

The Digital HR Revolution: Rethinking Employee Satisfaction In Tech-Driven Work Environments

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ABSTRACT

In the wake of digital transformation, the integration of Human Resource (HR) technologies has become increasingly prevalent across various sectors. This study investigates the influence of three key factors—perceived ease of use, user comfort, and organizational support—on employee satisfaction within tech-driven work environments. The research was conducted across multiple organizations that have adopted digital HR platforms. Using a quantitative approach, data were collected through structured questionnaires distributed to 97 employees who actively utilize digital HR systems. In this study, the data were processed using SmartPLS 4.0. The findings reveal that all three independent variables significantly contribute to employee satisfaction. Perceived Ease of Use has a positive and significant effect on employee satisfaction. Perceived Usefulness has a positive and significant effect on employee satisfaction. Organizational support has a positive and significant effect on employee satisfaction.

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INTRODUCTION

The evolution of digital transformation in business operations has fundamentally changed how organizations oversee their human resources. In this digital age, conventional, manual, and paper-dependent HR methods are progressively being supplanted by cohesive, automated, and technology-driven systems. A tangible indication of this transition is the implementation of digital HR platforms like Talenta, GreatDay HR, GajiHub, along with various local and international tools that are extensively utilized by companies, financial institutions, and higher education establishments in Indonesia. According to Statistik (2024) regarding Employment Conditions in the Bangka Belitung Islands Province in August 2024, the workforce numbered 803,298 individuals, reflecting an increase of 17,671 compared to August 2023. The labor force reached 766,084, marking a rise of 16,269 from August 2023. The sector that saw the highest percentage

growth was Wholesale and Retail Trade, while the sector that faced the most significant drop was Mining and Quarrying. In August 2024, it was reported that 391,759 individuals (51.14 percent) were engaged in informal sectors, indicating that the human resources landscape in Bangka Belitung has undergone various transformations.

Digitalization of HR functions encompasses elements like digital attendance tracking, online leave requests, automated payroll processing, and electronic performance assessments. This reflects that the integration of digital HR has shifted from a mere optional upgrade to a vital necessity aimed at enhancing operational efficiency and improving employee experiences.

Nevertheless, the effectiveness of digital HR implementation hinges not just on technological availability but is also heavily influenced by user perceptions and their comfort with the platform. Employee satisfaction emerges as a crucial benchmark of how effectively the system meets workers' expectations and aids in their daily tasks. Discomfort with the interface, confusing functionalities, or inadequate organizational backing often breeds resistance and dissatisfaction among users. Factors such as perceived user-friendliness, perceived utility, and support from the organization are widely acknowledged as essential elements affecting satisfaction with technological systems. These components are pivotal within the Technology Acceptance Model (TAM) proposed by Davis (1989), which posits that users' views on usability and functionality significantly impact their attitudes and inclinations toward adopting new technologies.

This research seeks to investigate how these three independent variables—user-friendliness, perceived utility, and organizational backing—affect employee satisfaction in utilizing digital HR systems. The study will span various organizational domains, including corporate firms, banking institutions, and educational establishments, all of which are actively integrating digital HR into their operations. This inquiry is anticipated to yield both academic and practical insights for stakeholders and HR leaders striving to devise digital HR systems that not only enhance managerial efficiency but also create a positive and rewarding experience for employees. Comprehending the factors that drive employee satisfaction in utilizing digital HR is essential for fostering engagement, loyalty, and productivity within a technology-centric workplace.

LITERATURE REVIEW

Applications Human Resource

HR applications are systems designed to process and store large amounts of employee data. The data managed includes attendance, payroll, taxes, and other aspects that affect employee performance. All of this information is integrated into the HR application database, providing the data needed for better business decisions (Analisa.daily., 2024).

Types of HR Software

Based on the Analisa.daily., (2024), HR applications come in various types, each tailored to the company's business needs and challenges. Types of HR Software are divided into three main categories, namely HRIS, HCM, and HRMS.

1. Human Resource Information System (HRIS)

HRIS or Human Resources Information System helps managers understand HR needs, payroll systems, employee data, employee performance, and information related to payroll, policies, and company procedures. HRIS is needed by all types of

companies because it allows information sharing that can improve overall company performance.

2. Human Capital Management (HCM)

Human Capital Management (HCM) includes elements of HRIS with the addition of several functions. The HCM system allows HRD to manage foreign employees from abroad with different languages and currency values. In addition, HCM provides solutions for payroll planning, goal setting, budgeting, and other issues related to employee performance.

3. Human Resource Management System (HRMS)

Human Resource Management System (HRMS) is a more comprehensive system than HRIS and HCM. HRMS is a solution for more detailed time and employee management. HRMS allows companies to manage payroll and absence simultaneously, as well as providing tools for planning and evaluation. HRMS functions include features from HRIS and HCM, with the addition of managing and calculating payroll, absence, and employee evaluation

Perceived Ease of Use

According to Nasution (2024), Indarsin & Ali (2017), Perceived Ease of Use is the level of a person's belief that using technology will reduce excessive effort. According to Cudjoe et al., (2015), Perceived Ease of Use is the level at which a person believes that using a particular technology or system will be free from effort. According to Tojib & Tsarenko (2012), Perceived Ease of Use is the ease related to the effort and comfort of users of a particular technology.

Perceived Usefulness

According to Alalwan et al., (2016), Perceived Usefulness is someone who believes that using a particular technology or innovation will improve their job performance. According to Indarsin & Ali (2017), Perceived Usefulness is a person's tendency to use a technology and believe that the technology will help them do a better job. According to Chawla & Joshi (2019), Perceived Usefulness is the belief that using a technology will improve user performance. In some of the descriptions above, according to several previous researchers, Perceived Usefulness can be explained as a subjective perception or evaluation of the user's ability to receive the technology.

Job satisfaction

Job satisfaction can be defined as a positive feeling about a job as a result of evaluating the characteristics of the job. Job satisfaction is closely related to the employee's attitude towards the job itself, the work situation, cooperation between leaders and fellow leaders and fellow employees. Job satisfaction is a feeling of workers or employees related to their work, namely, feeling happy or unhappy, as a result of the individual's assessment of their work.

The Relationship Between Perceived Ease of Use on Employee Satisfaction

This study aligns with Davis (1989) on Technology Acceptance Model (TAM), which emphasizes Perceived Ease of Use as a critical factor in user satisfaction and technology adoption. Venkatesh & Davis (2000) stated that ease of use is the level of an individual's view that using technology will make it easier to complete work. Users believe that information technology is more flexible, easy to understand, and easy to operate as a characteristic of ease of use. Research conducted by Raharjo & Prasetyo (2016) stated

that the perception of ease of use has a positive and significant relationship with job satisfaction.

H1: Perceived Ease to Use has a positive and significant effect on employee Satisfaction

The Relationship Between Perceived Usefulness on Employee Satisfaction

According Venkatesh & Davis (2000) Perceived usefulness is the level of an individual's view that using technology will improve performance. According to Indarsin and Ali (2017), Perceived Usefulness is a person's tendency to use a technology and believe that the technology will help him or her do a better job. According to Chawla & Joshi (2019), Perceived Usefulness is the belief that using a technology will improve user performance. This is in line with research conducted by Mandasari & Giantari (2017) shows that perceived usefulness has a positive and significant influence on satisfaction.

H2: Perceived Usefulness has a positive and significant effect on employee Satisfaction

The Relationship Between Organizational Support on Employee Satisfaction

Organizational support is very important for companies to implement. Employees who feel they have support from the organization-whether in the form of training, access to information, technical assistance, or moral support in adapting to digital systems-show higher levels of job satisfaction. This shows that the success of digital HR implementation depends not only on the system, but also on the extent to which the organization accompanies the transformation process. The results of this study support research by Fitri (2007) which states that organizational support has a positive and significant effect on job satisfaction.

H3: Organization Support has a positive and significant effect on employee Satisfaction

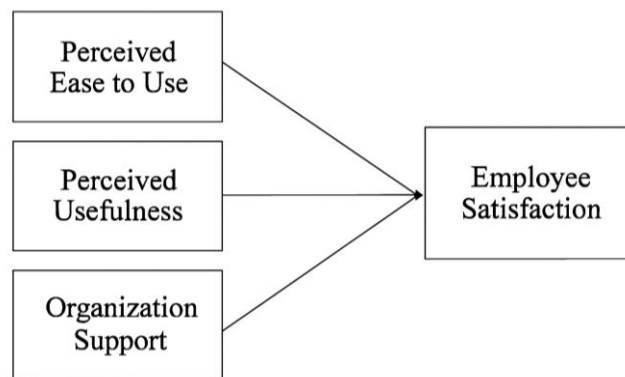


Figure 1. Research model

The hypothesis in this study is:

H1: Perceived Ease to Use has a positive and significant effect on employee Satisfaction

H2: Perceived Usefulness has a positive and significant effect on employee Satisfaction

H3: Organization Support has a positive and significant effect on employee Satisfaction

RESEARCH METHODS

This research adopts a Quantitative methodology with an explanatory research design, as it explores the connection between different variables. The analysis was executed employing statistical methods along with the Smart PLS application. The focus of this

investigation is on Digital HR tools like Greatday, Talenta, and others. The study's population consists of employees across various sectors who utilize digital HR solutions. Given that the exact size of the population is undetermined, it is regarded as infinite. The researchers implemented a sampling strategy based on a nonprobability technique. More specifically, they applied purposive sampling, establishing criteria that included the use of HR digital applications, residence in Pangkalpinang, a minimum age of 18 years, or at least one year of employment, specifically targeting Generation Y and Z individuals. The sample for this research comprised employees who engaged with digital HR platforms such as Greatday among others. To refine the population, the sample size was determined using the Lemeshow formula, applying a Z-score of 95% confidence (1.96), with a maximum estimate (p) of 0.5, and a sampling error (or alpha) of 10%. The outcome of these calculations indicated a sample size of 97 respondents. The types of data collected include both primary and secondary data, using the Questionnaire Distribution Method for data collection. The variables examined consist of both Independent and Dependent variables. For data analysis, the design employed includes Validity Test, Reliability Test, Determination Coefficient Test, and Hypothesis Test.

RESULTS AND DISCUSSION

Results

Partial Least Square (PLS) Test

This study uses inferential statistical data analysis with the SmartPLS software program with the initial step using model measurement (outer model), structural model (inner model) and hypothesis testing. In this model measurement is used to determine the validity and reliability connected between indicators and their latent variables. Which means the outer model specifies the relationship between latent variables and their indicators. In this study, SmartPLS 4.0 Outer Model software was used which was evaluated with convergent validity, discriminant validity, and composite reliability.

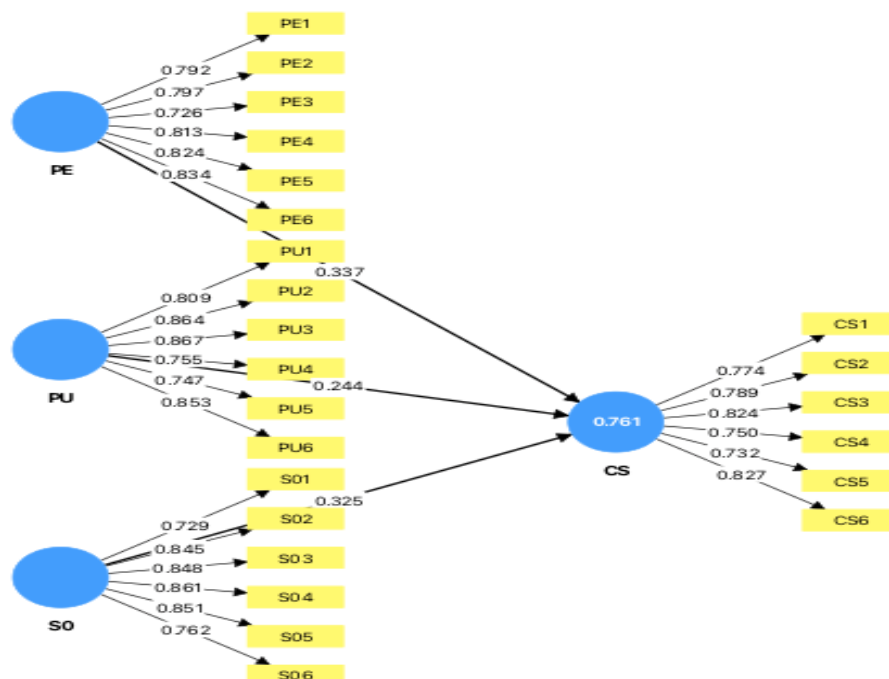


Figure 2. PLS processing results

Validity Test Results

Table 1. Loading Factor

| Item | CS | PE | PU | SO |
|------|-------|-------|-------|-------|
| CS1 | 0.774 | | | |
| CS2 | 0.789 | | | |
| CS3 | 0.824 | | | |
| CS4 | 0.750 | | | |
| CS5 | 0.732 | | | |
| CS6 | 0.827 | | | |
| PE1 | | 0.792 | | |
| PE2 | | 0.797 | | |
| PE3 | | 0.726 | | |
| PE4 | | 0.813 | | |
| PE5 | | 0.824 | | |
| PE6 | | 0.834 | | |
| PU1 | | | 0.809 | |
| PU2 | | | 0.864 | |
| PU3 | | | 0.867 | |
| PU4 | | | 0.755 | |
| PU5 | | | 0.747 | |
| PU6 | | | 0.853 | |
| SO1 | | | | 0.729 |
| SO2 | | | | 0.845 |
| SO3 | | | | 0.848 |
| SO4 | | | | 0.861 |
| SO5 | | | | 0.851 |

Based on the outer loading results in Table 1, the correlation value of all indicators for each variable is ≥ 0.7 , so all indicators are valid.

Table 2. AVE

| Variable | AVE |
|-----------------------|-------|
| Employee Satisfaction | 0.614 |
| Perceived ease of use | 0.637 |
| Perceived usefulness | 0.668 |
| Support Organization | 0.669 |

The results of the convergent validity test show that all constructs have met the requirements of having a loading factor value greater than 0.5 and an Average Variance Extracted (AVE) value greater than 0.5. So, it can be concluded that all constructs have good convergent validity so it can be said that each question has a high correlation with each other.

Reliability Test Results

Construct reliability is evaluated by looking at the value of Cronbach's alpha and composite reliability. Determination of construct reliability is said to be good if the value of Cronbach's alpha is more than 0.6 and composite reliability is more than 0.6. The results of the reliability test can be seen in Table 3 below:

Table 3. Reliability Result

| | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | Average Variance Extracted (AVE) |
|----|-------------------------|--------------------------------------|--------------------------------------|---|
| CS | 0.875 | 0.882 | 0.905 | 0.614 |
| PE | 0.886 | 0.888 | 0.913 | 0.637 |
| PU | 0.900 | 0.905 | 0.923 | 0.668 |
| SO | 0.900 | 0.907 | 0.923 | 0.669 |

The test results in Table 3 show that all constructs have a cronbach's alpha and composite reliability value of more than 0.6. This means that all constructs have met the reliability test requirements and can be continued to the inner model evaluation stage.

R-square Test Results (R²)

The evaluation was carried out with the criteria according to Chin (1998) in Ghozali (2015) which states that a structural model is said to be strong if it has an R² value of 0.67. The R² value of 0.761 is included in the Strong category.

F-square Result

Table 4. F-squared Result

| Variable | F-squared |
|-----------------------|------------------|
| Perceived ease of use | 0.074 |
| Perceived usefulness | 0.039 |
| Support Organization | 0.073 |

According to Chin's criteria (1998) in Ghozali (2015) the influence is said to be small if the F-squared value (f²) is less than or equal to 0.02, medium if between 0.02 and 0.15, and large if it exceeds 0.15. Based on Table 4, it is found that the F-squared value is in the medium category.

Predictive Relevance (Q₂)

To find out the predictive relevance value, it can be calculated using the formula below:

$$Q_2 = 1 - (1 - R^2)$$

$$Q_2 = 1 - (1 - 0.761)$$

$$Q_2 = 1 - 0.239$$

$$Q_2 = 0.674$$

Based on these calculations, the model can be said to have relevant predictive value.

Hypothesis Test Results

Table 5. Direct effect results

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P values |
|----------|----------------------------|------------------------|-----------------------------------|-------------------------------|-----------------|
| PE -> CS | 0.337 | 0.338 | 0.100 | 3.373 | 0.001 |
| PU -> CS | 0.244 | 0.245 | 0.122 | 2.002 | 0.045 |
| SO -> CS | 0.325 | 0.325 | 0.118 | 2.752 | 0.006 |

According to Table 5, the findings from the hypothesis testing of the research framework are outlined as follows: 1. Hypothesis 1 posits that Perceived Ease of Use positively influences employee satisfaction (H1), with a T-Value test result of 3.373 and a significance level of 0.001, leading to the acceptance of hypothesis 1. 2. Hypothesis 2 in this analysis indicates a positive and significant influence on employee satisfaction (H2), evidenced by a T-Value test result of 2.002 and a significance level of 0.045, thus

hypothesis 2 is endorsed. 3. Hypothesis 3 asserts that organizational support positively and significantly affects employee satisfaction (H3), revealed by a T-Value test result of 2.752 and a significance level of 0.006, therefore hypothesis 3 is accepted.

Discussion

The Impact of Perceived Ease of Use on Employee Satisfaction

The findings indicate that Perceived Ease of Use has a notable and positive impact on Employee Satisfaction based on the T-Value test result of 3.373 and a significance level of 0.001. This suggests that the more straightforward a digital HR system is to navigate, the greater the satisfaction levels among employees. An intuitive system minimizes frustration and enhances efficiency, culminating in a more favorable employee experience. Research by Raharjo & Prasetyo (2016) noted that perceptions of ease of use correlate positively and significantly with job satisfaction.

The Impact of Perceived Usefulness on Employee Satisfaction

The results suggest that Perceived Usefulness significantly and positively impacts Employee Satisfaction, as demonstrated by a T-Value test result of 2.002 and a significance level of 0.045. This corroborates the idea that when a digital HR system is perceived as beneficial, employee satisfaction tends to rise. As indicated by Venkatesh & Davis (2000) Perceived Usefulness reflects the extent to which an individual believes that using technology can enhance performance. According to Indarsin & Ali (2017), Perceived Usefulness refers to an individual's inclination to adopt technology because of the belief that it will facilitate accomplishing tasks more effectively. Chawla & Joshi, (2019) echo that Perceived Usefulness pertains to the conviction that using technology will improve user performance. This aligns with findings from Mandasari & Giantari (2017), which suggests that perceived usefulness significantly enhances satisfaction.

The Impact of Organizational Support on Employee Satisfaction

The findings reveal that Organizational Support considerably affects Employee Satisfaction, with a T-Value test result of 2.752 and a significance level of 0.006. Employees who perceive organizational backing—through training, communication, technical assistance, or encouragement—tend to indicate higher satisfaction levels. Implementing organizational support is crucial for companies to foster. Employees who feel underpinned by the organization—whether through training, information access, technical assistance, or moral support in adapting to digital platforms—exhibit elevated job satisfaction levels. This indicates that successful digital HR implementation hinges not only on the system but also on the degree to which the organization supports the transformation process. This study reinforces findings by Fitri (2007), which state that organizational support positively and significantly influences job satisfaction.

CONCLUSION

From the data analysis and discussions conducted, the research conclusions can be summarized as follows: Perceived Ease of Use positively and significantly affects employee satisfaction. Perceived Usefulness positively and significantly impacts employee satisfaction. Organizational support positively and significantly influences employee satisfaction. Future research exploring the user experience of the Digital HR Application could adopt alternative methods and models, such as the User Experience Questionnaire (UEQ), and utilize different analytical tools like SPSS, in addition to expanding the sample population size.

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