

EFFECT OF TRAINING OUTSOURCING PRACTICES ON PERFORMANCE OF SACCOS IN UASIN GISHU COUNTY, KENYA

Dr. Rael Mandago¹, Audrey Akinyi Owino^{2*}

^{1*} Senior Lecturer, Koitaleel Samoei University College.

² Jomo Kenyatta university of Agriculture and Technology.

*** Correspondence:** Dr. Rael Mandago

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ABSTRACT: Purpose: The study sought to establish the effect of training 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. Collected data was organised and edited to remove any inconsistencies, repetitions or errors that would have made analysis difficult. 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 revealed that training outsourcing practices has a significant influence on performance of Saccos ($\beta_1=0.298$, $p<0.05$).

Unique contribution to theory, practice and policy: The study recommends that the Saccos always outsource human resource as this will greatly increase training policies and provision of training opportunities.

Keywords: *Training outsourcing practices, 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.

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.

The human resource outsourcing (HRO) industry in India is at a crucial juncture in its short history. Organizations are increasingly taking up HRO as an opportunity to streamline processes, reduce costs, get access to the latest technology and tools, consistently achieve better quality, and align human resources with the overall business as quickly as possible. SACCOS are faced with problems which include inadequate capital, poor member participation, inadequate managerial skills, corruption, frauds and absence of common brands. These challenges have created inefficiency and lack of competitiveness in the institutions which is likely to impair their performance (Siddaraju, 2012).

Malaysia has positioned itself as one of the prominent outsourcing destinations in the Asia-Pacific region with 340 outsourcing and shared services centers, employing 82,000 people. Human resource outsourcing industry actually accounts for 16 percent of the Malaysian GDP. In particular, the HRO segment demonstrates potential growth with many manufacturing firms willing to outsource to gain access to expert services. In Malaysia, co-operatives including SACCOS are facing many obstacles which include among others; improper governance, poor financial performance, managerial inadequacies and lack of capital (Lidasan, 2018).

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 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 training outsourcing practices on performance of Saccos in Uasin Gishu County.

1.3 Objective of the Study

To establish the effect of training outsourcing practices on performance of Saccos in Uasin Gishu County.

1.4 Research Hypothesis

H₀₁: There is no significant effect of training outsourcing practices on performance of Saccos in Uasin Gishu County.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Knowledge-Based Theory

This study was guided by Knowledge-Based Theory whose proponent is Conner in 1991. The theory states that organizations are seen as increasingly dependent on knowledge resources, which have particular characteristics and demand a strategic focus on aspects such as the development of competencies, organizational learning and management of tacit and explicit knowledge (Curado & Bontis, 2006). By now, the knowledge-based theory of the firm “has arguably established itself as the mainstream literature informing the discourse on knowledge in organisations (Patriotta, 2013). It has been influenced by the work of Penrose (2015) and more generally by the so-called resource-based view of the firm, (Barney, Ketchen & Wright, 2011). Indeed, Wernerfelt (1984) sees the knowledge-based view as “an outgrowth of the resource-based view”, a view that is also echoed by other scholars in the field, (Patriotta, 2013). Given this background and the fact that the resource-based view of the firm is one of the core streams in the field of strategic management, the important relation between knowledge management and strategy theory are obvious.

Many firms consider that to act with efficacy in today’s economy, it is imperative for them to become a knowledge-based organization. But few understand what that

means, and how to make the changes necessary to achieve it. Perhaps the most common mistake firms do is considering that the higher the knowledge content of their products and services, the closer they are to being true knowledge-based organizations. But the products and services are only the visible and tangible reality they present to their clients; the tip of the iceberg. As in real icebergs, the largest reality that allows the firm to produce is located below the surface of the water, hidden in the intangible assets of the organization, and it entails the knowledge of what the firm does, how it is done, and why it is done that way (Bratianu, 2015). This theory was relevant to the study as it touches most reliably on the variable of Training outsourcing practices.

Knowledge-based capabilities are considered to be the most strategically important ones to create and sustain competitive advantage DeNisi (2013). Superior talent is recognized to be the main creator of sustained competitive advantage in high growth firms. The capacity to learn faster than competitors could turn out to be the only sustained competitive advantage. This dynamic capability builds up over time a historical or path dependency, creating causal ambiguity and it establishes a basis for competitive advantage. Capabilities and capacities lead to superior sustained growths because they are specific to each organization, valuable to the clients, non-substitutable and hard to imitate (Rugman & Verbeke, 2012). Capacities are difficult to duplicate (Blackler, 2013). The replication of organizational routines, for example, is a very difficult and expensive process because replication itself is an organizational capability only developed through execution (Winter *et al.*, 2012).

2.2 Empirical Review

2.2.1 Training Outsourcing Practices

Mwangi (2017) study established the relationship between human resource training outsourcing on organizational performance. The study findings indicated that human resource outsourcing affects organizational performance. Training affects performance positively of the employee and overall organisation performance. This study informs the current study on the adoption of theories to confirm the relationship of concepts and comparing them to the outcome of research although the

current study will not use same theories as this preceding study. The current study therefore attempted to establish if training of employees impacts organisational performance of Saccos in Uasin Gishu County.

Agburu, Anza and Iyortsuun (2017). investigated the effect of training outsourcing on the organizational performance (employee placement and training) in Rwanda. The results have shown that organizations in Rwanda outsource in order to access special expertise as shown by all respondents at rate of 100% and to reduce costs of having to do recruitment for many times seeking appropriate candidate as shown by respondents at rate of 96%. This is an indication that outsourcing takes the burden of recruitment and training off the employers including cost and time loss while ensuring that the best and suitable employees are sourced. This research was based in Rwanda and used mixed research methods for their study whereas the current study only employed descriptive research design and guided by the variable of Training outsourcing practices on organisation performance as main focus.

Kayumba (2019), studied about the effect of training outsourcing on organizational performance in private organizations in Rwanda a case study of Rwanda Telecommunication Limited. The findings disclosed that outsourcing of Uganda Telecommunication Limited positively contributed to cost efficiency. The study determined that outsourcing at Rwanda Telecommunication Limited in some way positively contributed to profitability at a lower level. Concluded by recommending the companies that are part of Rwanda Telecommunication Limited to outsource more in order to benefit more on cost efficiency.

Mohammed (2016) investigated the impact of outsourcing of human resourcing on organisational performance, the case of MTN, Douala, Cameroon. Stratified random sampling technique was used in selecting respondents for a primary source data gotten through a well-designed and self-administered questionnaire. Also, secondary data was sourced from the financial records of ten selected SMEs. The variables were statistically analyzed using multiple regression technique. At the end of the research, the study found that; outsourcing of supporting activities such as shipping, IT services/system, training, advertising, legal services, transport services, public relations have a significant effect on organizational profitability of MTN. This

research used secondary data while the current study used both primary and secondary data.

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
Training outsourcing practices	4	0.786
Performance of Saccos	4	0.848

The pilot study findings in Table 2 indicated that training outsourcing practices had a Cronbach's Alpha coefficient of 0.786 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

This section represents the descriptive statistics of the four study objectives and the dependent variable. To achieve this, a five-point Likert scale was used where; 1=Strongly Disagree, 2=Disagree, 3=fairly Agree, 4=Agree, 5=Strongly Agree.

4.4.1 Descriptive Analysis for Training Outsourcing Practices

The objective of the study was to determine the effect of Training outsourcing practices on performance of Sacco's in Uasin Gishu County, Kenya. Table 7 presents the study results.

Table 7 Descriptive Analysis for Training Outsourcing Practices

Statements		SA	A	UD	D	SD	Mix	Max	Mean	Std. Dev.
Outsourcing of human resources have fair training policies and provide training opportunities	F	49	42	14	2	3	1	5	4.20	0.927
	%	44.5	38.2	12.7	1.8	2.7				
Presence of an effective on-boarding training for new staffs increases employee's performance	F	49	40	2	20	2	1	5	3.49	1.123
	%	35.4	18.1	1.8	18.1	1.8				
Outsourcing that offer study leaves for their staffs are likely to experience high staff retention levels	F	41	47	15	5	2	1	5	4.09	0.924
	%	37.3	42.7	13.6	4.5	1.8				
Mentorship and coaching are an effective way of developing skills and results to lower staff turnover	F	42	30	17	19	2	1	5	3.71	1.199
	%	38.2	27.3	15.5	17.3	1.8				
Valid N =110									3.87	

The study findings from Table 7 revealed that that majority 91(82.7%) of the respondents agreed that outsourcing of human resources have fair training policies and provide training opportunities. On the contrary to that 5(4.5%) of the respondents disagreed that outsourcing of human resources have fair training policies and provide training opportunities.

Further the study findings revealed in terms of mean and standard deviation that the respondents agreed that outsourcing of human resources have fair training policies and provide training opportunities (Mean=4.20, Standard deviation=0.927). On top of that the study findings revealed that 89(53.5%) of the respondents agree that presence of an effective on-boarding training for new staffs increases employee's performance. On contrary 22(20%) of the respondents disagreed that presence of an effective on-boarding training for new staffs increases employee's performance. Further, the results also showed in terms of mean and standard deviation that the respondents agree that presence of an effective on-boarding training for new staffs increases employee's performance (Mean=3.49, Standard deviation=1.123).

The study findings further revealed that 88(80%) of the respondents agree that outsourcing that offer study leaves for their staffs are likely to experience high staff retention levels. However, on the other hand 7(6.4%) of the respondents disagreed outsourcing that offer study leaves for their staffs are likely to experience high staff retention levels. Further, the study results also showed in terms of mean and standard deviation that the respondents agree that outsourcing that offer study leaves for their staffs are likely to experience high staff retention levels. (Mean=4.09, Standard deviation=0.924). Finally, 72(65.5%) of the respondents agree that mentorship and coaching are an effective way of developing skills and results to lower staff turnover. On contrary, 21(19.1%) of the respondents disagreed mentorship and coaching are an effective way of developing skills and results to lower staff turnover. Further, the results also showed in terms of mean and standard deviation that the respondents agree that mentorship and coaching are an effective way of developing skills and results to lower staff turnover (Mean=3.71, Standard deviation=1.199).

The study results showed that majority of respondents agreed that training outsourcing practices has an influence on performance of Sacco's in Uasin Gishu

County, Kenya. This implies that outsourcing of human resources have fair training policies and provide training opportunities. Also, presence of an effective on-boarding training for new staffs increases employee's performance. Further, outsourcing that offers study leaves for their staffs are likely to experience high staff retention levels. Finally, mentorship and coaching are an effective way of developing skills and results to lower staff turnover.

The study results concur with Mwangi (2017) who found out that the study findings indicated that human resource outsourcing affects organizational performance with an r of 0.935 confirming significance and positive relationship with the study variables. Training affects performance positively of the employee and overall organisation performance. This study informs the current study on the adoption of theories to confirm the relationship of concepts and comparing them to the outcome of research although the current study did not use same theories as this preceding study.

4.5.2 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

		Performan ce of SACCOs	Training outsourci ng practices	Payroll outsourci ng practices	Recruitme nt and selection outsourcin g practices	Human resource manageme nt informatio n system
Performan ce of SACCOs	Pearson Correlati on	1				
	Sig.					

Training prentices	Pearson Correlati on	.898**	1			
	Sig.	0.000				

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

The study findings in Table 9 indicated that training outsourcing practices and performance of SACCOs had a positive strong and statistically significant correlation ($r = 0.898$; $p < 0.01$).

4.5.2 Linear regression model of Training outsourcing practices and Performance of Saccos

The simple linear regression for training outsourcing practices and performance of saccos was carried out and the results are presented in Table 10, 11, 12.

Table 10 Regression Model Summary of Outsourcing practices

R	R Square	Adjusted R Square	Std. Error of the Estimate
.898 ^a	.807	.805	.46750

The model summary results in Table 10 indicated that $R = 0.898$ and $R^2 = 0.807$. R value gives an indication that there is a linear association between training outsourcing practices and performance of Saccos. The R^2 indicates that explanatory power of the independent variables is 0.807. This means that about 80.7 percent of the variation in performance of saccos is explained by training outsourcing practices.

Table 11 Model Fitness Results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	98.695	1	98.695	451.585	.000 ^b
Residual	23.604	108	.219		
Total	122.298	109			

Table 11 indicated that the F-statistics produced ($F = 451.585$) which was significant at $p = 0.000$ thus confirms the fitness of the model. Therefore, there is statistically significant association between training outsourcing practices and performance of

SACCOS in Uasin Gishu county, Kenya. This means that the independent variable (training outsourcing practices) is a significant predictor of the dependent variable (performance of SACCOS).

Table 12 Regression Coefficients of Training outsourcing practices

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.597	0.166		3.604	0.000
Training outsourcing practices	0.867	0.041	0.898	21.251	0.000

Regression of coefficients results in Table 12 showed that training outsourcing practices has a positive and significant effect on performance of SACCOS ($\beta_1=0.867$, $p=0.000<0.05$). This implied that a unit increase in training outsourcing practices lead to 0.867 units increase in performance of SACCOS.

The optimal model of the regression was;

$$Y = 0.597 + 0.867X_1 \dots\dots\dots \text{Equation 1}$$

4.8 Hypotheses Testing

From the regression model computed in Table 12, the research hypotheses were tested using the significance level of the coefficients. The research aimed to test the hypothesis with an aim of failing to reject or rejecting the relationship between independent and the dependent variables. The research hypothesis for the study included;

H₀₁: Training outsourcing practices has no significant effect on performance of Saccos in Uasin Gishu County, Kenya. The regression results in Table 12 indicate that there is significant relationship between Training outsourcing practices and performance of Saccos in Uasin Gishu County, Kenya and with a beta coefficient of 0.867 and significance of ($p= 0.000$). The study rejected the null hypothesis. These results concur with Mwangi (2017) whose findings indicated that human resource outsourcing affects organizational performance with an r of 0.935 confirming

significance and positive relationship with the study variables. Training affects performance positively of the employee and overall organization performance.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Study

The objective of the study was to determine the effect of Training outsourcing practices on performance of Sacco's in Uasin Gishu County, Kenya. Descriptive statistics show that the respondents agreed that outsourcing of human resources have fair training policies and provide training opportunities also presence of an effective on-boarding training for new staffs increases employee's performance. On top that the respondents agreed that outsourcing that offers study leaves for their staffs are likely to experience high staff retention levels and that mentorship and coaching are an effective way of developing skills and results to lower staff turnover. The study results also show that Training outsourcing practices has a positive and statistical significance influence on performance of Sacco's in Uasin Gishu County, Kenya. This implies outsourcing of human resources increases performance through fair training policies and provision of training opportunities.

5.2 Conclusions of the Study

The study concluded that outsourcing of human resources increases performance through fair training policies and provision of training opportunities.

5.3 Recommendations of the Study

The study recommends that the Saccos always outsource human resource this will greatly increase training policies and provision of training opportunities.

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