

EFFECT OF HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEM OUTSOURCING PRACTICES ON PERFORMANCE OF SACCOS IN UASIN GISHU COUNTY, KENYA

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ABSTRACT: Purpose: The aim of the study was to determine the effect of human resource management information system outsourcing practices on performance of Saccos in Uasin Gishu County. **Methodology:** This study employed explanatory research design. The target population of the study were all employees of the 20 SACCOS in Uasin Gishu County. The accessible population for this study was 227 employees working in the Savings and credit cooperative societies in Uasin Gishu County. The sample size were 145 employees. The study used purposive and simple random sampling to select respondents. The study collected both primary and secondary data using questionnaires, internet source, e-library, physical library and publication. Descriptive and inferential statistics were used to analyse the data with the aid of the Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics included percentages, frequencies, mean and standard deviation. Inferentially correlations and multiple regression analysis were applied to get the change in dependent variable caused by the effect of independent variables.

Results: The study results also show that human resources management information system has a positive and statistical

significance influence on performance of Sacco's in Uasin Gishu County, Kenya.

Unique contribution to theory, practice and policy: The study recommends that performance of Saccos will be increased through ensuring that Information systems are up to date and creativity and innovation is enhanced through HRIS to reduce human error.

Keywords: *Human resource management, performance, Saccos, Uasin Gishu County.*

1.0 INTRODUCTION

1.1 Background of the Study

Performance of Savings and Credit Co-operative Society (SACCOS) comprises the actual output of an organization as measured against its intended outputs. Organizational performance involves analyzing a company's performance against its objectives and goals. Savings and Credit Co-operative Society (SACCOS) are among the Micro Finance Institutions (MFIs) which are owned and managed by their own members using co-operative principles (Bailey, 2001). SACCOs play a significant role in the provision of financial services to the poor (target groups). They provide savings and credit and investment opportunities to individuals, institutions and group members. Sacco's perform an active financial intermediation function, particularly mediating from urban and semi-urban to rural areas, and between net savers and net borrowers while ensuring that loan resources remain in the communities from which the savings were mobilized.

A thousand SACCO lose about \$2 billion per year due to poor human resource management. The recent financial and economic crisis has shown how important it is for firms to maintain a healthy human resource. The perspective of performance has been viewed from a perspective of accomplishment, execution, and effectively working out management processes. However, Holton (2005) perspective is a multi-dimensional construct a measurement that depends on a variety of factors. Dessler (2003) indicates that performance is both a behaviour and a result that emphasizes on managing people for performance.

Companies planning to outsource need to evaluate the cost factor and if the reduction of the current operating cost is achievable through outsourcing, then the resources available can be ploughed back to achieve a competitive advantage. Organizational Performance Comprises the actual outcome or byproduct of an organization as measured against its intended outputs. It is a wide construct capturing what organizations do, produce, and accomplish for the various departments with which they associate. Experts in almost all fields are troubled with organizational performance including strategic planners, operations, finance, legal, and organizational development.

Uruguay leads the pack with more advance human resource management structure both in public and private practice. Million Makers helps employers within the private or public sector in identifying and acquiring skilled candidates who can support business requirements for Uruguay Vance and Paik (2015). In Latin America, there are numerous examples of successful SACCOS, for example in Bolivia SACCOS produces about 60% of the country's chickens and nearly 30% of fertilizer inputs requirement for the country. In contrast, opportunity-enhancing HR practices in these countries are organizational mechanisms directly designed to empower employees for achieving organizational objectives and optimizing their levels and types of skill to handle new.

In Africa, it has been widely acknowledged that cooperative societies make an important contribution to sustainable economic growth by making markets function better for the poor. Cooperative societies are supported by local economic development (LED) but some members are excluded in the major initiatives concerning the same (Ohen, Ofem & Arikpo, 2018). The low capacity and educational levels in cooperatives are the main reason for financial challenges, weak management, poor governance and inability to effectively run their enterprises on sound business practices.

Many firms in Nigerian are turning to outsourcing Human Resources functions to achieve effective workforce within their strategic goals. This strategy often creates synergistic effects, which could be in form of monetary and non-monetary benefits. Though Human Resource Outsourcing was first driven by the Oil Corporation firms'

attempts to reduce or control costs, it also allowed the company to focus on their core competencies, while relying on their outsourcing partners for effective workforce for greater efficiency in all business processes. Most of the people over 7% affiliated to SACCOs are still suffering a number of problems like rights to be heard and there is also limited protection related to SACCOs (Wamiori, 2019). In the same continent, cases have also existed in South Africa and Nigeria as well. These cases have created a need to have internal controls in place to help senior management in making decisions.

In Uganda, there are over 17,000 registered cooperatives with over 200 deposits taking SACCOs (Masika & Simiyu, 2019). The SACCOs are estimated to have over Ugx500 billion in savings and over Ugx 650billion in capital while employing about 500,000 directly and another one million indirectly. SACCOs contribute over 4% to GDP with one out of two deriving their lively hood from SACCO movement. The financial performance of SACCOs in Uganda is partly regulated by SACCO society Act, 2008. For example, SACCOs are required to maintain fifteen percent of its saving deposits and short-term liabilities in liquid assets so that they can have smooth running of their affairs. In Tanzania, contribution of SACCOS in the economy of poor people and the country as a whole cannot be over emphasized. For example, by December, 2006 there were over 3,500 registered SACCOS in the country with approximately 420,000 members (Nyangarika & FSM 2020). SACCOS have increased incomes, assets, food consumption, education expenditure, improved housing and decline expenditures in health to its members compared with non-members.

In Kenya, many entities subcontract their recruitment activities as well as labour services. Flower firms, milling companies and local industries in Kenya do not actually hire employees directly but rely mainly on service providers who fill in the spaces of recruitment and placement of potential employees. The outsourcing strategy can allow organizations to focus on their core competencies in order to increase efficiency without having to invest in people and technology. Outsourcing these activities, it is argued, will free up human and capital resources as well as allow for increased flexibility in the way labour is employed.

In the Kenyan context, SACCOS contribute 45% of the country's GDP and that the sector has effectively managed to mobilize Ksh 200 billion deposits and assets worth Ksh 210 billion Mmari (2020). SACCOs in Kenya are required to adhere to regulations set out by the Sacco Societies Regulatory Authority (SASRA). The management has to present the capital adequacy return reports, liquidity statement reports, Statement of financial position and Statement of deposit return as well as Return on investments reports which compares fixed investments like land and other financial assets to the SACCO's total assets and its core capital.

SACCOs play an increasingly important role in Kenya's financial sector, serving a growing number of both urban and rural poor households (Nthaga, 2018). An estimated 1.7 million Kenyans, 9% of the country's adult population, rely on SACCOs for financial services. In Kenya there are more than 4,000 SACCOs and about 220 SACCOs take withdrawable deposits in addition to share-based savings. These SACCOs have 12 months from the time of their application to SASRA to gain licensure (Fujo & Ali, 2016). The savings and credit cooperative societies emerged to become the leading subsector in cooperative sector. However, various challenges threaten their performance. They include external competition from commercial banks, lack of clarity of roles between elected leadership and the management teams, low level of formal education by various stakeholders, low utilization of Information and communication technology, undercapitalization, limited application of management and operational systems, inadequate internal management and operational controls, among others (SASRA Strategic plan 2012-2016).

The SACCOs as a type of co-operative society mobilizes savings and then lend to the members under terms agreed upon in their specific general meetings. The loaning is administered through loan policies developed by individual SACCOs. Pollet and Develtere (2004), observe that successful cooperatives reviewed reveal that governance issues play a crucial role in harnessing the different corporation and business forces at play in the cooperatives. Thus, credibility of Sacco has been in question especially the fact that the upcoming number of saccos being registered has increased in the recent years.

In Kenya the Sacco has become the easiest method to save and acquire credit. Thus, this has attracted a high number of individuals diverting their savings to the Sacco. This has led to the human resource credibility to be questioned as it plays a big role in initiating the saccos performance. The County Government of Uasin Gishu Department of Cooperatives and Enterprise Development has continued to strengthen saccos across the county by training officials from various Saccos. The training focuses on Financial Management, Sacco Governance, membership outreach.

1.2 Statement of the Problem

SACCOs plays a key part in assisting people save and acquire credit at relatively lower interest rates than the main stream banks. SACCOS plays a significant role in the realization of vision 2030. Due to the increase in demand of intermediate banking facilities, SACCOS or a company must focus its limited resources on those activities that are essential to its survival and must leverage activities that are peripheral. Outsourcing initiatives contribute to increases in employment rates and wages and led to the creation of over 14 million jobs in the United States; therefore, SACCOS should consider how outsourcing could impact their organizations performance (Keben & Maina, 2018). Many outside vendors are installing integrated or enterprise software, such as PeopleSoft, with human resource information system components. HR Practices Outsourcing is also used when SACCOS are operating at capacity and do not have additional staff to handle increased activity. Because such levels of business will eventually decline, companies may prefer to outsource some activities rather than hire more staff. SASRA is the regulating body of SACCOS in Kenya. Its annual report in 2019(pg.19) revealed 3 Saccos had their Licenses deregistered because the SACCOS were rendered not credible. Their credibility was questioned due to some of the following matters; Human Resources being compromised by the board of directors, Poor management of saccos clientele due to lack of staff training; Lack of quality Human Resource Systems to run clientele and staff data. HR practices outsourcing might be a competitive advantage factor. It is against this background that this study sought to establish the effect of human resource management information system outsourcing practices on performance of Saccos in Uasin Gishu County.

1.3 Objective of the Study

To determine the effect of human resource management information system outsourcing practices on performance of Saccos in Uasin Gishu County.

1.4 Research Hypothesis

H₀₁: There is no significant effect of human resource management information system outsourcing practices on performance of Saccos in Uasin Gishu County.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Innovation Diffusion Theory

Rogers' Diffusion of Innovation Theory developed by Rogers (1995) sought to explain how new ideas or innovations are adopted, and this theory proposes that there are five attributes of an innovation that effect adoption: relative advantage, compatibility, complexity, trial-ability and observability. Relative advantage is the degree to which an innovation is perceived as being better than the idea it supersedes. Rogers' theory suggests that innovations that have a clear, unambiguous advantage over the previous approach was more easily adopted and implemented. Compatibility is the degree to which an innovation fits with the existing values, past experiences, and needs of potential adopters. There is strong direct research evidence suggesting that the more compatible the innovation is, the greater the likelihood of adoption (Greenhalgh, 2004).

The theory assume that complexity is the degree to which an innovation is perceived as difficult to understand and use. Furthermore, Rogers suggested that new innovations may be categorized on a complexity-simplicity continuum with a qualification that the meaning or the relevance of the innovation may not be clearly understood by potential adopters. When key players perceive innovations as being simple to use the innovations was more easily adopted (Greenhalghl, 2004). Trial ability is the degree to which an innovation may be experimented with on a limited basis. Because new innovations require investing time, energy and resources,

innovations that can be tried before being fully implemented are more readily adopted. Finally, observability is the degree to which the results of an innovation are visible to the adopters. If there are observable positive outcomes from the implementation of the innovation then the innovation is more adoptable.

The relevance of the theory outlines the adoptability of Saccos to generate and pinpoint the innovative ideas in human resource outsourcing practices and implement the idea to suits the organization in terms of operationalization and functionality of the innovative ideas the organization came up with. For these reasons the complexity, compatibility, trial ability and observability of the human resource outsourcing definitely can lead to performance of SACCOS and even development of new innovation in future times. The theory criticism is that although each study applies the theory in slightly different ways, this lack of cohesion has left the theory stagnant and difficult to apply with consistency to new problems (Ewens & Van der Voet, 2019).

Diffusion is difficult to quantify because humans and human networks are complex. It is extremely difficult, if not impossible, to measure what exactly causes adoption of an innovation. Diffusion theories can never account for all variables, and therefore might miss critical predictors of adoption (Guerola-Navarro, Gil-Gomez, Oltra-Badenes & Sendra-García, 2021). This variety of variables has also led to inconsistent results in research, reducing heuristic value. Rogers placed the contributions and criticisms of diffusion research into four categories: pro-innovation bias, individual-blame bias, recall problem, and issues of equality. The pro-innovation bias, in particular, implies that all innovation is positive and that all innovations should be adopted.

2.2 Empirical Review

2.2.1 Human Resource Management Information System Outsourcing Practices

According to Ababu (2015) human resource functions are even more important than ever but with HR outsourcing, there is need to shift focus from traditional human resource activities such as recruiting, payroll, and pension's administration to outcome-oriented activities that enrich the organisation's value to customers,

investors, and employees. The findings of this research result in employees are satisfied with outsourced human resource information system because it enhances salary, job position, promotion scheme, and working environment but worried about the system about information sharing of human resource and their difficulty to store, retrieve, share and maintain information. The current research was mainly focused on human resource management information systems outsourcing perception and organisation performance of Saccos in Uasin Gishu County.

Mohamed et al., (2019) studied the human resource outsourcing practices among international non-governmental organizations based in Nairobi. The research design used was the census description survey and data were collected from sixty of these organizations which represented eight five per cent of the population. The respondents were comprised mostly of qualified human resource professionals with experience in various human resource practices. The study found that, human resource software used is able to incorporate human resource practices like employee/benefits administration, recruiting, training and development; payroll administration and processing, contracts management and staff growth and career progression.

Seethamraju (2018) established the relationship between outsourcing human resource Enterprise resource Planning on organizational performance. The study employed descriptive research design, the total population was 200 employees, sample size of 50 employees. The study adopted agency, social exchange and knowledge-based theory of a firm theories. The response rate was 90% thus the reliability and validity of the study. The study concluded that human resource ERP system outsourcing has positive significant effect on organizational performance. This preceding study used similar theory of Knowledge based theory to guide which is similar to the current study although the variable of ERP differs with current study which was on human resource management information system on organisation performance.

Study by Irwin et al., (2018) sought to assess the perceptions of Human Capital Management Systems outsourcing on organizational performance on multinational companies in Nairobi. The study used descriptive statistics research design. The descriptive study targeted 15 multinational companies in Nairobi. Stratified sampling

technique was used to select 60 employees from the multinational companies in Nairobi and structured questionnaires administered. Descriptive statistical analysis was conducted: frequencies, percentages, mean and standard deviation. Further, inferential analysis was conducted on variables of interest at 95% confidence level.

The study's findings revealed that the most such systems helped them in achieving their recruitment and selection, training and development, HR policy writing, and payroll and benefits. Outsourced temporary staff can be managed economically than handling them in house. Outsourcing HR functions did give time for the HR department to concentrate on their core activities and improved overall organizational performance. The study focused on Human Capital Management Systems practices on performance of multinational companies leaving a research gap to be filled by the current study on SACCOs.

3.0 RESEARCH METHODOLOGY

This study used descriptive research design. The accessible population for this study was 227 employees working in the Savings and credit cooperative societies in Uasin Gishu County. The sample size was 145 respondents. The study proportionally distributed the sample size into the six categories of respondents. This was done to ensure that the sampling is done as per the size of the population. The study employed purposive sampling to select 13 managers. Simple random sampling was used to select operations officers, marketing and communication officers, customer service officers and ICT officers. Finance officers. The study collected both primary and secondary data. Primary data was collected using questionnaires. Secondary data was collected from journals and books related to the study topic. This was done through internet source, e-library, physical library and publication. Descriptive and inferential statistics were used to analyse the data with the aid of the Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics included percentages, frequencies, mean and standard deviation. Inferentially correlations and multiple regression analysis were applied to get the change in dependent variable caused by the effect of independent variables.

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Response Rate

Response rate is the number of people who answered the survey divided by the number of people in the sample. The study response rate for this study is presented in Table 1.

Table 1 Response Rate

Response Rate	Frequency	Percentage
Responded questionnaires	110	75.9
Unreturned questionnaires	35	24.1
Total	145	100

A total of 145 questionnaires were issued to the respondents, and total of 110 were fully filled and returned for analysis. This represented a 75.9% questionnaire response rate. According to Kothari (2010) when the rate is 75%, then it is appropriate to continue with the study. Table 4.1 revealed questionnaire response rate.

4.2 Pilot Study Results

After pilot study the Cronbach alpha coefficient test was used to measure the internal consistency of the instruments used and the coefficient alpha of these variables were reported in Table 2.

Table 2 Reliability Test Results

Variables	N of Items	Cronbach's Alpha
Human resource management information system outsourcing	4	0.854
Performance of Saccos	4	0.848

Human resource management information system outsourcing practices had Cronbach's Alpha coefficient of 0.854 and performance of Saccos had a Cronbach's Alpha coefficient of 0.848. This implies that Cronbach's Alpha coefficient values for all the study variables were above the acceptable reliability threshold of 0.7. Thus,

the researched instruments used for this study were reliable (Castillio, 2009). This represented high level of reliability and on this basis, it was supposed that scales used in this study are reliable to capture the variables.

4.3 Demographic Characteristics of Respondents

The study sought to find out demographic characteristics of respondents, which includes: gender, age bracket, work experience and level of education.

4.3.1 Gender of the Respondents

The study sought to establish the gender of the respondents. The findings are shown in Table 3.

Table 3 Gender of the Respondents

Gender	Frequency	Percent
Male	61	55.5
Female	49	44.5
Total	110	100.0

From the results in Table 3, 61(55.5%) of the respondents were male while 49(44.5%) were female. The results indicate that there is an almost equal representation of both male and female employees though female employees comprise the majority. Since both male and female individuals are given a chance to share their knowledge, the outcome for the organization is likely to be greater. Basically, there is a distinctive set of skills brought about by the diverse workforce.

4.3.2 Years Worked in SACCO

The researcher also sought to determine the number of years the respondents had been working in SACCO. Table 4 presents the study results.

Table 4 Years Worked in SACCO

Years Worked in Sacco	Frequency	Percent
Below 3 years	23	20.9
3-6 years	64	58.2
Above 6 years	23	20.9
Total	110	100.0

The study findings in Table 4 showed that majority of the respondents had worked in Saccos for 3 to 6 years, 23(20.9%) of the respondents had worked for above 6 years and also 23(20.9%) had worked for below three years.

4.3.3 Age Bracket of the Respondents

The respondents also sought to determine the age brackets of the respondents. Table 5 presents the study results.

Table 5 Age Bracket of the Respondents

Age Bracket	Frequency	Percent
18 – 30 years	27	24.5
31 – 40 years	54	49.1
41 – 50 years	29	26.4
Total	110	100.0

From the results in Table 5 revealed that majority 54(49.1%) of the respondents indicated that they were aged between 31-40 years, 27(24.5%) were aged 18 to 30 years, 29(26.4%) were aged. This implies majority of the subjects were old and mature enough to understand the topic under the study.

4.3.4 Level of Education of the Respondents

The researcher also sought to determine the education level of the respondents. Table 6 presents the study results.

Table 6 Level of Education of the Respondents

Level of Education	Frequency	Percent
Certificate	25	22.7
Diploma	52	47.3
Degree	33	30.0
Total	110	100.0

From the results in Table 6 revealed that majority 52(47.3%) of the respondents had diploma level of education, 25(22.7%) of the respondents were certificate holders and 33(30%) were degree holders. It is evident that the employees possess the

requisite skills to perform their duties effectively. As such, the employees' educational attainment was part of the organizations' human capital.

4.4 Descriptive Statistics Results

4.4.1 Descriptive Analysis for Human Resource Management Information System

The objective of the study was to determine the effect of human resources management information system on performance of Sacco's in Uasin Gishu County, Kenya. Table 7 presents the study results.

Table 7 Descriptive Analysis for Human Resource Management Information System

Statements		SA	A	UD	D	SD	Mix	Max	Mean	Std. Dev.
Human Resource Information systems are up to date	F	33	28	24	8	17	1	5	3.47	1.393
	%	30	25.5	21.8	7.3	15.5				
HRIS reduces data duplication	F	38	36	14	14	8	1	5	3.75	1.259
	%	34.5	32.7	12.7	12.7	7.3				
Creativity and innovation have been enhancing through HRIS to reduce human error	F	35	39	15	13	8	1	5	3.73	1.233
	%	31.8	35.5	13.6	11.8	7.3				
HRIS has enhanced self-service of employees.	F	20	36	19	16	20	1	5	3.16	1.372
	%	18.2	32.7	17.3	14.5	18.2				
Valid N =110									3.53	

Table 7 revealed that that majority 61(55.5%) of the respondents agree that human resource information systems are up to date. On contrary to that, 25(22.7%) of the respondents disagreed that human resource information systems are up to date.

Further, the results also showed in terms of mean and standard deviation that the respondents agreed that human resource information systems are up to date (Mean=3.47, Standard deviation=1.393). Also, the study findings revealed that 74(67.3%) of the respondents agree that HRIS reduces data duplication. However, 22(20%) of the respondents disagreed that HRIS reduces data duplication. Further, the results also showed in terms of mean and standard deviation that the respondents agreed that HRIS reduces data duplication (Mean=3.75, Standard deviation=1.259).

The study findings further revealed that 74(67.3%) of the respondents agree that creativity and innovation has been enhances through HRIS to reduce human error. However, 21(19.1%) of the respondents disagreed that creativity and innovation has been enhances through HRIS to reduce human error. Further, the results also showed in terms of mean and standard deviation that the respondents agree that creativity and innovation has been enhances through HRIS to reduce human error (Mean=3.73, Standard deviation=1.233). The study findings finally revealed that, 56(50.9%) of the respondents agree that HRIS has enhanced self-service of employees [Logging in and out of work]. However, 36(32.7%) of the respondents disagreed that HRIS has enhanced self-service of employees [Logging in and out of work]. Further, the results also showed in terms of mean and standard deviation that the respondents agree that HRIS has enhanced self-service of employees {Logging in and out of work} (Mean=3.16, Standard deviation=1.372).

The study results showed that majority of respondents agreed that human resources management information system has a positive influence on performance of Sacco's in Uasin Gishu County, Kenya. This implies that human resource information systems are up to date. Also, HRIS reduces data duplication. Further, creativity and innovation has been enhancing through HRIS to reduce human error. Finally, HRIS has enhanced self-service of employees. The study results concede with Mohamed et al., (2019) who found out that, human resource software used is able to incorporate human resource practices like employee/benefits administration, recruiting, training

and development; payroll administration and processing, contracts management and staff growth and career progression.

4.4.2 Descriptive Analysis for SACCOS Performance

The study sought to determine SACCOS performance. Table 8 presents the study results.

Table 8 Descriptive Analysis for SACCOS Performance

Statements		SA	A	UD	D	SD	Mix	Max	Mean	Std. Dev.
Customer satisfaction is high, noted by the increased number over the period.	F	56	46	3	1	4	1	5	4.35	0.883
	%	50.9	41.8	2.7	0.9	3.6				
The sales have increased noted by high profits every year.	F	45	54	1	6	4	1	5	4.18	0.969
	%	40.9	49.1	0.9	5.4	3.6				
Customer complaints and errors at work have reduced hence increasing efficiency and productivity.	F	51	50	4	1	4	1	5	4.30	0.884
	%	46.4	45.5	3.6	0.9	3.6				
Employees meet their set targets, and this increases performance.	F	45	27	23	11	4	1	5	3.89	1.160
	%	40.9	24.5	20.9	10	3.6				
Valid N =110									4.18	

The study findings from Table 8 revealed that that majority 102(92.7%) of the respondents agree that customer satisfaction is high, noted by the increased number over the period. However, 5(4.5%) of the respondents disagreed that customer satisfaction is high, noted by the increased number over the period. Further, the results also showed in terms of mean and standard deviation that the respondents agree that customer satisfaction is high, noted by the increased number over the period (Mean=4.35, Standard deviation=0.883). The study findings further revealed that 99(90%) of the respondents agree that the sales have increased noted by high profits every year.

On contrary to that 10(9%) of the respondents disagreed that the sales have increased noted by high profits every year. Further, the results also showed in terms of mean and standard deviation that the respondents agree that the sales have increased noted by high profits every year (Mean=4.18, Standard deviation=0.969). The study findings also revealed that 101(91.8%) of the respondents agree that customer complaints and errors at work have reduced hence increasing efficiency and productivity. However, on the other hand, 5(4.5%) of the respondents disagreed that customer complaints and errors at work have reduced hence increasing efficiency and productivity.

Further, the results also showed in terms of mean and standard deviation that the respondents agree that customer complaints and errors at work have reduced hence increasing efficiency and productivity (Mean=4.30, Standard deviation=0.884). The study findings also showed that 72(65.5%) of the respondents agree that employees meet their set targets, and this increases performance. On contrary to that, 15(13.7%) of the respondents disagreed that employees meet their set targets, and this increases performance. Further, the results also showed in terms of mean and standard deviation that the respondents agree that employees meet their set targets, and this increases performance (Mean=3.89, Standard deviation=1.160). The study findings revealed that majority of respondents agreed that SACCOS Performance has improved.

4.5 Inferential Analysis

This section presents correlation analysis, regression analysis and hypotheses testing.

4.5.1 Correlation Analysis Results

Correlation analysis was done to achieve the strength of an association between independent and dependent variables of the study. The findings are presented in Table 9.

Table 9 Multiple Correlation Analysis Results

		Performance of SACCOS
Human resource management information system	Pearson Correlation	.883**
	Sig.	0.000

****.** Correlation is significant at the 0.01 level (2-tailed).

The study established that there exist a strong, positive and statistically ($r=0.883$; $p<0.01$) correlation between human resource management information system outsourcing and performance of SACCOS.

4.5.2 Linear regression model of Human resource management information system outsourcing practices and Performance of SACCOS

The linear regression analysis models the relationship between human resource management information system outsourcing practices and performance of SACCOS. The results are shown in Table 10, 11 and 12

Table 10 Model Summary for Human Resource Management Information System

R	R Square	Adjusted R Square	Std. Error of the Estimate
.883 ^a	0.779	0.777	0.49984

The study results in Table 10 revealed the model summary which provides the coefficient of determination (R^2) which revealed proportion of the variance in the dependent variable that is predictable from the independent variable and correlation

coefficient (R) of 0.883 which revealed that there was 88.3% degree of association between the performance of Saccos and human resource management information system outsourcing practices. This is supported by coefficient of determination also known as the R square of 0.779%. This means that human resource management information system outsourcing practices explain 77.9% of the variations in the dependent variable which is performance of Saccos. The results further imply that the model applied to link the relationship of the variables was satisfactory.

Table 11 Model Fitness Results of Human Resource Management Information System

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	95.315	1	95.315	381.501	.000 ^b
Residual	26.983	108	.250		
Total	122.298	109			

The study findings revealed that the F test value was 381.501. Further the study result revealed the significance value was less than 0.05 thus the model was fit to be fitted in regression model. This imply the independent variables are good predictors of human resource management information system outsourcing practices.

Table 12 Regression Analysis Coefficients for Human Resource Management Information System

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.629	0.178		3.525	0.001
Human resource management information system outsourcing practices	0.846	0.043	0.883	19.532	0.000

The study presented in Table 12 reveals that there is a positive significant effect of Human resource management information system outsourcing practices on Performance of SACCOS ($\beta_4=0.846$, $p=0.000<0.05$). This gave an implication that a

unit increase in in human resource management information system outsourcing practices caused 0.846-unit increase in performance of Saccos.

Thus, the regression equation becomes;

$$Y = 0.629 + 0.846X_4 \dots \dots \dots \text{Equation 1}$$

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Study

The objective of the study was to determine the effect of human resources management information system on performance of Sacco's in Uasin Gishu County, Kenya. Descriptive statistics show that the respondents agreed that Human Resource Information systems are up to date. Also, HRIS reduces data duplication. Further, Creativity and innovation has been enhancing through HRIS to reduce human error. Finally, HRIS has enhanced self-service of employees. {Logging in and out of work}. The study results also show that human resources management information system has a positive and statistical significance influence on performance of Sacco's in Uasin Gishu County, Kenya. This implies that performance will only be increased through ensuring that Information systems are up to date and Creativity and innovation is enhanced through HRIS to reduce human error.

5.2 Conclusions of the Study

The study finally concluded that performance is increased by ensuring that Information systems are up to date and enhancement of Creativity and innovation through HRIS which reduces human error.

5.3 Recommendations of the Study

The study recommends that performance of Saccos will be increased through ensuring that Information systems are up to date and creativity and innovation is enhanced through HRIS to reduce human error.

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