & Cobham, D. (2002), *Business information systems*. London, UK: Pearson.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.
- Delone, W., & Mclean E. (1992), Information Systems Success: The Quest for Dependent Variable; *Information Systems Research*, 13(3) 60-93.
- Dery, K., Grant, D. & Wiblen, S. (2006), *Human resource information systems: Replacing or enhancing HRM*. Australia: The University of Sydney, Sydney, Australia.

- Dooley, D. (2007), *Social research methods*. New Delhi: Prentice Hall.
- Doll, W., & Torkzadeh, G. (1988), The Measurement of End User Computing Satisfaction: *MIS Quarterly* , 12: 259-74.
- Foot, M., & Hook, C. (2008). *Introducing human resource management* (5th ed.). London: Prentice Hall.
- Fraenkel, J. R., & Wallen, N. E. (2006), *How to design and evaluate research in education*. New York: McGraw-Hill.
- Frankfort Nachmias and Nachmias D. (1996), *Research Methods in the Social Sciences*, Arnold, London.
- Gall, M. D., Gall, J. P., & Borg, W. R. (2007), *Educational Research. An introduction*. Boston: Allyn and Bacon.
- Gatian, A.W.(1994), Is User Satisfaction a valid measure of system effectiveness, *Information and Management*( 26) 119.
- Gay, L. R., & Airasian, P. (2000), *Educational research: competencies for analysis and application* (6th ed.). Upper Saddle River, NJ: Merrill.
- Goodwin, J. C. (2005), *Research in psychology: methods and design* (4th ed.). Hoboken, NJ: John Wiley & Sons.
- Gupta, C. (2004). *Human Resource Management* (6<sup>th</sup>ed.). New Delhi: Sultan Chand.
- Gürol, Y., Wolff, A., & Ertemsir Berkin, E. (2010), E-HRM in Turkey: A case study. In I. Lee (Ed.), *Encyclopedia of E-Business Development and Management in the Global Economy*, pp. 530–540.61
- Haag, S., & Cummings, M. (2008). *Management information systems for the information age*. New York, USA: McGraw Hill.



- Haines, V. Y., & Petit, A. (1997), Conditions for successful human resource information system. *Human Resource Management* 36(2), 261-275.
- Haitham, A. S. (2011), Human resources information systems assessment: An integrative model. *Australian Journal of Basic & Applied Sciences*, 5(5), 157-169.
- Hendrickson, A. R. (2003), Human resource information systems: Backbone technology of contemporary human resources, *Journal of Labour Research*, 24(3), pp.381–394.
- Kanini, R. (2008), *Implementing strategic information systems in commercial banks in Kenya*, (Unpublished MBA project). University of Nairobi, Nairobi.
- Keim, T., & Weitzel, T. (2009), An adoption and diffusion perspective on HRI Susage. In T. Coronas & M. Oliva (Ed.), *Encyclopedia of Human Resources. Information Systems: Challenges in E-HRM* (pp. 18–23). Hershey, PA: IGI Global.
- Kenya Commercial Bank Group. (2011), *Annual report*.(pp 15)
- Kenya commercial Bank Group.(2010). Human resource Newsletter (pp 10).
- Kenya Commercial Bank Group. (2012), *Historical background*. Retrieved from [http://www.kcbbankgroup.com/rw/index.php?option=com\\_content&task=view&id=44&Itemid=314](http://www.kcbbankgroup.com/rw/index.php?option=com_content&task=view&id=44&Itemid=314)
- Kulik, C. T., & Perry, E. L. (2008), When less is more: The effect of devolution on HR's strategic Role and Donstrued Image, *Human Resource Management*, 47(3),pp.541–558.
- Hammer, M. (2002), Recharging your HRMS. *Workforce*, 81(9), 38-41.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Delhi: Wiley.

- Kovach, K.A., & Cathcart C.E. (1999), Human resource information systems: Providing business with rapid data access, information exchange, and strategic advantage. *Public Personnel Management*, 28(2), 275-282.
- Laudon, K., & Laudon J. (2009), .Management information Systems, 11<sup>th</sup> Edition. Prentice Hall.
- Lengnick, H., Mark, L. & Moritz, S. (2003), . The impact of e-HR on the human resource management function. *Journal of Labor Research*, 24(3), 365-379.
- Ivancevich, M. J., Konopaske, R., & Matteson, M. (2006), .*Organization behavior and management*, (7th ed.). McGraw-Hill: New York.
- Management Sciences for Health (2001). The management link. Retrieved from <http://erc.msh.org/mainpage.cfm?file=4.1.0.6.htm&module=email&language=English>
- Mayfield, J., Mayfield M., & Lunce, S. (2003), . Human resource information systems: A review and model development. *Advances in Competitive Research*, 11(1), 139 – 151.
- Mugenda M. O., & Mugenda, A. (1999), .*Research methods: Qualitative and quantitative approaches*. African Centre for Technology Studies, Nairobi, Kenya.
- Muturi, B. W. (2003). *A survey of understanding of human resource information system*. Kenyatta University, Nairobi.
- Ngechu. M. (2004), *Understanding the research process and methods. An introduction to research methods*. Acts Press, Nairobi.
- Ngai, E. W., & Wat, F.K.T. (2006). Human resource information systems: a review and empirical analysis. *Personal Review*, 35(3), 297-314.

- Nicholas, B., Christopher, M., & Johns, K. (2005), *The impact of human resource information systems: An exploratory study in the public sector*. Blackwell Business Books, Oxford.
- Noor, M. M., & Razali, R. (2011), Human resources information systems (HRIS) for military domain-a conceptual framework, *International Conference on Electrical Engineering and Informatics*, 17–19 July, 2011, Indonesia
- Nyakoe, M. G. (2003), The extent of use of information communication technology in human resource management in large manufacturing firms in Kenya.(Unpublished MBA project).University of Nairobi, Nairobi.
- Ostermann, H., Staudinger, B., & Staudinger, R. (2009),.Benchmarking human resource information systems. In T. Coronas & M. Oliva (Ed.), *Encyclopedia of Human Resources Information Systems: Challenges in E-HRM* (pp. 92–101). Hershey, PA: IGI Global.
- Parry, E. (2009), The benefits of using technology in human resources management. In T. Coronas & M. Oliva (Ed.), *Encyclopedia of human resources information systems: Challenges in E-HRM* (pp. 110–116). Hershey, PA: IGI Global.
- Poutanen, H. (2010), Developing the role of human resource information systems for the activities of good leadership. Retrieved from <http://herkules.oulu.fi/isbn9789514261725/isbn9789514261725.pdf>
- Ramezan, M. (2009), Measuring the effectiveness of human resource information systems in national Iranian oil company. *Iranian Journal of Management Studies*, 2(2), 129-145.

- Ragriz, H., Mehrabi, A., & Azadegon, A. (2011), *The impact of human resource information system on strategic decisions in Iran*. Prentice-Hall, Upper Saddle River, NJ.
- Robbins, S.P., & Judge, T.A. (2011), *Organizational behavior: Global edition*, (14th ed.). New Jersey: Prentice Hall.
- Ruël, H., Bondarouk, T., & Looise, J. K. (2004), E-HRM: Innovation or Irritation. An Explorative Empirical Study in Five Large Companies on Web-based HRM, *Management Revue*, 15(3), pp. 364–381.
- Seddon, P. & Yip, S. (1992), *An Emprical Evaluation of User Information Satisfaction*, *Journal of Information Systems*, 3(6) 75-92.
- Shaikh, S. (2012). *Human resource information system: Designing needs for business application*. Vol. 2 issue 1.
- Shibly, A. H. (2011). Human resources sciences information systems success assessment: An integrative model. *Australian Journal of Basic and Applied*, 5(5), 157-169.
- Stone, R. (2002), *Human resource management*. Australia: John Wiley and sons.
- Sun, H., & Zhang, P. (2006), *The role of moderating factors in technology acceptance*, *international journal of Human –Computer Studies*, 64: 53-78.
- Tannenbaum, S.I. (1990), Human resources information systems: User group implications. *Journal of Systems Management*. 41(1), 27-32.
- Tahssain, L., & Zgheib, M. (2009), *Perceived performance of the human resource information systems (HRIS) and perceived performance of the management of human resources*, HarperCollins, New York, NY.

- Tinsley, C.& Watson T. (2000), Strategic exchange in the development of human resource information systems. *New Technology, Work Employment* (15) 108-122.
- Ulrich, D. (2007), The New HR Organization. *Workforce Management*, 86(21), pp.40-44-62.
- Victor, H., & Andre P. (1997). Conditions for Successful Human Resource Information Systems. *Human Resource Management*, 36(2) 261-275.
- Wixom, B., & Todd P. (2005), A theoretical integration of the satisfaction and Technology Acceptance, *information system research*, (16) 85-102.

## APPENDIX 1: QUESTIONNAIRE

Please complete the questionnaire to the best of your knowledge by filling in the blanks where space is provided or by ticking (√) against the most appropriate answer.

### Section 1: Demographic Data

1. Please indicate your gender.            Male (    )    Female(    )
2. Your branch .....
3. Your designation.....
4. How long have you served as a branch manager?
  - Less than 1 year            [    ]
  - 2 to 5 years                    [    ]
  - 5 to 10 years                 [    ]
  - More than 10 years           [    ]
5. What is your age bracket?
  - Below 25 years                [    ]
  - 25 to 35 years                 [    ]
  - 35 to 45 years                 [    ]
  - 45 to 55 years                 [    ]
  - Above 55 years                [    ]
6. What is your highest level of education? (Tick where appropriate)  
Master's degree            [    ]            Diploma Certificate    [    ]

Bachelor's degree [ ] Certificate [ ]  
 0 -Level [ ] KCSE [ ]

**Section 2: Perception of effectiveness of Human Resource Management**

**Information System**

**Please tick (√) inside the appropriate box**

To what extent do you agree with the following statements with regard perception of effectiveness of human resource management information system?

1. Strongly Disagree
2. Disagree
3. Neither Agree Nor Disagree
4. Agree
5. Strongly Agree

	<b>SYSTEM QUALITY</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Human Resource Management Information System allows information to be readily accessible to me					
2	Human Resource Management Information System content meet my needs					
3	Human Resource Management Information System returns answers to my requests quickly					

4	Human Resource Management Information System can adjust to new work demands					
	<b>INFORMATION SYSTEM SUCCESS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
5	Human Resource Management Information System in my organization enhances planning					
6	Human Resource Management Information System in my organization increases employee benefits					
7	Human Resource Management information System enhances recruitment and performance management					
8	Using Human Resource Management Information System in my organization improves the assessment and training needs					
	<b>INFORMATION SYSTEM USEFULNESS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9	Using Human Resource Management Information System in my organization enables to perform work's requirements more quickly					
10	Human Resource Management Information in my organization my job performance					
11	Human Resource Management Information makes it easier to do my job					
12	Using Human Resource Management Information enhances my effectiveness in the job					



	<b>EASE USE HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEM</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
13	Learning to operate Human Resource Management Information is easy for me					
14	I find it easy to get Human Resource Management Information System to do what I want it to do					
15	It is easy for me to become skillful using Human Resource Management Information System					
16	I find Human Resource Management Information System easy to use					
	<b>INFORMATION QUALITY</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
17	Human Resource Management Information System in my organization provides accurate information					
18	Information content provided by Human Resource Management Information System meets my needs					
19	Human Resource Management Information System output is presented in a useful format					
20	Human Resource Management Information System provide reports that seem to be just exactly what I need					
21	Human Resource Management Information System provides comprehensive information					

22	Using Human Resource Management Information System in my organization provide up to date information					
23	I get information Human Resource Management Information in time					
24	Using Human Resource Management Information System in my organization improves my job performance					
25	Human Resource Management Information System produces comprehensive information					
26	Human Resource Management Information System in my organization is clear					
27	Human Resource Management Information System in my organization provides complete information					
28	Human Resource Management Information System in my organization provides precise information that I need					
	<b>HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEM USER SATISFACTION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
29	Human Resource Management Information System in my organization meets the human resources requirements of your area of responsibility					
31	The Human Resource Management Information System in my organization is of high quality					

32	The Human Resource Management Information System in my organization has met your expectations.					
33	I'm satisfied with using Human Resource Management Information in my organization System					

**THANK YOU FOR YOUR COOPERATION**