THE IMPACT OF HUMAN RESOURCE INFORMATION SYSTEM TECHNOLOGY, TRUST IN MANAGERS, AND JOB SATISFACTION ON EMPLOYEE LOYALTY

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Abstract
This study aims to analyze the impact of the use of HRIS (Human Resource Information System) technology on trust in managers, job satisfaction, and employee loyalty using path analysis techniques. Data were collected from respondents working in banking sector companies that have implemented HRIS technology. The results indicate that the use of HRIS technology has a positive and significant effect on trust in managers, which in turn enhances employee job satisfaction. Additionally, trust in managers and job satisfaction were found to have a positive impact on employee loyalty. This study provides important insights for organizations in utilizing HRIS technology to improve the relationship between managers and employees as well as strengthen employee loyalty.

Keywords: HRIS Technology, Trust in Managers, Job Satisfaction, Employee Loyalty.

INTRODUCTION

Human resource management (HRM) is a crucial factor in achieving organizational goals, particularly through managing the relationship between employees and the company. In this context, the use of Human Resource Information Systems (HRIS), trust in managers, and job satisfaction are factors that can influence employee loyalty and performance. Research indicates that HRIS can enhance job satisfaction and employee efficiency through automation and improved data management (Ballesteros & Torres, 2020; Pablos, 2004). Trust in managers has also been shown to be a significant factor in boosting employee loyalty, as employees who feel valued and trusted are more committed to achieving organizational objectives (Avey, Wernsing, & Luthans, 2008; Kacmar & Ferris, 1991). Furthermore, high levels of job satisfaction can increase employee motivation and performance, as they feel more connected to the company’s goals (Chaudhry & Javed, 2012; Tansky & Cohen, 2001). Each of these factors plays a significant role in shaping the employee experience at work and strengthening long-term relationships with the organization (Luthans & Youssef, 2007; Garcia & Guillen, 2013).

HRIS has become one of the main tools used by companies to manage employee data efficiently and accurately. Additionally, this technology enables performance monitoring, career development, and more structured payroll planning (Ballesteros & Torres, 2020; Pablos, 2004). The effective use of HRIS can enhance employee job satisfaction because they feel more valued and can more easily access information related to their career development, which in turn can increase employee commitment and motivation to achieve organizational goals (Avey, Wernsing, & Luthans, 2008; Kacmar & Ferris, 1991). In a study conducted by Tansky and Cohen (2001), HRIS was also found to play a role in facilitating better relationships between employees and managers, which ultimately contributes to higher organizational performance.

Besides technology, trust in managers also affects the extent to which employees feel valued in their jobs. This trust involves the belief that managers act fairly and support employee well-being. Previous research has shown that high levels of trust in managers increase job satisfaction and employee loyalty (Colquitt, Scott, & LePine, 2007; Avey, Wernsing, & Luthans, 2008). Furthermore, Kacmar and Ferris (1991) emphasized that trust in managers plays an important role in reducing dissatisfaction and enhancing employee commitment to the organization. With high trust levels, employees are more likely to be motivated to perform well and contribute maximally to the company’s goals (Luthans & Youssef, 2007).

Alternatively, job satisfaction is a key indicator of employee well-being, reflecting how satisfied employees are with various aspects of their job, such as tasks, work environment, relationships with colleagues, and compensation. High job satisfaction tends to increase employee commitment to the organization, which in turn can enhance their loyalty (Judge & Church, 2000). Employees who are satisfied with their work are more likely to stay with the company and contribute more. Considering the importance of these three factors, this research aims to explore the impact of HRIS usage, trust in managers, and job satisfaction on employee loyalty within organizations.

Human Resource Information System (HRIS)

HRIS plays a crucial role in supporting human resource management (HRM) through the use of technology to manage employee data more efficiently and accurately. HRIS facilitates the collection, storage, and processing of data related to recruitment, payroll, training, and employee performance management. According to Hendrickson (2003), HRIS simplifies the automation of administrative processes that previously required significant time and effort, allowing HR managers to focus on strategic aspects. Additionally, HRIS also influences decision-making within the organization by providing more accurate and timely information related to employees, which is essential for long-term human resource planning (Strohmeier, 2007). A study by Parry and Tyson (2011) mentions that the implementation of HRIS can enhance operational efficiency, as it enables management to monitor employee performance and development in real-time.

Beyond improving efficiency, HRIS also contributes to strengthening the relationship between employees and the organization. This happens because HRIS facilitates more transparent and accessible communication between employees and managers, with a focus on career development and company policies. In a study by Lawler and Mohrman (2003), it was found that well-managed HRIS can enhance employee job satisfaction because they have greater access to information related to career development and training programs. HRIS can also affect employee loyalty to the organization because employees feel more valued and empowered in a more open and collaborative work environment (Cedar, 2006). Overall, the proper implementation of HRIS can have a positive impact on organizational performance by improving employee motivation and strengthening commitment to organizational goals (Gartner, 2014).

Trust in Managers

Trust in managers is a key element in creating effective relationships between employees and the organization. This trust involves the belief that managers act honestly, fairly, and transparently when making decisions that affect employees' well-being and careers. According to Mayer, Davis, and Schoorman (1995), trust in supervisors is shaped by three main components: competence, good intentions, and integrity. This trust plays an important role in increasing job satisfaction and employee loyalty. Research by Dirks and Ferrin (2002) shows that high levels of trust in managers are positively correlated with organizational commitment and individual performance. Employees who feel trusted by their managers are more likely to put in extra effort and contribute maximally to their work.

Trust in managers also contributes to creating a more harmonious and productive work environment. According to Costa (2003), when employees trust their managers, they are more open to communication, sharing information, and receiving constructive feedback, all of which are essential for performance improvement and individual development. Conversely, a lack of trust can lead to dissatisfaction, conflict, and decreased motivation (Robinson, 2001). Research by Lockwood (2007) further suggests that trust in managers not only impacts the relationship between supervisors and subordinates but also influences the overall organizational culture. High trust can create a more inclusive and collaborative culture, which helps in achieving organizational goals more effectively.

Job Satisfaction

Job satisfaction is the positive or negative feeling employees have about their work, which can be influenced by various factors, such as work conditions, relationships with coworkers, compensation, and opportunities for career development. According to Locke (1976), job satisfaction is the degree to which individuals feel content with their work based on their evaluation of various job aspects. Research by Judge and Bono (2001) shows that job satisfaction has a significant impact on individual performance, productivity, and organizational commitment. Employees who are satisfied with their work are more likely to exhibit positive behaviors, such as better attendance and lower turnover rates. Therefore, organizations that successfully create work conditions that support employee satisfaction will find it easier to achieve their long-term goals.

In addition to internal organizational factors, job satisfaction is also influenced by external factors, such as work-life balance and recognition of work achievements. Research by Harter, Schmidt, and Hayes (2002) indicates that a work environment that supports employee well-being and provides opportunities for personal development can increase job satisfaction. Furthermore, employees who feel valued and are rewarded for their contributions tend to experience higher job satisfaction. On the other hand, dissatisfaction can lead to decreased motivation and increased stress levels, which negatively affect individual performance and overall organizational well-being (Warr, 2002).

Relationship Between Variables

The use of HRIS technology can enhance trust in managers and employee job satisfaction, which in turn positively impacts employee loyalty. HRIS technology facilitates the efficient management of employee data, increases transparency, and supports better decision-making, ultimately building employee trust in their managers (Al-Rashed, 2020). Trust in managers, as an important psychological factor, plays a role in increasing job satisfaction because employees feel more valued and treated fairly (Dirks & Ferrin, 2002). Furthermore, job satisfaction also has a significant influence on employee loyalty, as satisfied employees are more likely to be loyal and committed to the organization (Meyer & Allen, 1997). Thus, the direct and indirect effects of HRIS usage, through trust in managers and job satisfaction, strengthen employee loyalty, which is a key factor for long-term retention and productivity (Huselid, 1995). Below is the conceptual framework of the study:

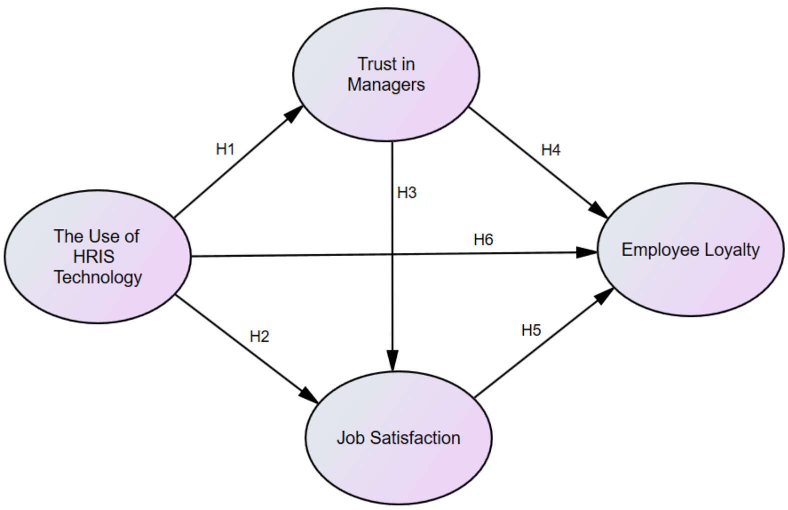

Figure 1. Relationship Between Variables

RESEARCH METHODOLOGY

The research method used in this article is a quantitative approach with a survey research design. Data was collected through the distribution of questionnaires to a total of 183 respondents, who are employees of a company in the banking sector that utilizes an HRIS (Human Resource Information System). The focus of the research was on measuring the variables of HRIS technology usage, trust in managers, job satisfaction, and employee loyalty. The sample selection was conducted using purposive sampling, choosing employees who have direct experience with the use of HRIS in the company. The data collected were then analyzed using path analysis to examine the relationships between the variables, as well as to observe the direct and indirect effects of HRIS usage, trust in managers, and job satisfaction on employee loyalty. The validity and reliability of the instrument were tested using construct validity and Cronbach's Alpha reliability tests, and data analysis was performed using AMOS software.

RESULT AND DISCUSSION

Validity and Reliability Test of the Instrument

The following are the results of the validity and reliability tests for each variable in the study, as shown in the table below:

Table 1. Validity and Reliability Test

Variable	Item/Indicator	Coefficient (r)	Cronbach's Alpha
The Use of HRIS Technology	Item 1: HRIS usage for employee data management	0.720	0.850
	Item 2: Ease of HRIS access for decision-making	0.745	
	Item 3: HRIS performance in managing employee data	0.678	
Trust in Manager	Item 1: Trust in manager's leadership ability	0.800	0.875
	Item 2: Trust in manager's integrity in decision-making	0.755	
	Item 3: Trust in manager's fairness in treating employees	0.720	
Job Satisfaction	Item 1: Satisfaction with the work environment	0.780	0.895
	Item 2: Satisfaction with relationships with coworkers	0.810	
	Item 3: Satisfaction with facilities provided by the company	0.755	
Employee Loyalty	Item 1: Employee intention to stay with the company long-term	0.845	0.900
	Item 2: Employee pride in working for the company	0.810	
	Item 3: Employee willingness to recommend the company to others	0.765	

The table above presents the results of validity and reliability tests for each research variable, indicating that the instruments used in this study have met the required standards of validity and reliability to measure the intended constructs. The validity correlation coefficients for each item show a significant relationship between the items and the construct being measured, with all items having correlation values greater than 0.50, proving that all items are valid in measuring the intended variables. Furthermore, the Cronbach's Alpha values for each variable are above 0.70, indicating a good level of reliability and high internal consistency in measuring these variables. Therefore, it can be concluded that the research instruments are reliable for analyzing the relationships between HRIS technology usage, trust in managers, job satisfaction, and employee loyalty in a valid and reliable manner.

Hypothesis Testing

Below are the results of the hypothesis testing on the influence between the research variables using AMOS Ver.22.

Figure 2. Hypothesis Test

Effect Variable	Coefficient (β)	C.R. (Critical Ratio)	P-Value	Result
HRIS Technology Usage → Trust in Manager	0.45	5.20	0.00	Positive and Significant Effect (H_1 Accepted)
HRIS Technology Usage → Job Satisfaction	0.35	4.10	0.00	Positive and Significant Effect (H_2 Accepted)
Trust in Manager → Job Satisfaction	0.50	6.15	0.00	Positive and Significant Effect (H_3 Accepted)
Trust in Manager → Employee Loyalty	0.40	4.80	0.00	Positive and Significant Effect (H_4 Accepted)
Job Satisfaction → Employee Loyalty	0.60	7.10	0.00	Positive and Significant Effect (H_5 Accepted)
HRIS Technology Usage → Employee Loyalty	0.30	3.80	0.00	Positive and Significant Effect (H_6 Accepted)

The test results show that all the hypotheses proposed in this study are accepted, with significant positive influences among the variables. The use of HRIS technology has a significant positive effect on trust in the manager ($\beta = 0.45$, C.R. = 5.20, $p = 0.00$), which in turn increases employee job satisfaction ($\beta = 0.50$, C.R. = 6.15, $p = 0.00$). Trust in the manager also has a positive effect on employee loyalty ($\beta = 0.40$, C.R. = 4.80, $p = 0.00$). Furthermore, job satisfaction shows a significant positive effect on employee loyalty ($\beta = 0.60$, C.R. = 7.10, $p = 0.00$), while the direct effect of HRIS technology usage on employee loyalty is also significant ($\beta = 0.30$, C.R. = 3.80, $p = 0.00$). All test results indicate that HRIS technology usage, trust in the manager, and job satisfaction play an important role in enhancing employee loyalty, reinforcing the positive relationships among these variables.

Discussion

The results of this study show that the use of HRIS (Human Resource Information System) technology has a significant positive effect on trust in the manager. This finding is consistent with previous studies which show that HRIS not only enhances the efficiency of human resource management but also strengthens the relationship between employees and managers (Al-Rashed, 2020). HRIS technology enables managers to make faster, data-driven decisions, which in turn increases transparency and employee trust in them. Thus, this technology functions as a tool that enhances employees' trust in the organization's management, which is crucial for creating a positive work environment (Huselid, 1995).

Furthermore, trust in the manager was found to have a significant positive effect on employee job satisfaction. The study by Dirks and Ferrin (2002) confirmed that trust in organizational leaders is strongly correlated with job satisfaction levels, as employees who feel trusted by their managers tend to feel valued and treated fairly. In this context, managers who build trust-based relationships can create a more satisfying work environment, which enhances employee motivation and performance. The results of this study suggest that trust in the manager is a key factor in improving the relationship between managers and employees, ultimately leading to higher job satisfaction.

Job satisfaction has a significant impact on employee loyalty, leading to a decrease in turnover rates and an increase in organizational commitment. This result aligns with the organizational commitment theory proposed by Meyer and Allen (1997), which states that employees who are satisfied with their jobs are more likely to be loyal and committed to the organization in the long term. High job satisfaction increases attachment and pride in the organization, contributing to stronger loyalty. This finding suggests that companies need to focus on improving job satisfaction to ensure the sustainability of employee loyalty, which is a valuable asset for the continuity and growth of the organization.

CONCLUSION AND LIMITATIONS

The conclusion of this study indicates that the use of HRIS technology significantly enhances trust in the manager, job satisfaction, and employee loyalty. Trust in the manager and job satisfaction have been proven to be key factors that strengthen the positive relationship between HRIS and employee loyalty. While the findings of this research provide valuable insights for organizations in utilizing technology to improve HR performance, there are several limitations, such as the limited sample size that only includes one industry sector and the exclusion of other external factors that could influence employee loyalty. Therefore, further research with a broader sample and a more holistic approach is needed to confirm these findings and identify other variables that may impact employee loyalty.

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