A SURVEY ON THE FACTORS AFFECTING THE USE OF HUMAN RESOURCE INFORMATION SYSTEMS: A CASE STUDY OF SELECTED INSURANCE COMPANIES IN NAIROBI (KENYA)

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D53/7655/02

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SEPTEMBER 2004
DECLARATION

This project is my original work and has not been presented in any other institution or for any other award.

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DEDICATION

To my mum, dad and brothers with much love, and to Jehovah, my God.
ACKNOWLEDGEMENT

My special thanks go to my supervisors Mr. Phares Ochola of Business Administration and posthumously to Professor Haggai Okello, for their tireless efforts, invaluable guidance and constant advice they gave me through out my project.

I wish to thank Kenyatta University Library for its accessibility and help in locating materials for the literature review and the Africana Section for use of their thesis and projects.

My profound thanks go to my mum Janet Mungai for her financial assistance and encouragement. My dad Paul Mungai, brothers Charles Mungai and Moses Gichanga were also of invaluable help both financially and emotionally.

I also wish to thank my lecturers and fellow MBA classmates for their encouragement and assistance in one way or the other. Finally, I thank all those who assisted me to shape my life and their names are not mentioned above, I say thanks a lot.
ABSTRACT

The insurance sector is one of the largest employers in the service industry. Due to the nature of the business, customer care is becoming more and more prominent, as the employees are viewed as the wealth creators. As such, human resources is now more than ever, the most valued asset that an organization has.

The sourcing, retaining, maintaining and separation of human resources requires a lot of administration. The more efficient and effective, the better, and thus, information systems give a competitive advantage to an organization over its competition.

This study explores the extent of use of human resource information systems in enhancing effectiveness in the human resource management of insurance companies. From observation, very little research has been carried out in this area in Kenya. As such, the study will form the basis for academicians to adjust their training courses, addressing the issue of information systems as a human resource management tool in the insurance sector.

The study will be done in Nairobi city because most insurance companies are located here, especially those registered with the Association of Kenya Insurers. The method of data collection used will be a questionnaire. However, the sampling procedure will be based on simple random method.
CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

Few industries are more information based than insurance. This is due to the rapidly changing technology and vast labor force needs. Despite this fact, good quality data, that is recent and relevant provided in a timely fashion, is in short supply in the insurance industry (Bradford, 2004)

Insurance can be defined as the contractual means of shifting the burden of pure risks through pooling, to minimize financial loss. Individuals and businesses, therefore, pay premiums to insurance companies in exchange for protection and/or the reimbursement in the event of loss (Diacon, 1990).

According to (Forester, 1989), an insurance firm’s greatest asset is its human resources. Due to the nature of insurance services, the firm’s reputation needs to be built on the interaction between its customers and the employees. Thus, an insurance firm’s competitive ability is a function of its human resource management systems. This will determine whether it acquires a sustainable competitive advantage and ensure its survival. The need for an efficient information system can therefore not be overemphasized. One such system is the human resource information system.
Human resource information systems is defined as the system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information regarding an organization's human resource (Karanagh, Gueutal & Tannenbaum, 1990).

Human resource information systems support the concept of human resource management. This business function emphasizes:

- Planning to meet the personnel needs of the business.
- Development of employees to their full potential,
- Control of all personnel policies and programs. (O'Brien, 1993)

Human resource information systems growth is essentially due to the recognition that management needs correct and timely information on its people and that new technological breakthrough has cut the costs of these systems (Perry, 1988). Human resource information systems are also increasingly considered a necessary component of human resource because of the increasingly global perspective of business. The combination of new technology and the subsequent loss of physical boundaries require comprehensive human resource systems that can maintain one database while incorporating a diversity of additional systems and capabilities.

Human resource management is evolving very fast. Career development, employee benefits, pensions and absenteeism policy are examples of topics in the spotlight. The flow of information, which a human resource manager has to absorb and interpret, is
increasing all the time, as its complexity. The manager thus needs “hard and fast” figures, and other data that is valid, reliable and relevant.

The human resource department has been transformed by the computer in more ways than were even imagined only 20 years ago. In the 1980s, the activities that required about 75% of our total staff time, such as employee records, payroll, benefits, administration, vacation scheduling, and so on, could be accomplished on a computer today in about 10% of total staff time. Even more remarkable is the fact that these functions can be performed far better, with more capabilities (Carrell, Elbert & Hartfield, 1995).

A human resource information system is used in decision making at various management levels. These are strategic level that is made up of top management, tactical level comprising of middle-level management, and operational level that has the low-level management. The following decision support systems are used:

### HUMAN RESOURCE INFORMATION SYSTEMS

<table>
<thead>
<tr>
<th>Decision support systems</th>
<th>Staffing</th>
<th>Training/ development</th>
<th>Performance &amp; Appraisal</th>
<th>Review &amp; Appraisal</th>
<th>Compensation Administration</th>
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<td>Strategic information systems</td>
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<td></td>
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<td>Benefits tracking</td>
</tr>
<tr>
<td>Tactical information systems</td>
<td>Budget analysis</td>
<td>Training effectiveness</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Turnover analysis</td>
<td>Career matching</td>
<td></td>
<td></td>
<td>Benefit preference models</td>
</tr>
<tr>
<td></td>
<td>Turnover cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Absenteeism/ performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational information</td>
<td>Recruiting</td>
<td>Skill assessment</td>
<td>Computer-based evaluation programs</td>
<td></td>
<td>Compensation equity</td>
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<tr>
<td></td>
<td>Structured interview/</td>
<td></td>
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</table>
Usual as one of the last areas automated, human resource has lagged behind in information technology applications as compared to other functions such as accounting management and financial planning. The uneven progress of computers in human resource has resulted from the rapid change in technology and the role of the human resource department. As such, human resource information systems integration in Kenya insurance firms has been slow, if not altogether nonexistent. The extent of human resource information systems use, especially in the insurance industry, is of interest given the large labor requirements and the competitive nature of the industry.

1.2 STATEMENT OF THE PROBLEM

The Insurance Industry like other business environments is changing rapidly. Liberalization trends have led to increased competition, arising from internal and external demand for quality service. The result of this is the need for continuous improvement in information flow (Bradford, 2004).

Despite the demonstrated potential in investments in computerized information processing, few insurance firms have reportedly taken advantage of this. As such, decision-making systems have remained inefficient.
The research was also motivated by an interest in exploring the problem regarding the rate of information technology evolution within the insurance industry (Carrell, Elbert & Hartfield, 1995). New software and hardware is invented every six to twelve months, rendering the older version obsolete. This is because this is a highly turbulent industry. As such, some firms may opt not to keep up with the constant change. It was based on the slow growth of information technology in the insurance industry in Kenya during this period when a firm’s competitive advantage is determined by its human resource information systems thus motivating the researcher’s interest in conducting this research. The purpose of this study was, therefore, to survey the factors affecting the use of human resource information systems in selected insurance companies in Nairobi.

1.3 RESEARCH OBJECTIVES

The general objective of this study was to undertake a survey on the use of human resource information systems in selected insurance companies is Nairobi. Specifically, the study intended to:

a) Determine the types of human resource information systems used in insurance companies in Nairobi.

b) Assess the factors influencing the use of various types of human resource information systems in the insurance industry.

c) Establish the benefits and challenges faced by insurance companies in the use of human resource information systems.
1.4 RESEARCH QUESTIONS

The following research questions were addressed by this study:

a) What are the types of human resource information systems in use by insurance companies operating in Nairobi, Kenya?

b) How is the use of human resource information systems in insurance companies affected by factors such as top management attitude towards automation, usefulness of software for employees, increased efficiency and time-saving, user-friendliness, availability of technical support, training time for human resource management, compatibility with current systems and ability to upgrade?

c) What are the benefits derived and challenges faced by insurance companies in the use of human resource information systems?

1.5 JUSTIFICATION

This study will be of value to:

- Operating insurance companies by adding knowledge on the understanding of the extent of the use of human resource information systems.
- Future entrants into the industry in deciding which human resource information systems to consider in making investment decisions.
- Researchers by providing more insight into the current human resource information systems in use by insurance companies and giving recommendations for further study.
1.6 SCOPE OF STUDY

This study was limited to human resource information systems use, and its implementation in insurance companies. It covered Nairobi province only because all headquarters of insurance companies are in Nairobi. The study targeted employees expected to have knowledge of human resource information systems that is, human resource managers and human resource staff, and was conducted from May to August of 2004.
CHAPTER 2: LITERATURE REVIEW

2.1 HUMAN RESOURCE MANAGEMENT FUNCTION

Human resource management is the distinctive approach to employment seeking to obtain a competitive advantage through strategic deployment of a highly committed and skilled workforce (Armstrong, 1999). Human resource management is concerned with the acquisition of appropriate human resources, developing their skills and competencies, motivating them for best performance and ensuring their continuous commitment to the organization to achieve organizational objectives (Howard Uni, 2003).

In order for human resource management functions to work properly, human resource information systems must be implemented properly. What decides between the success and failure in the implementation of information technology systems is the human factor. Companies are discovering that people and not machines are their most valuable resource and that they can best improve their competitive performance by getting humans and technology working together in harmony (Clark, 1993).

2.2 OVERVIEW OF INFORMATION TECHNOLOGY IN KENYA

The Kenya Mission to the United Nations says Kenya is preparing itself to leverage information technology in its national priorities of growth and poverty reduction and to strategically position itself for the global digital economy (Sinning, 2002). The government is in the process of formulating and implementing information technology
sectoral policies, which would evidently bring about increased use of information
technology in the country (ROK, 2003).

Bill Gates wrote, “technological progress will force all of society to confront tough new
problems, only some of which we can foresee. The pace of technological change is too
fast that sometimes it seems the work will be completely different from one day to the
next. It will not. But we should be prepared for change.” (Gates, 1995).

2.3 ROLE OF INFORMATION TECHNOLOGY IN HUMAN RESOURCE
MANAGEMENT

Human resource management systems are becoming the front-line weapons in a new
fight to ensure that organizations are working as effectively and efficiently as possible
(Sweet, 2002).

The link between human resource development and information technology has also been
theorized by Hall & Torrington (1989). They describe four categories or computer usage
by human resource departments. They are described as follows:

- “Stars” are those that made full and imaginative use of computers potential to
  enhance the role and effectiveness of the personnel function in business.
- “Radicals” are those that set off with high aspirations but many were too
  ambitious and had to start again after a failure at the first attempt.
- “Plodders” were making some use of the electronic filing cabinets, but the nature
  of the work remained unchanged.
• “Beginners” had little developed their sophisticated leading edge use of computer
but there was evidence that such progress was beginning an in its early stages.

2.4 INFORMATION TECHNOLOGY IN INSURANCE COMPANIES

According to Diacon (1990), advanced information technology will not only make it possible to automate all lines of business, but will link insurers, intermediaries and customers. The latter two will then be able to shop around extensively at very low cost and high speed. Insurance companies respond reactively to competitive challenges by emphasizing cost reduction through automation and internal efficiency improvements.

Customers and their intermediaries all continue to demand specific on-line functionality that is both flexible and comprehensive and delivered in a secure environment (Bradford, 2004).

The rapid development of electronic information processing and communication, combined with advances in mathematical modeling, expert systems and artificial intelligence will offer new opportunities. All routine activities will not only become programmed decisions but will be highly automated as well. Most clerical tasks will be entrusted to the computer and many “simpler” decisions in underwriting and claims handling as well (Diacon, 1990).
2.5 EXTENT OF USE OF INFORMATION SYSTEMS IN HUMAN RESOURCE MANAGEMENT

When filling positions, knowing the job's requirements is not enough: the company should also know the skills of possible candidates now employed by the organization. A computerized skill inventory, regularly updated, ensures that qualified internal candidates will be introduced into the selection process. Thus, the human resource department can help match good internal applicants with job openings (Dessler, 1997). Information technology has hastened what experts call the "fall of hierarchy". With distributed computing, "every employee with a personal computer on the desk can tap into the firm's computer network and get needed information." (Stewart, 1993). Although insurance organizations will retain their hierarchical structure, the hierarchy will not be pronounced, and the prevailing mode of control will shift from formalized bureaucracies to ones based on shared values and goals (Diacon, 1990).

Information technology is now used in several human resource management processes, which include: attitude survey, performance appraisal, training, career counseling, computer aided interviews, internet recruiting, management development programs, computerized job evaluations, managerial assessment and utilization analysis (Dessler, 1997) see also (Laudon & Laudon, 2003).

2.6 FACTORS AFFECTING THE USE OF HUMAN RESOURCE INFORMATION SYSTEMS

Managers should base their needs of human resource management for a human resource information system on the following factors (Belcourt, et al 2002):
1. Usefulness of software for employees. If the system is useful in the eyes of the user, they will be more willing to use it.

2. Compatibility with current systems and ability to upgrade. This reduces on cost of implementation.

3. Increased efficiency and time-savings. The system should be faster and more efficient than the current system.


5. Availability of technical support. Availability of Internal User Support increase user satisfaction and system usage, for example technical support people, training, and documentation.

6. Training for human resources. Users with more training use it more efficiently with greater satisfaction.

7. Top management attitude towards automation. Without top management involvement in automation, resources will not be made available.

All these factors can be best implemented with the collaborations of human resource people and line managers who can develop new structures to improve services, productions and reduce cost.

2.7 CONCEPTUAL FRAMEWORK

This section describes the conceptual framework on the basis of which this study is based. Human resource information systems development has four categories describing computer usage:

1. stars,

2. radicals,
3. plodders and
4. beginners.

In order to establish in which category an insurance company belongs, the following factors determine human resource information systems usage: top management attitude to automation, starting and maintenance costs, comparability with current systems and ability to upgrade, user-friendliness, availability of technical support, derived benefits, increased efficiency and time saving, usefulness for software for employees, and training time for human resource management.

Top management involvement creates ownership of the automation process by the employees and resources are also more readily forthcoming. If the starting and maintenance costs are too high, it may be prohibitive for the user but if the human resource information systems are compatibility with current systems, it is cheaper to implement especially if there is the ability to upgrade. When the system is user-friendly, employees will have ease of use leading to increased efficiency and timesaving. If the system is useful in the eyes of the user, they will be more willing to use it. Training time for human resource management is also a factor that will determine whether human resource information systems is used or not. However, without technical support, human resource information systems use will be minimum or nil.
Structure of the conceptual framework

Factors affecting the use of human resource information systems

- Top management attitude towards automation
- Usefulness of software for employees
- Increased efficiency and time-saving
- User-friendliness
- Availability of technical support
- Training time for human resource management
- Compatibility with current systems and ability to upgrade

Human resource information systems usage that determines the competitive advantage
CHAPTER 3: RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The study on the factors affecting the use of human resource information systems in insurance companies was descriptive in nature.

3.2 TARGETED POPULATION

The population in this study consisted of those insurance companies operating under the Insurance Act (Cap 486) and which were registered with the Association of Kenya Insurers. Currently, there are 37 such companies in Nairobi, with branches in other parts of Kenya. This study was limited to those insurance companies operating in Nairobi, as a complete census was not feasible. Also, most insurance companies have their headquarters in Nairobi, and as such, the head office of human resource departments is in Nairobi.

3.3 SAMPLE SIZE

The number of respondents was 60. This was done as follows: 30 insurance companies were picked using simple random sampling from among 37 insurance companies registered with the Association of Kenya Insurers at the time of research. Two types of respondents, the human resource manager and a human resource staff were selected. The latter were chosen using the simple random sampling method. This was done with the assumption that the chosen companies were representative of all the insurance companies.
3.4 RESEARCH INSTRUMENT

The study on a survey on the factors affecting the use of human resource information systems in selected insurance companies in Nairobi used a questionnaire to obtain data from the insurance companies. The questionnaire consisted of both open and closed ended questions, and was administered to human resource managers and human resource staff.

3.5 DATA COLLECTION TOOLS

To achieve the objectives of this study, primary data was collected. Administering a questionnaire to the sampled insurance companies did this. Data was collected using a questionnaire served to respondents through personal drop and pick method. The questionnaire was divided into two sections: section 1 contained the company profile and section 2 contained the human resource specifics. One copy was administered to the human resource managers, while the other was served to the human resource staff.

3.6 DATA ANALYSIS

Data collected was edited, coded and tabulated. It was then analyzed by use of Statistical Package for Social Sciences (SPSS) computer software. Data was summarized using descriptive statistics such as percentages and frequency tables. Chi-square was also used to test for association between the variables. This was a process leading to report writing.
3.7 EXPECTED OUTPUT

The expected output was a project report. It was the opinion of the researcher that human resource information systems are used to a very low extent. This is because human resource information systems is a relatively new area in human resource management and is just making inroads. As such, some of the recommendations proposed to be made were:

- In order to remain competitive, decision-making must be supported by fast and recent data. As such, investment in human resource information systems would be worthwhile as it supports decision-making.

- Human resource information systems make human resource management operations more effective and efficient.

- Employees should be well trained to be able to operate and work with all kinds of information systems.
CHAPTER 4: DATA ANALYSIS, FINDINGS AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

The purpose of this study was to carry out a survey on the factors affecting the use of human resource information systems in insurance companies in Nairobi.

A sample of 30 companies was investigated. However, only 27 were obtained due to factors including company policies, and non-cooperative respondents. This made it a response rate of 90%. Human resource departments were also very small mostly comprising of a human resource manager and an assistant. As such, the respondent type was changed from human resource manager and human resource staff to human resource manager and information technology manager.

Due to the nature of the sample size, simple descriptive statistics like percentages and frequencies, and Chi Square were used for data analysis. Tables and a pie chart were used for presentation of the findings.

4.2 FINDINGS

4.2.1 TYPES OF HUMAN RESOURCE INFORMATION SYSTEMS IN USE

Company ownership was a determining factor as to whether a company had installed a human resource information system or not. The following hypothesis was used:

H₀: Ownership of an insurance company has no relationship with human resource information systems use.
H₁: Ownership of insurance companies influences the use of human resource
information systems use.

Where: H₀ is the Null hypothesis
H₁ is the alternative hypothesis

**Figure 1: Type of company ownership**

![Company Ownership Pie Chart](chart.png)

The pie chart above shows 81.5% local ownership, 7.4% foreign ownership, and 11.1%
mixed ownership. Company ownership is indicative of insurance companies embrace of
technology.

**Table 1.1 Companies that use human resource information systems (HRIS)**

<table>
<thead>
<tr>
<th>HRIS USE</th>
<th>LOCAL</th>
<th>FOREIGN</th>
<th>MIXED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
</tr>
<tr>
<td>USE</td>
<td>7</td>
<td>31.8</td>
<td>2</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>68.2</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>100</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 1.1 shows the use of human resource information system by insurance companies
in Nairobi. Of the 27 companies that were responsive, 31.8% of locally owned
companies use human resource information system, while 68.2% do not. The entire
sample of foreign owned companies use the system and 66.7% of companies with mixed ownership use the system. This findings show that company ownership is indicative of insurance companies embrace of technology.

Table 1.2 Type of information system (IS) in use

<table>
<thead>
<tr>
<th>IS CATEGORY</th>
<th>LOCAL USE</th>
<th>N/A</th>
<th>FOREIGN USE</th>
<th>N/A</th>
<th>MIXED USE</th>
<th>N/A</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee IS</td>
<td>8</td>
<td>4.5</td>
<td>14</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Position control IS</td>
<td>3</td>
<td>4.5</td>
<td>19</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Applicant selection &amp; placement IS</td>
<td>3</td>
<td>4.5</td>
<td>19</td>
<td>4.5</td>
<td>1</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Performance management systems</td>
<td>8</td>
<td>4.5</td>
<td>14</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Government reporting &amp; compliance IS</td>
<td>12</td>
<td>4.5</td>
<td>10</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
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<tr>
<td>Payroll IS</td>
<td>19</td>
<td>4.5</td>
<td>3</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Employee relations IS</td>
<td>3</td>
<td>4.5</td>
<td>19</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Labour relations IS</td>
<td>3</td>
<td>4.5</td>
<td>19</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Attendance tracking IS</td>
<td>6</td>
<td>4.5</td>
<td>16</td>
<td>4.5</td>
<td>1</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Job analysis &amp; design IS</td>
<td>6</td>
<td>4.5</td>
<td>16</td>
<td>4.5</td>
<td>1</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Recruiting IS</td>
<td>5</td>
<td>4.5</td>
<td>17</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Employee training &amp; development IS</td>
<td>10</td>
<td>4.5</td>
<td>12</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>IS supporting workforce planning</td>
<td>6</td>
<td>4.5</td>
<td>16</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>IS supporting labour force negotiations</td>
<td>6</td>
<td>4.5</td>
<td>16</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>Compensation &amp; benefits IS</td>
<td>11</td>
<td>4.5</td>
<td>11</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>TOTAL</td>
<td>109</td>
<td>221</td>
<td>28</td>
<td>2</td>
<td>28</td>
<td>17</td>
<td>405</td>
</tr>
</tbody>
</table>

\[ X_\text{C}^2 = 644.4 \quad df = 70 \quad 95\% \text{ cl} \quad 5\% \text{ sl} \]

\[ X_\text{T}^2 = 90.5 \]

From the table above, the calculated value is greater than the critical value. It hence be concluded that information system in use is dependent on company ownership. The most
commonly used information system by local companies are payroll, compensation and benefits and government reporting and compliance information systems.

Table 1.3 General information technology (IT) use

<table>
<thead>
<tr>
<th>IT TASK</th>
<th>LOCAL</th>
<th>FOREIGN</th>
<th>MIXED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USE</td>
<td>N/A</td>
<td>USE</td>
<td>N/A</td>
</tr>
<tr>
<td>Internal correspondence</td>
<td>19.5</td>
<td>3.5</td>
<td>2.45</td>
<td>-</td>
</tr>
<tr>
<td>External correspondence</td>
<td>22.45</td>
<td>-</td>
<td>4.5</td>
<td>2.45</td>
</tr>
<tr>
<td>Service information</td>
<td>20.45</td>
<td>2.45</td>
<td>4.5</td>
<td>2.45</td>
</tr>
<tr>
<td>Advice to customers</td>
<td>21.45</td>
<td>1.45</td>
<td>2.45</td>
<td>-</td>
</tr>
<tr>
<td>Service to customers</td>
<td>22.45</td>
<td>-</td>
<td>4.5</td>
<td>2.45</td>
</tr>
<tr>
<td>Sales</td>
<td>7.45</td>
<td>15.45</td>
<td>2.45</td>
<td>-</td>
</tr>
<tr>
<td>Financial management</td>
<td>20.45</td>
<td>2.45</td>
<td>2.45</td>
<td>-</td>
</tr>
<tr>
<td>Human resource management</td>
<td>14.45</td>
<td>8.45</td>
<td>2.45</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>145</td>
<td>31</td>
<td>16</td>
<td>-</td>
</tr>
</tbody>
</table>

\[ \chi^2_C = 500.2 \quad \text{df} = 35 \quad 95\% \text{ cl} \quad 5\% \text{ sl} \]

\[ \chi^2_T = 55.8 \]

The calculated value is greater than the table value. Hence, the variables are dependent, meaning that information technology tasks are dependent on company ownership. For example, all foreign owned companies undertake all the enumerated information technology tasks, 95.8% of companies with mixed ownership performed the information technology tasks, while only 82.4% of companies with local ownership perform the stated information technology tasks.
Table 1.4 Categories of computer usage by human resource departments

<table>
<thead>
<tr>
<th>CATEGORY OF HRIS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOCAL</td>
</tr>
<tr>
<td></td>
<td>USE</td>
</tr>
<tr>
<td>STARS</td>
<td>20</td>
</tr>
<tr>
<td>RADICALS</td>
<td>4</td>
</tr>
<tr>
<td>PLODDERS</td>
<td>3</td>
</tr>
<tr>
<td>BEGINNERS</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>108</td>
</tr>
</tbody>
</table>

$X^2_c = 205.8 \quad df = 15 \quad 95\% \text{ cl} \quad 5\% \text{ sl}$

$X^2_T = 25.0$

Table 1.4 shows that the calculated value is greater than the critical value indicating that the variables are not independent of each other. Therefore, the category of computer usage is dependent on the type of company ownership.

4.2.2 FACTORS AFFECTING HUMAN RESOURCE INFORMATION SYSTEM USAGE

The factors affecting human resource information systems use were: top management attitude towards automation, usefulness of software for employees, increased efficiency and time-saving, user-friendliness, availability of technical support, training of human resources, compatibility with current systems and the ability to upgrade. The following hypothesis was used to arrive at the results:

$H_0$: Ownership of insurance companies has no relationship with the factors affecting the use of human resource information systems.

$H_1$: Ownership of insurance companies influences the factors affecting the use of human resource information systems.
Table 2.1 Availability of technical support

<table>
<thead>
<tr>
<th>TECHNICAL SUPPORT AVAILABILITY</th>
<th>OWNERSHIP TYPE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOCAL</td>
<td>FOREIGN</td>
</tr>
<tr>
<td>YES</td>
<td>6</td>
<td>3.3</td>
</tr>
<tr>
<td>NO</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>5.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>2</td>
</tr>
</tbody>
</table>

\[X^2_c = 32\]  \(df = 4\)  95% cl  5% sl

\[X^2_T = 9.49\]

Availability of technical staff is essential for human resource information system users. The calculated value is greater than the critical value, which means that availability of technical support is dependent on company ownership. All companies that use human resource information systems that have foreign and mixed ownership get technical support, while only 85.7% of local companies get technical support.

Table 2.2 Compatibility with current systems and ability to upgrade

<table>
<thead>
<tr>
<th>COMPATIBILITY</th>
<th>OWNERSHIP TYPE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOCAL</td>
<td>FOREIGN</td>
</tr>
<tr>
<td>YES</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>NO</td>
<td>4</td>
<td>1.7</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>5.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>2</td>
</tr>
</tbody>
</table>

\[X^2_c = 33.3\]  \(df = 4\)  95% cl  5% sl
The table above shows that the calculated value is greater than the table value. This means that the variables are not independent of each other, thus, the compatibility of current systems and their ability to upgrade is dependent on company ownership. 100% of foreign owned companies, 50% of mixed and 42.9% of local companies that use human resource information systems have compatible current systems with ability to upgrade.

Table 2.3 Frequency of helpdesk use

<table>
<thead>
<tr>
<th>USAGE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAILY</td>
<td>8</td>
<td>29.6%</td>
</tr>
<tr>
<td>WEEKLY</td>
<td>6</td>
<td>22.2%</td>
</tr>
<tr>
<td>MONTHLY</td>
<td>2</td>
<td>7.4%</td>
</tr>
<tr>
<td>N/A</td>
<td>11</td>
<td>40.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>27</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2.1 shows that 40.8% of insurance companies do not access the helpdesk at all, indicating that they are well informed on the human resource information system or they do not use it at all. 29.6% use it daily, 22.2% weekly and 7.4% monthly.

Table 2.4 Frequency of human resource information systems use

<table>
<thead>
<tr>
<th>USAGE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAILY</td>
<td>7</td>
<td>25.9%</td>
</tr>
<tr>
<td>WEEKLY</td>
<td>5</td>
<td>18.6%</td>
</tr>
<tr>
<td>MONTHLY</td>
<td>3</td>
<td>11.1%</td>
</tr>
</tbody>
</table>
Table 2.2 shows that 25.9% of the respondents use the human resource information system daily, 18.6% weekly, 11.1% monthly, and 44.4% do not.

<table>
<thead>
<tr>
<th></th>
<th>12</th>
<th>44.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>27</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2.5 Need for rework

<table>
<thead>
<tr>
<th>NEED FOR REWORK</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>10</td>
<td>37%</td>
</tr>
<tr>
<td>NO</td>
<td>6</td>
<td>22.2%</td>
</tr>
<tr>
<td>N/A</td>
<td>11</td>
<td>40.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>27</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2.3 give the following results as appertains to need for rework. 37% redo their work, 22.2% do not and 40.8% do not use the systems at all.

The data given in tables 2.1, 2.2, and 2.3 show the software usefulness for the employees. This indicates that the system is a bit complex for the users and they require more training on its use.
Table 2.6 User-friendliness

<table>
<thead>
<tr>
<th>HRIS USE</th>
<th>OWNERSHIP TYPE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOCAL</td>
<td>FOREIGN</td>
</tr>
<tr>
<td></td>
<td>O</td>
<td>E</td>
</tr>
<tr>
<td>DAILY</td>
<td>3</td>
<td>1.7</td>
</tr>
<tr>
<td>WEEKLY</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>MONTHLY</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>N/A</td>
<td>15</td>
<td>5.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>2</td>
</tr>
</tbody>
</table>

\[X^2_C = 38.4 \quad df = 6 \quad 95\% \text{ cl} \quad 5\% \text{ sl}\]

\[X^2_T = 12.6\]

When a system is user-friendly, is it used more frequently. Table 2.6 shows that the calculated value is greater than the critical value, hence user-friendliness is dependent on company ownership. 42.9% of local companies that have the human resource information system use it daily compared to 50% of both foreign and mixed ownership companies. However, 14.28% of local companies use it monthly and 50% for both foreign and mixed ownership companies.

Table 2.7 Speed of data output

<table>
<thead>
<tr>
<th>SPEED</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN 1 SECOND</td>
<td>2</td>
<td>7.4%</td>
</tr>
<tr>
<td>LESS THAN 30 SECONDS</td>
<td>12</td>
<td>44.4%</td>
</tr>
</tbody>
</table>
Table 2.5 and table 2.7 show increased efficiency and timesaving attributed to the use of the human resource information system. Table 2.7 indicated that there was 37\% need for rework, 22.2\% did not need to rework, while 40.8\% did not use the system. Table 2.7 shows that 7.4\% had extremely fast systems that gave feedback in less than a second, 44.4\% in less than 30 seconds, and 7.4\% in more than a minute. This indicates that there is relative increase in timesaving and efficiency.

<table>
<thead>
<tr>
<th>MORE THAN 1 MINUTE</th>
<th>2</th>
<th>7.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>11</td>
<td>40.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>27</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2.8 Human resource training

<table>
<thead>
<tr>
<th>HUMAN RESOURCE TRAINING</th>
<th>OWNERSHIP TYPE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOCAL</td>
<td>FOREIGN</td>
</tr>
<tr>
<td></td>
<td>O</td>
<td>E</td>
</tr>
<tr>
<td>YES</td>
<td>20</td>
<td>8.3</td>
</tr>
<tr>
<td>NO</td>
<td>2</td>
<td>0.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>2</td>
</tr>
</tbody>
</table>

\[
X^2_C = 28.5 \quad df = 2 \quad 95\% cl \quad 5\%sl
\]

\[
X^2_T = 5.99
\]

In order for human resource staff to use the human resource information system effectively, they require continuous training on new technology. Table 2.8 shows that the
calculated value is greater than the critical value. This means that human resource training is dependent on company ownership. 100% of both foreign and mixed owned companies train their staff to update them, while 90.9% of locally owned companies train their staff. However, 4.5% of local companies alleged to recruit employees that were computer literate, and therefore, did not require additional training.

Table 2.9 Top management attitude towards automation

<table>
<thead>
<tr>
<th>TOP MANAGEMENT ATTITUDE TO AUTOMATION</th>
<th>LOCAL USE</th>
<th>N/A</th>
<th>FOREIGN USE</th>
<th>N/A</th>
<th>MIXED USE</th>
<th>N/A</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRIS USE</td>
<td>7</td>
<td>4.5</td>
<td>15</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>TECHNICAL SUPPORT</td>
<td>7</td>
<td>4.5</td>
<td>15</td>
<td>4.5</td>
<td>2</td>
<td>4.5</td>
<td>27</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14</td>
<td></td>
<td>30</td>
<td></td>
<td>4</td>
<td></td>
<td>54</td>
</tr>
</tbody>
</table>

\[ X^2_C = 77.4 \quad df = 5 \quad 95\% cl \quad 5\% sl \]

\[ X^2_T = 11.1 \]

From the table above, the calculated value is greater that the critical value. As such, top management attitude towards automation is dependent on company ownership. 100%, 66.7% and 31.8% of foreign, mixed and local ownership companies respectively have top management that support automation. 3.7% of respondents reported apathy to change and passive opposition from the top management.
4.2.3 BENEFITS GOT AND CHALLENGES FACED FROM USE OF HUMAN RESOURCE INFORMATION SYSTEMS

The research gave the following as benefits derived from the use of human resource information systems:

- **Internal efficiency**: a human resource information system can automate many daily tasks while also integrating cross-departmental activities to diminish duplicate data-entry. This is possible since all human resource information system modules typically share a common database. Such integration greatly improves data integrity and productivity.

- **Quick output and speed**: in order to run this system, a fast processor is required resulting in quick output.

- **Reduction in manual intervention**: the system has a database with all the data on employees, resulting in less manual intervention.

- **Saves time**: automation is faster than manual labour, and due to the speed of the human resource information system, output is got faster, resulting in time saving.

- **Cost savings especially on paper**: a comprehensive system that is electronic saves on physical filing cabinets and paper.

- **Enhanced records**: electronic records are updated with each entry into the system resulting in the most recent and up to date records.

- **Information easily accessible**: it is easier to access information with the human resource information system since all the data is at one place.

- **Accuracy**: human resource information system provides current and accurate data for purposes of control and decision-making.
However, the respondents faced the following challenges:

- Continuous update due to constant change in technology: this results in costs for updating the system, if the organization is to remain competitive.

- Data entry: in order to have electronic records, the existing hard copy records have to be input into the system resulting in tedious work.

- Down time: if the system breaks down, due to power outages or viruses, work comes to a complete halt.

- Apathy to change: some employees resist technological advancement as they view it as a threat to their job security.

- Passive opposition: some managers view the human resource information system as threat due to its massive capabilities.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY AND CONCLUSION

The objectives of the study were to determine the types of human resource information systems used by insurance companies, assess the factors influencing their use, and establish any benefits and challenges faced by the companies in their use.

The types of information systems that were most in use in locally owned companies were government reporting and compliance information system, compensation and benefits information system and payroll information system that were used 54.5%, 50% and 86.4% respectively. Foreign and mixed ownership companies used them almost entirely.

The factors affecting the use of human resource information systems yielded the following results: all the factors affecting the use of human resource information systems are dependent on company ownership. All the foreign owned insurance companies use the system while 31.8% and 66.7% of local and mixed owned companies respectively use the system.

All the companies that use human resource information systems that have foreign and mixed ownership got technical support while 85.7% local companies got technical support. 100%, 50% and 42.9% of foreign, mixed and locally owned companies respectively that use human resource information systems had compatible current systems with ability to upgrade.
The system's user-friendliness was shown by daily use of 50% by both foreign and mixed ownership companies and 42.9% by local companies. 14.28% of local companies use it monthly and 50% of both foreign and mixed ownership companies use it. All foreign and mixed ownership companies train their human resource to upgrade their knowledge while 90.9% of local companies train their staff. However, one local company claimed to recruit computer literate employee who did not require additional training. 100%, 66.7% and 31.8% of foreign, mixed and local ownership companies respectively have top management support for automation. 3.7% of respondents reported apathy to change and passive opposition from the top management.

The test for software usefulness for employees showed that the system was rather complex requiring additional training. Frequency of helpdesk use showed 50% daily use, 37.5% weekly use, and 12.5% monthly use. Human resource information systems use was 46.6% daily, 33.4% weekly and 20% monthly use. There was 62.5% rework and 37.5% work that were not redone. If the system is useful in the eyes of the user, they will be more willing to use it.

Results from the study show that the insurance companies derived some benefits from the use of human resource information systems. These were internal efficiency, quick output, reduction in manual intervention, time saving, cost saving especially on paper, enhanced records easy access to information and accuracy of records.
However, the following challenges were encountered: continuous update due to constant change in technology, down time, apathy to change, and passive opposition.

5.2 RECOMMENDATIONS

Following the discussions of the results findings, the researcher recommends the following:

The study reveals that 59% of insurance companies do not have a human resource department. This is because of the economic climate that dictates cost cutting, resulting in departments that are considered not core to the organization being merged with others. As such, I would recommend that human resource departments be set up as they result in efficient and effective management of the most important asset in any organization.

59.3% of insurance companies have not installed human resource information systems. This is because most use Microsoft office applications for their functions. However, a human resource information system offers a more comprehensive package, covering all the requirements of employee administration at one stop. It offers applications that are not available in Microsoft office that have to be programmed, making it cheaper. It also results in massive cost saving, since there is a reduction in manual intervention and it drastically cuts paper use.

Human resource information systems could have a considerable impact on the organization’s output. It enables higher quality work performance and experiences for employees, and enhances human resource outcomes. However, organizations have to
allocate their resources appropriately and be aware of the required conditions for technology in order to achieve success.

5.3 SHORTCOMINGS AND LIMITATIONS

The researcher expected to get a wide range of views from companies. However, the results from companies were not 100% as some refused to complete the questionnaires.

Some managers were not willing to provide full information due to company policy that does not allow them to divulge information considered proprietary with the fear that it will get back to their competitors.

Due to lack of adequate financing, the research could not be a survey of the total population that would have given the best results.

Time was also a constraint. This resulted in the data collection period not being adequate for a full census of the entire population.
REFERENCES


Stewart, T. (1993) "Welcome to the Revolution" Fortune, December 13, p. 68


APPENDICES:

I Work plan
II Budget
III Letter of transmittal
IV Questionnaire
V List of insurance companies

APPENDIX I: WORK PLAN

<table>
<thead>
<tr>
<th>PHASE DESCRIPTION</th>
<th>JUNE</th>
<th>JULY</th>
<th>AUGUST</th>
<th>SEPT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WEEK</td>
<td>WEEK</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Proposal writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense and corrections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report Writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proofreading &amp; Compiling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submission</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Proposal writing: Completed in June and July.
- Defense and corrections: Completed in July.
- Data Collection: Completed in July and August.
- Data Analysis: Completed in August.
- Report Writing: Completed in September.
- Proofreading & Compiling: Completed in September.
- Submission: Completed in September.
APPENDIX II: BUDGET

<table>
<thead>
<tr>
<th>ITEM</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Proposal Writing</strong></td>
<td></td>
</tr>
<tr>
<td>Stationary</td>
<td>Ksh.5,000</td>
</tr>
<tr>
<td>1st draft proposal</td>
<td>500</td>
</tr>
<tr>
<td>2nd draft proposal</td>
<td>200</td>
</tr>
<tr>
<td>Printing</td>
<td>3,000</td>
</tr>
<tr>
<td>Developing 6 copies @ Ksh.100</td>
<td>600</td>
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<tr>
<td>Binding 6 copies @ Ksh.70</td>
<td>420</td>
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<tr>
<td>Traveling expenses</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>2. Cost of Research Project</strong></td>
<td></td>
</tr>
<tr>
<td>Research assistants @ Ksh.2,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Traveling expenses</td>
<td>10,000</td>
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<tr>
<td>Questionnaire development 100 copies @ Ksh.2.00</td>
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</tr>
<tr>
<td>Data analysis</td>
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</tr>
<tr>
<td>Printing</td>
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</tr>
<tr>
<td>Photocopying 5 copies @ Ksh.300</td>
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<td>Binding 5 copies @ Ksh.300</td>
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<tr>
<td>Miscellaneous expenses</td>
<td>5,000</td>
</tr>
<tr>
<td>10% contingency</td>
<td>4,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45,892</strong></td>
</tr>
</tbody>
</table>
APPENDIX III: LETTER OF TRANSMITTAL

Dear respondent,

I am an MBA student in the Department of Business Administration, School of Business, Kenyatta University.

I am carrying out research on: A SURVEY ON THE FACTORS AFFECTING THE USE OF HUMAN RESOURCE INFORMATION SYSTEMS: A CASE STUDY OF SELECTED INSURANCE COMPANIES IN NAIROBI (KENYA).

Attached herein, is a questionnaire that is aimed at eliciting information, which will be vital for the above research.

You have been selected as one of the respondents in this study. Any information provided will be treated confidentially and used strictly for academic purposes only.

Your cooperation will be highly appreciated. Thank you.

Yours faithfully,

Stella Njeri Mwaura
The Researcher
APPENDIX IV: QUESTIONNAIRE

Please fill in the spaces provided or tick appropriately

Section 1: Company Profile

1. Name of respondent (optional) _______________________________________

2. Job position ________________________________________________________

3. Name of the insurance company ______________________________________

4. What is your business area?
   a. Life assurance
   b. General insurance

5. Indicate the ownership of your insurance company
   a. Local                 b. Foreign                 c. Mixed

6. How many employees does your company have?
   a. 10 - 49               b. 50 - 150               c. 151 - 300               d. 301 & above

7. i. Do you have a Human Resource department?
    a. Yes                   b. No

   ii. If you do, how big is your Human Resource department?
        a. 1 - 5 employees
        b. 6 - 10 employees
        c. 11 - 20 employees
        d. 21 - 50 employees
        e. Over 50 employees
Section 2: Human Resource Specifics

8. i. Does your company have an in-house IT department or do you outsource the service?
   a. In-house IT department
   b. Outsource the service
   c. Both outsource and have an in-house IT department

   ii. Does the existence of an in-house IT department result in availability of technical support for human resource information systems?
       a. Yes
       b. No

9. How frequently is human resource information systems used?
   a. Daily
   b. Weekly
   c. Monthly

10. What is the frequency of the use of the help desk?
    a. Daily
    b. Weekly
    c. Monthly

11. Is there any need for rework of human resource information systems output?
    a. Yes
    b. No

12. Were there any changes to the hardware and software due to installation of human resource information systems?
    a. Yes
    b. No

13. Do you have a website?
    a. Yes
    b. No

14. Is your website used only for...
    a. Information purposes only
    b. E-insurance purposes
    c. Other (specify)
15. Do you have an Intranet?
   a. Yes
   b. No

16. Has implementation of human resource information systems resulted in prohibitive costs?
   a. Yes
   b. No

17. How fast do you get output after data input?
   a. Less than a second
   b. Less than 30 seconds
   c. More than a minute

18. Complete the following table as regards the extent to which your insurance company uses IT for the following purposes:

   1 = N/A
   2 = To moderate extent
   3 = To great extent

<table>
<thead>
<tr>
<th>IT Task</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal correspondence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External correspondence</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Service information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advise to customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service to customers</td>
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<td></td>
<td></td>
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<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Technical / Professional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resource management</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other (specify)</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

19. To what extent do the following statements apply to your company?

   1 = N/A
   2 = To a moderate extent
   3 = To a great extent

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company makes full and imaginative use of computers potential to enhance the role and effectiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
of the personnel function in business

We set off with high aspirations but many were too ambitious and has to start again after a failure at the first attempt.

We make some use of electronic filing cabinet, but the nature of the work remains unchanged.

Our company has little developed our sophisticated leading edge use of the computer but there is evidence that such progress is beginning and in its early stages.

<table>
<thead>
<tr>
<th>1.</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>We set off with high aspirations but many were too ambitious and has to start again after a failure at the first attempt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We make some use of electronic filing cabinet, but the nature of the work remains unchanged.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our company has little developed our sophisticated leading edge use of the computer but there is evidence that such progress is beginning and in its early stages.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20. Generally, human resource information systems in most organizations in Kenya are in use to a less extent.
   a. Strongly agree   b. Agree   c. Don't agree

21. To what extent has IT improved the management of HR in your insurance company?
   1. N/A
   2. To a moderate extent
   3. To a great extent

22. Do you train employees to upgrade them in new technology?
   a. Yes   b. No

23. To what extent do you use the following IS:
   1 = N/A   2 = To a moderate extent   3 = To a great extent

<table>
<thead>
<tr>
<th>IS Category</th>
<th>1</th>
<th>2</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>Employee IS</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Position control system</td>
<td></td>
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<td></td>
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<tr>
<td>Applicant selection and placement IS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance management systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government reporting and compliance IS</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Payroll IS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee relations IS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour relations IS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attendance tracking IS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job analysis and design IS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
24. What are the challenges that you have in the use of human resource information systems?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

__

25. What are the problems that your company faces in the use of human resource information systems?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

THANK YOU
### APPENDIX V: LIST OF INSURANCE COMPANIES REGISTERED WITH THE ASSOCIATION OF KENYA INSURERS

<table>
<thead>
<tr>
<th>Name of Insurance Company</th>
<th>P. O. Box</th>
<th>Fax No.</th>
<th>Tel. No.</th>
<th>Physical Address of Head Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Merchants Assurance Company (K) Limited</td>
<td>61599</td>
<td>340022</td>
<td>312121</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Floor Trans-National Plaza Mama Ngina Street</td>
</tr>
<tr>
<td>American Life Insurance Company Limited</td>
<td>30354</td>
<td>723146</td>
<td>711242</td>
<td>8&lt;sup&gt;th&lt;/sup&gt; Floor Alico House Mamlaka Road</td>
</tr>
<tr>
<td>Apollo Insurance Company Limited</td>
<td>30389</td>
<td>339260</td>
<td>223562/3</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; Floor, Hughes Building Kenyatta Avenue</td>
</tr>
<tr>
<td>Blue Shield Insurance Company Limited</td>
<td>49610</td>
<td>214773</td>
<td>227932</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; Floor Raghvani House Tom Mboya Street</td>
</tr>
<tr>
<td>British American Insurance Company Limited</td>
<td>30375</td>
<td>717626</td>
<td>710927</td>
<td>Ground &amp; 6&lt;sup&gt;th&lt;/sup&gt; Floors British American Mara Road</td>
</tr>
<tr>
<td>Cannon Assurance Company Limited</td>
<td>30216</td>
<td>331235</td>
<td>335478</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;, 2&lt;sup&gt;nd&lt;/sup&gt;, 5&lt;sup&gt;th&lt;/sup&gt; &amp; 6&lt;sup&gt;th&lt;/sup&gt; Flr. Cannon House Haile Selassie Avenue</td>
</tr>
<tr>
<td>Concord Insurance Company Limited</td>
<td>30634</td>
<td>331618</td>
<td>222771/2</td>
<td>9&lt;sup&gt;th&lt;/sup&gt; Floor Harambee Plaza Haile Selassie Avenue</td>
</tr>
<tr>
<td>Co-operative Insurance Company Limited</td>
<td>59485</td>
<td>330096</td>
<td>227008</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; Floor Bima House Harambee Avenue</td>
</tr>
<tr>
<td>Corporate Insurance</td>
<td>34172</td>
<td>717775</td>
<td>717617</td>
<td>Corporate Place</td>
</tr>
<tr>
<td>Company Limited</td>
<td>Phone</td>
<td>Fax</td>
<td>Extension</td>
<td>Address</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------</td>
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</tr>
<tr>
<td><strong>Fidelity Shield Insurance Company Limited</strong></td>
<td>47435</td>
<td>445699</td>
<td>443063-9</td>
<td>4th Floor Rank Xerox House Off Muthithi Road Westlands</td>
</tr>
<tr>
<td><strong>First Assurance Company Limited</strong></td>
<td>30064 00100</td>
<td>567433 572204</td>
<td>567374/6 9/80/84 577737 577198</td>
<td>Clyde Gardens Off Gitanga Road Lavington</td>
</tr>
<tr>
<td><strong>Gateway Insurance Company Limited</strong></td>
<td>60656</td>
<td>713138</td>
<td>713131</td>
<td>Gateway House Milimani Road Opp. Milimani Hotel</td>
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<tr>
<td><strong>Geminia Insurance Company Limited</strong></td>
<td>61316</td>
<td>219338</td>
<td>223940 336213 223377</td>
<td>3rd Floor Agip House Haile Selassie Avenue</td>
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<tr>
<td><strong>General Accident Insurance Company Limited</strong></td>
<td>42166</td>
<td>712913</td>
<td>711633</td>
<td>General Accident House Ralph Bunche Road</td>
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<tr>
<td><strong>Heritage A.I.I. Insurance Company Limited</strong></td>
<td>30390</td>
<td>375262 1</td>
<td>3749118 3749043 79/93</td>
<td>CFC Centre Chiromo Road</td>
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<tr>
<td><strong>Insurance Company of East Africa Limited</strong></td>
<td>46143</td>
<td>338089</td>
<td>340365 221652</td>
<td>12th Floor ICEA Building Kenyatta Avenue</td>
</tr>
<tr>
<td><strong>Intra Africa Assurance Company Limited</strong></td>
<td>43241</td>
<td>712612</td>
<td>712607/9 712610</td>
<td>3rd Floor Williamson House 4th Ngong Avenue</td>
</tr>
<tr>
<td><strong>Invesco Assurance Company Limited</strong></td>
<td>12502</td>
<td>-</td>
<td>248243 248526 248723</td>
<td>5th Floor Cotts House Wabera Street</td>
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<tr>
<td><strong>Jubilee Assurance Company Limited</strong></td>
<td>30376</td>
<td>216882</td>
<td>229931 340343</td>
<td>7th Floor Jubilee Insurance House Wabera Street</td>
</tr>
<tr>
<td><strong>Kenindia Assurance Company Limited</strong></td>
<td>44372</td>
<td>218380</td>
<td>333100 333145 333116</td>
<td>12th Floor Kenindia House Loita Street</td>
</tr>
<tr>
<td><strong>Kenya Orient Insurance Company Limited</strong></td>
<td>34530</td>
<td>728603 5</td>
<td>2715538 2728603</td>
<td>6th Floor Capital Hill Towers Cathedral Road</td>
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<tr>
<td>Company Name</td>
<td>Phone</td>
<td>Fax</td>
<td>Address</td>
<td></td>
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<td>-------------------------------------------------------------</td>
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<td>---------</td>
<td>-------------------------------------------------------------------------</td>
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<tr>
<td>Kenyan Alliance Insurance Company Limited</td>
<td>30170</td>
<td>217340</td>
<td>1st Floor Chester House Koinange Street</td>
<td></td>
</tr>
<tr>
<td>Liberty Assurance Company Limited</td>
<td>11422</td>
<td>343452</td>
<td>1st Floor Prudential Building Wabera Street</td>
<td></td>
</tr>
<tr>
<td>Lion of Kenya Insurance Company Limited</td>
<td>30190</td>
<td>711177</td>
<td>7th Floor Williamson House 4th Ngong Avenue</td>
<td></td>
</tr>
<tr>
<td>Madison Insurance Company Limited</td>
<td>47382</td>
<td>723344</td>
<td>1st Floor Madison Insurance House Upper Hill Road</td>
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</tr>
<tr>
<td>Mercantile Life and General Assurance Company Ltd.</td>
<td>20680</td>
<td>215528</td>
<td>16th Floor Fedha Towers Muindi Mbingu Street</td>
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<tr>
<td>Occidental Insurance Company Limited</td>
<td>39459</td>
<td>217629</td>
<td>14th Floor Postbank House Banda/Market Road</td>
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<tr>
<td>Old Mutual Life Assurance Company Limited</td>
<td>30059</td>
<td>340718</td>
<td>2nd Floor Old Mutual Building Mara Road</td>
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</tr>
<tr>
<td>Pan Africa Life Insurance Company Limited</td>
<td>62551</td>
<td>217675</td>
<td>1st Floor Pan Africa House Kenyatta Avenue</td>
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</tr>
<tr>
<td>Phoenix of East Africa Assurance Company Limited</td>
<td>30129</td>
<td>211848</td>
<td>17th Floor AMBANK House University Way</td>
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</tr>
<tr>
<td>Pioneer Life and General Assurance Company Limited</td>
<td>20333</td>
<td>224985</td>
<td>7th Floor Pioneer House Moi Avenue</td>
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</tr>
<tr>
<td>Royal Insurance Company of E.A. Limited</td>
<td>40001</td>
<td>717888</td>
<td>Royal Ngao House Hospital Road</td>
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<tr>
<td>Standard Assurance Company Limited</td>
<td>28759</td>
<td>224071</td>
<td>4th Floor Re-Insurance Plaza</td>
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</tr>
<tr>
<td>Tausi Assurance Company Limited</td>
<td>28889</td>
<td>746618</td>
<td>1st Floor Swan Court Mukinduri Road Off Muthithi Road</td>
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</tr>
<tr>
<td>Company Name</td>
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<td>Phone Number 2</td>
<td>Floor</td>
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</tr>
<tr>
<td>The Monarch Insurance Company Limited</td>
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<td>330021/2</td>
<td>4th</td>
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<tr>
<td>Trident Insurance Company Limited</td>
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<td>726234</td>
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<td>1st</td>
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<tr>
<td>UAP Provincial Insurance Company Limited</td>
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<tr>
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</tr>
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<td></td>
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<td></td>
<td>Off Museum Hill Rd.</td>
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