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The Impact of HRIS Technologies Adoption on Employee Satisfaction and Retention Rate

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Abstrak

The adoption of Human Resource Information Systems (HRIS) has become increasingly important as organizations pursue digital transformation to enhance both operational performance and employee-related outcomes. This study examines the impact of HRIS adoption on employee satisfaction and employee retention rate, with operational efficiency serving as a mediating variable. The research was conducted in star-rated hotels in Bali, Indonesia, a region characterized by a highly competitive hospitality industry. Using a quantitative approach, data were collected through structured questionnaires distributed to employees who actively use HRIS in their daily work activities. A total of 260 valid responses were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The findings reveal that HRIS adoption has a strong and positive effect on operational efficiency, indicating that digital HR systems significantly streamline HR processes and reduce administrative complexity. Furthermore, operational efficiency positively influences employee satisfaction and employee retention, confirming its role as a critical organizational mechanism. The results also demonstrate that employee satisfaction acts as a key mediator in the relationship between HRIS adoption and employee retention rate, highlighting satisfaction as the dominant predictor of employees' intention to remain with the organization. Overall, this study confirms that HRIS should be viewed not merely as an administrative tool but as a strategic human resource system that enhances operational efficiency, improves employee satisfaction, and strengthens employee retention. The findings provide practical insights for organizations seeking to leverage HRIS to achieve sustainable workforce stability.

Keywords: Human Resource Information System (HRIS), Operational Efficiency, Employee Satisfaction, Employee Retention

1. Background

Modern human resource management plays a key role in organizational success. Cultural and technological determinants have been the main catalysts to the recent change of human resources information systems (HRIS) that enables the simplification of HR processes and improves employee experience. An HRIS incorporates technology into HR practises to enhance communication, performance tracking, and to offer self-service features, which have been empirically associated with increased employee engagement and satisfaction and with retention (Maamari and Osta, 2021). Although the use of HRIS technologies has become very common, there are still gaps in comprehending their direct impact on employee-related outcomes, especially the strategic value of such systems in digitally mature organizations (Shahiduzzaman, 2025).

Based on this premise, the role of the Human Resources Management (HRM) has developed to include a traditional administrative position to become a strategic partner in organizational success. This transformation can be seen in how e-HRM mostly replaced traditional processes with automation to digital HRM, which embraces the use of more advanced technologies, like artificial intelligence and analytics, to create more flexible, value-generating HR practices (Stachová et al., 2024). In this context, digital maturity is a defining factor: organizations with developed HRM systems not only by automating their processes but also using predictive analytics and personalized developmental paths and transparent performance management. The presence of such integrated capabilities promotes more positive employee experiences as they enhance transparency, accessibility, and growth opportunities, enhancing commitment and leading to decreased turnover intentions (Li et al., 2024).

The shift toward digital HRM and the growing strategic importance of HRIS is also reflected in broader national trends in technology adoption. As organizations increasingly recognize the value of digital tools in enhancing HR

efficiency and employee experience, the adoption of HRIS across Indonesia has continued to accelerate. This nationwide movement toward HR digitalization provides important context for understanding how HRIS has evolved from a supportive administrative tool into a strategic enabler of employee satisfaction and retention. The following data on HRIS adoption rates in Indonesia illustrates this rapid growth and highlights the momentum behind HR technology adoption at the national level.

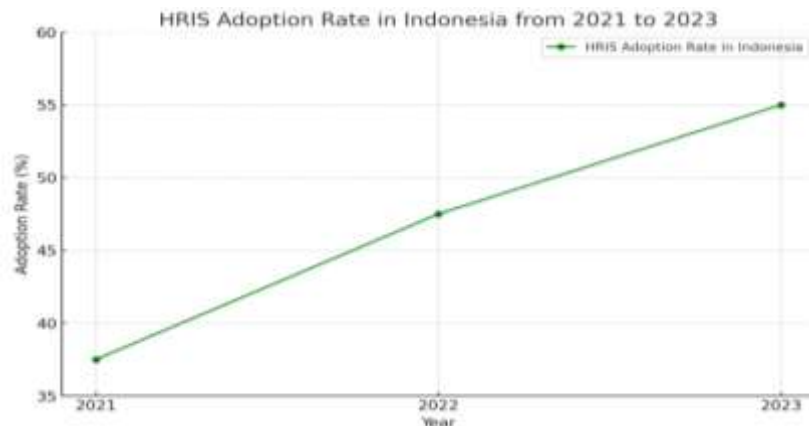


Figure 1 HRIS Adoption Rate in Indonesia

The figure shows Human Resource Information Systems (HRIS) adoption rate in Indonesia in the 2021 to 2023. As indicated, the adoption of HRIS has shown a constant increasing trend based on the three years period. As of 2021, the rate of adoption was about 38 per cent, which indicates the initial phases of digitalization of human resource practises. This rose to 47 percent in 2022, representing a near 10 percent increase in just one year, indicating that organisations were beginning to acknowledge the importance of HRIS to automate HR functions. As of 2023, the adoption rate was 55per cent, which once again emphasised the speed at which Indonesia is shifting to digital HR solutions. The steady increase displayed in the graph is a sign that HRIS is gaining more and more centrality in organisational approaches, which is reflective of larger trends of digital transformation in the field of human resource management.

Although national-level studies indicate increasing HRIS adoption in Indonesia, there is a notable absence of regional data, particularly for Bali. This lack of empirical evidence creates a significant knowledge gap that limits the ability of local organizations to make data-driven HR digitalization decisions. Therefore, conducting a Bali-focused study is essential to address this gap.

These national adoption trends, combined with the absence of regional data in Bali, highlight the importance of understanding not only the extent of HRIS use but also how HRIS functions within modern HR practices. As organizations increasingly adopt digital HR tools, the role and purpose of HRIS have expanded beyond basic automation, making it necessary to examine the broader evolution of HRM to understand how HRIS contributes to strategic outcomes such as employee satisfaction and retention.

Human Resource Management (HRM) practices have seen a radical shift as the role of Human Resource Information Systems (HRIS) keeps changing. Human Resource Management (HRM) traditionally only represented administrative tasks while Human Resource Information System (HRIS) mainly constituted the tools to implement payroll and maintain employee records. Nevertheless, recent research indicates a major transition to strategic HRM in which the HRIS system is linked to wider organizational goals and operations (L'Écuyer et al., 2019).

Over time, the Human Resource Information Systems (HRIS) have primarily been developed from their earlier purpose of automating and streamlining fairly simple human resource activities like payroll processing, employee files management and benefits management. These systems initially were mostly standalone on premises systems used only for administrative functions (Udekwe et al., 2021). Literature on HRIS systems in recent times is marked with a shift from use of HRIS systems for fragmented and general purposes to integrated and more strategic applications in different sectors.

Nevertheless, as technology progresses; One of the developments in the field of Human Resource Management (HRM) has been the transformation of Human Resource Information Systems (HRIS) that is in line with the strategic objectives of the organization. This evolution highlights the cloud based HRIS platform as they continue to offer remote access to HR professionals with improved data analytics and better scalability. Based on recent studies, the integration of HRIS with cloud technology helps HR experts with data introspection as a powerful tool to guide their decision making (Abuhantash, 2023).

Furthermore, evolution in Human Resource Information Systems (HRIS) has played a major contribution in changing the role of HRIS from a tool of basic administrative activities to a strategic partner in organizations. The transformation is mainly attributed to the enhanced mobile accessibility and adoption of the trend of the emerging technologies including artificial intelligence, and machine learning (Abuhantash, 2023). According to current literature, HRIS have developed for better performance of them as well as for the important HR functions like employee self-service, recruitment, training, and performance evaluation and training that indicate transforming of HR practices from tactical to strategic approach (Sawitri et al., 2023).

Organizations have started to migrate towards mobile HRIS platforms, providing HR professionals the ability to access and scale the platforms easily, thus driving the ability to make more sound data driven decisions (Abuhantash, 2023). As such, as mentioned in recent studies, the adoption of cloud based HRIS solutions gives HR associates the ability to remotely access critical HR data, which tends to instill flexibility, which is needed in timely decision making (Abuhantash, 2023). In this instance, this capability serves to smooth HR operations as well as bettering protocols on the management of the workforce, such that HR functionality is in line with organizational strategic objectives (Prasad et al., 2023).

Recently, researchers focused on the effect of technology in HR functions, employee engagement, and connection between organizational performance with strategy. Human Resource Information Systems (HRIS) are evolving rapidly to overcome support from only focusing on administrative duties by HR, to a more strategic yet still focused on employees' role in HR (Bah et al. 2022).

For instance, William and Singh (William & Singh, 2023) explain how technological enhancements in HRM are transforming common responsibilities into revolutionary functions that influence the effectiveness of the organization in a great way. This makes sense as the notion of modern-day HR professionals with the technology at hand can help in improving engagement of employees, intentional decision-making processes and betterment of business objectives. HR departments are discovering that in order to stay competitive they must start using digital tools that help with tasks as well as to devise strategic agendas which help employees and fit into broader company objectives (William & Singh, 2023).

Basic HR functions such as employee record keeping, benefits administration, payroll and performance evaluation can be automated and integrated around the HRIS. According to Abuhantash (Abuhantash 2023), HRIS makes these processes much easier, as well as reduces errors and therefore makes data more accurate. Moreover, several administrative tasks can be automated by HRIS, thereby providing HR professionals an opportunity to focus their time toward strategic decision-making activities. It mirrors observations reported by Alam and Kashem (Alam & Kashem, 2022) where there is a linkage between HRIS implementation and competitive strategies, but the impact of HRIS implementation to overall business performance might not be significant.

One of the primary roles of HRIS is career path development and performance evaluation. According to (Sawitri et al. 2023), it is stated that the HRIS can help organizations to plan their workforce through features like Skills Inventory, Training Needs Analysis and Succession Planning. However, the human resource professionals can manage and review employee performance utilizing this centralized approach which ensures that firms can meet their strategic needs and employees are developed. Through HRIS, an organization can automate their human resource operations and design development plans, namely for employees, that are tailored and aligned with individual goals towards organizational priorities.

In addition, HRIS enables effective operational efficiencies through minimization of paperwork and augmented access to real time data. In addition, this study by Ali and Mahmood (Ali & Mahmood 2023) stated that the HRIS system plays a role to reduce the time that is spent by the faculty members on the administrative tasks and increases the time that is devoted by the faculty members to their core responsibilities such as teaching and research. HR

functions can be streamlined to relieve the pains of compliance and manual processes as HR professionals get to optimize organizational performance.

Recent research has shown how Human Resource Information Systems (HRIS) can be used in order to solve problems of the organization by maximizing its Human Resource Management and operational efficiencies. For one, HRIS implementation to address high employee turnover rates, improve the recruiting processes and workforce planning was a significant other case from the literature. Abuhantash (2023) examined, in a systematic study, how the implementation of HRIS is an effective solution to the problem organizations have in employee engagement and low retention of employees. HRIS centralizing employee data simplified recruitments and helped HR professionals to analyze the trends of turnover. Data driven insights were given to us by the tool helping us make better informed hiring decisions, cutting down on time, and costs spent recruiting. In this way the system enabled the organization to customize its recruitment and retention approaches on real-time data analytics that eventually contributed to a substantial turn-over rate reduction.

Besides, (Sawitri et al. 2023) also showed that HRIS can promote the ability to perform performance evaluation. It enables organizations to devise training and development programs focusing on employees. With the effective HRIS used by the HR department, the team was in a position to track metrics such as employee performance and tie it up with specific development programs. Under this approach, employee engagement was not only improved but organizational performance was also continuously improved since it made members of the staff engage with business goals.

Employee satisfaction can be defined through several key factors and it can be explained through the correlation between Human Resource Information Systems (HRIS). HRIS has a relatively positive influence on employee satisfaction through improvements of various HR processes and employee experience (Tamrakar & Shrestha 2022).

Human Resource Information Systems (HRIS) facilitates the simplicity of organization to minimize errors and enhances data accuracy in most of the functions in the HR department like payroll, benefits administration, and performance management. Research on HRIS shows that it links up the HR processes by automating core functions, which in a long run will reduce manual errors and increase productivity in HR departments. An example is that HRIS deployment is found by studies to increase the way of managing payroll and employee performance evaluations, which are key issues for effective organization of work (Abuhantash, 2023; Al-Dmour, 2022; . All these improvements boost organizational workflows as well as improve handling of employee data in a more accurate and reliable way (Tamrakar & Shrestha, 2022).

HRIS also provides the support to effective talent management of decisions based on data such as recruitment, development and retention. It may increase job fit, career growth opportunities, employee satisfaction and retention (Tamrakar & Shrestha 2022). HRIS may also improve the communication, information sharing in the organization, contributing to transparency, trust which are correlated with satisfaction of employees. However, there is not a direct link between HRIS and HR employee satisfaction, as in addition to HRIS organizational culture, change management and HRIS user training can greatly influence employee satisfaction and retention (Dang, 2024).

There are challenges that firms or businesses need to be aware of when adopting or implementing HRIS. Implementing an HRIS is often the cause of several hurdles for an organization. The purchase and ongoing maintenance can be very expensive up front. Also, employees may find resisting change, especially when they are used to traditional ways. The time requirements and cost in trying to train HR staff and employees on different requirements are time consuming and costly. This is the critical part, overcoming these challenges will ensure a great HRIS adoption. An HRIS that's been implemented well can greatly simplify and improve the way HR works, improve data accuracy, and provide a better basis for decision making.

2. Research Methods

2.1 Research Location

This study is conducted in Bali, Indonesia, a region widely recognized for its strong hospitality industry and extensive hotel operations. The research focuses on star-rated hotels across Bali, with the research population identified based on data provided by the Indonesian Hotel and Restaurant Association (PHRI) of Bali Province.

By using PHRI data as a reference, this study captures a broad and representative overview of formal hotel organizations operating in Bali. While the primary focus is on star-rated hotels, the research context allows for a comprehensive examination of organizational practices within the hospitality sector, particularly in relation to Human Resource Information System (HRIS) adoption and its implications for employee satisfaction and retention. Population and Sample.

a. Population

The targeted population is the employees who are working in organizations, which have adopted a Human Resource Information System (HRIS) as part of their human resource management practices. This group is considered suitable as employees make the main users and the major beneficiaries of HRIS applications; their perceptions provide a valuable point of view on how the system influences the work-related results. This focus on the employees summarizes their experience in implementing HRIS to undertake activities like attendance monitoring, payroll processing, performance appraisal and career development. These workers represent a diverse work population spread among different departments and hierarchical levels, thus facilitating a full picture about the impact of the adoption of HRIS to the employee satisfaction and their desire to stay in the organization. The study of this population can enable the research to correlate the adoption of technology not only with operational efficiency but also with the key human resource outputs, i.e. satisfaction and retention.

b. Sample

The sample size of this study was determined using the PLS-SEM sample size calculation formula recommended by Hair et al. Given that this research employs 26 measurement indicators, the minimum required sample size was calculated using the indicator-based rule, where the number of samples should be 5 to 10 times the total number of indicators. The calculation is expressed as follows:

$$\text{Sample Size} = 10 \times 26 = 260$$

Based on this calculation, the required sample size for this study is 260 respondents. Using the upper bound of the recommended range ensures more reliable estimation of path coefficients, improved validity and reliability assessment, and stronger generalizability of the findings when analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Consequently, a sample size of 260 respondents is considered methodologically appropriate and robust for achieving the research objectives of this study.

2.2 Types of Research Data

In this research, data type is quantitative which means the data used is numerical and can be measured. Structured questionnaires will be distributed to employees who work in star hotel in Bali. Specific measurable indicators to be included in the data are employee satisfaction such as ratings in satisfaction of HRIS technologies, perceived ease of use and usefulness of HRIS tools, and the impact of HRIS on work efficiency and satisfaction at work. In addition, the data on employee retention will center on how likely an employee will stay in the firm after the HRIS has been implemented, how the HRIS affects loyalty or job commitment, and what factors will influence the intention of the employee to leave the organization. This data provides a quantitative nature allowing for statistical analysis of trends, correlations and degree to which HRIS technologies directly impact employee satisfaction and retention.

2.3 Data Sources

a. Primary Data

For this research, I will obtain data from primarily and secondarily sourced data to analyze the full impact of HRIS technologies on Employee Satisfaction and Retention Rates. The primary data will be collected directly from HR and employees working in corporate sectors in Bali. Structured questionnaires will be distributed to employees who will fill in the data. Closed-ended questions will be included in these questionnaires to quantify employee satisfaction and retention levels depending on the way the HRIS technologies have been experienced by. Existing literature, company reports, HRIS technology implementation records and industry reports on employee

satisfaction and retention will be secondary data that will be collected. This data will support the main findings and supply context for how HRIS technology is used in the targeted industries.

2.4 Data Collection Methods

To collect the data, this study utilizes a survey method that collects quantitative data from employees working in starred hotel in Bali. This survey helps them to efficiently collect responses from a large cadre of participants in order to deduce how HRIS technology adoption impacts employee satisfaction and retention rates. Details how survey in this research.

2.5 Research Instrument

A structured questionnaire of three main sections was used as the research instrument. The first section asks about participants: their age, gender, level of education, and length of work experience. The second section takes on measuring how much workplace HRIS is adopted and the third section deals with the employee satisfaction and retention using a Likert scale from strongly disagree to strongly agree. This structured method maximizes consistency in the response and allows quantitative analysis at an accurate level of detail, which achieves the goals of research. The scores were calculated as follows:

Table 1 Likert Scale

Alternative	Scores
Strongly Agree (SA)	5
Agree (A)	4
Neutral (N)	3
Disagree (D)	2
Strongly Disagree (SD)	1

2.6 Data Analysis Technique

The data collected in this study will be analyzed using the Structural Equation Modelling (SEM) approach with SmartPLS 4.0. This method is selected because it allows the examination of complex causal relationships involving multiple independent, mediating, and moderating variables simultaneously, aligning with the multidimensional framework of this research (Hair et al., 2017). In contrast to traditional regression techniques, SEM enables the simultaneous assessment of both the measurement model (outer model) and the structural model (inner model), providing a comprehensive understanding of construct relationships while enhancing validity and reliability in hypothesis testing. The first stage of analysis involves descriptive statistics to summarise respondents' demographic characteristics, including age, gender, occupation, and location. This step helps identify sample composition, distribution patterns, and potential biases that may affect generalisability (Sekaran & Bougie, 2016). The descriptive results also provide contextual insight into the respondent group, forming a foundation for interpreting the structural relationships in later stages of analysis.

a. Outlier Model Measurement

The outer model, also known as the measurement model, evaluates how well the observed indicators represent their respective latent constructs. This stage focuses on assessing the reliability and validity of the measurement instruments to ensure that each construct is accurately measured before testing the structural relationships. Reliability is examined through Cronbach's Alpha and Composite Reliability, where values above 0.70 indicate consistent internal measurement. Convergent validity is assessed using the Average Variance Extracted (AVE), with values greater than 0.50 showing that the indicators effectively explain the construct they measure. Discriminant validity is evaluated using the Fornell–Larcker criterion to confirm that each construct is empirically distinct and not excessively correlated with other constructs. A well-established outer model ensures that the data used for hypothesis testing is both accurate and dependable.

b. Inner Model Measurement

The inner model, or structural model, examines the hypothesised causal relationships between latent constructs within the study. After the measurement model meets reliability and validity requirements, the structural model assesses how strongly and significantly the constructs influence one another. The analysis includes evaluating path

coefficients to determine the direction and magnitude of each relationship, while R^2 values show how much variance in the dependent constructs is explained by the independent variables. Effect size (f^2) is used to measure the strength of specific predictor impacts, and predictive relevance (Q^2) confirms the model's capability to predict outcomes. Through these assessments, the inner model provides a comprehensive understanding of the theoretical relationships proposed in the research and determines whether the hypotheses are supported.

c. Hypothesis Testing

All hypotheses will be tested using a bootstrapping procedure with 5,000 resamples. This non-parametric method, widely recommended in PLS-SEM, effectively estimates standard errors and confidence intervals without assuming normal data distribution (Hair et al., 2019). The bootstrapping results will determine whether each proposed relationship is statistically significant, thereby supporting or rejecting the hypotheses.

3. Hasil dan Diskusi

3.1 Data Analysis

a. Respondents Characteristics

A total of 210 respondents participated in this study. Based on gender distribution, the respondents consisted of 52% male and 49% female, indicating a relatively balanced representation between male and female employees. This balanced composition suggests that the perspectives collected in this study reflect views from both genders in a proportional manner.

In terms of departmental distribution, respondents were drawn from various operational and administrative divisions within the organization. The Housekeeping Department and Sales and Marketing Department each contributed 26 respondents (12.4%), followed closely by the Security Department with 26 respondents (12.3%). The Finance and Accounting Department accounted for 25 respondents (11.8%), while the Engineering/Maintenance Department contributed 24 respondents (11.4%). Meanwhile, the Front Office Department represented 23 respondents (11%), the Food and Beverage Department accounted for 21 respondents (10%), and the Human Resources Department contributed 19 respondents (9%).

Overall, the respondents were distributed relatively evenly across departments, indicating that the data collected represent a wide range of functional roles within the organization. This diversity of departmental representation strengthens the validity of the study, as employees from both operational and support functions were included in assessing the implementation of HRIS, operational efficiency, employee satisfaction, and employee retention.

Penelitian ini dilaksanakan di SMP Negeri 2 Bantur, sebuah institusi pendidikan yang berlokasi di Kabupaten Malang, Jawa Timur. Sekolah tersebut memiliki struktur tenaga pendidik yang lengkap, termasuk guru mata pelajaran dan guru Bimbingan Konseling yang berperan dalam mengawasi perkembangan akademik maupun psikososial siswa. Berdasarkan studi pendahuluan yang dilakukan pada 244 siswa kelas VIII, diperoleh gambaran awal mengenai kecenderungan perilaku bermain Game online serta kondisi regulasi emosi siswa. Dari total responden, sebanyak 10 siswa menunjukkan adanya indikasi kecanduan Game online, 11 siswa menunjukkan adanya resiko yang mengarah pada kecanduan Game online, sementara 223 siswa lainnya berada pada tingkatan sedang hingga tidak beresiko. Selain itu, aspek regulasi emosi siswa turut menggambarkan pola yang serupa, di mana 10 siswa mengalami ketidakseimbangan emosi, 11 siswa menunjukkan adanya resiko yang mengarah pada ketidakseimbangan emosi, sementara 223 siswa lainnya berada pada tingkatan sedang hingga mampu meregulasi emosinya. Data ini memberikan gambaran awal mengenai karakteristik subjek penelitian dan menjadi dasar penting dalam menganalisis hubungan antara kecanduan Game online dengan regulasi emosi pada remaja di SMP Negeri 2 Bantur.

3.2 Analysis Result

a. Construct Reliability and Convergent Validity

The assessment of construct reliability and convergent validity was conducted by examining factor loadings, variance inflation factor (VIF), Cronbach's alpha, rho_A, composite reliability (CR), and average variance

extracted (AVE). The results indicate that all constructs in the model meet the recommended criteria, confirming the adequacy of the measurement model.

For the HRIS Adoption construct, all indicators exhibit high factor loadings ranging from 0.812 to 0.868, exceeding the minimum threshold of 0.70. The Cronbach's alpha and rho_A values are both 0.950, while the composite reliability reaches 0.962, demonstrating excellent internal consistency reliability. In addition, the AVE value of 0.834 indicates that the construct explains a substantial proportion of variance in its indicators, thereby confirming strong convergent validity.

Similarly, the Operational Efficiency construct shows satisfactory measurement properties, with factor loadings ranging between 0.807 and 0.864. The Cronbach's alpha and rho_A values are both 0.953, and the composite reliability is 0.960, indicating a high level of internal consistency. The AVE value of 0.751 exceeds the recommended threshold of 0.50, confirming that the indicators adequately converge to measure the underlying construct.

For Employee Satisfaction, all indicators demonstrate strong factor loadings, ranging from 0.832 to 0.895. The reliability measures for this construct are also satisfactory, with Cronbach's alpha of 0.923, rho_A of 0.924, and composite reliability of 0.940. Furthermore, the AVE value of 0.723 confirms that more than half of the variance of the indicators is captured by the construct, supporting convergent validity.

Lastly, the Employee Retention Rate construct exhibits very high factor loadings between 0.907 and 0.920, indicating strong relationships between the indicators and the construct. The Cronbach's alpha and rho_A values are 0.926 and 0.927, respectively, while the composite reliability is 0.940, confirming excellent internal consistency. The AVE value of 0.692 also exceeds the recommended threshold, demonstrating adequate convergent validity.

Overall, the results confirm that all constructs in the model demonstrate satisfactory levels of internal consistency reliability and convergent validity. Additionally, the VIF values for all indicators are below the critical threshold, indicating the absence of multicollinearity issues. Therefore, the measurement model is considered reliable and valid for further structural model analysis.

Tabel 2. Result for construct reliability and convergent validity

Constructs	Items	Factor Loading	VIF	Cronbach's Alpha	Rho_A	CR	AVE
HRIS Adoption	HRIS 1	0,864	2,862	0,950	0,950	0,962	0,834
	HRIS 2	0,853	2,618				
	HRIS 3	0,859	2,707				
	HRIS 4	0,812	2,223				
	HRIS 5	0,845	2,459				
	HRIS 6	0,868	2,961				
Operational Efficiency	OE 1	0,864	2,961	0,953	0,953	0,960	0,751
	OE 2	0,850	2,804				
	OE 3	0,811	2,303				
	OE 4	0,807	2,349				
	OE 5	0,817	2,348				
	OE 6	0,856	2,790				
	OE 7	0,819	2,396				
Employee Satisfaction	ES 1	0,849	2,949	0,923	0,924	0,940	0,723
	ES 2	0,879	3,690				
	ES 3	0,856	3,104				
	ES 4	0,832	2,641				
	ES 5	0,872	3,477				
	ES 6	0,890	3,959				
	ES 7	0,861	3,338				
	ES 8	0,895	3,969				
Employee Retention Rate	ER 1	0,907	3,704	0,926	0,927	0,940	0,692
	ER 2	0,912	3,845				
	ER 3	0,920	4,492				
	ER 4	0,915	4,083				
	ER 5	0,912	4,064				

b. Discriminant Validity

The Discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT) criterion. As shown in Table 4.2, all HTMT values are below the recommended threshold of 0.90, indicating that each construct is empirically distinct from the others. The HTMT value between Employee Satisfaction and Employee Retention Rate is 0.824, which is within the acceptable range and suggests that although the two constructs are conceptually related, they remain sufficiently distinct.

The relationship between HRIS Adoption and Employee Retention Rate yields an HTMT value of 0.695, while the HTMT value between HRIS Adoption and Employee Satisfaction is 0.753. These values indicate adequate discriminant validity and suggest that HRIS Adoption captures a construct that is empirically different from employee-related outcomes. Furthermore, the HTMT values involving Operational Efficiency—namely with Employee Retention Rate (0.717), Employee Satisfaction (0.742), and HRIS Adoption (0.713)—also fall well below the critical threshold. Overall, the results confirm that discriminant validity is established for all constructs in the measurement model.

Tabel 3 Result for discriminant validity by HTMT

Relationship			HTMT
Employee Satisfaction	<->	Employee Retention Rate	0,824
HRIS Adoption	<->	Employee Retention Rate	0,695
HRIS Adoption	<->	Employee Satisfaction	0,753
Operational Efficiency	<->	Employee Retention Rate	0,717
Operational Efficiency	<->	Employee Satisfaction	0,742
Operational Efficiency	<->	HRIS Adoption	0,713

c. Model Evaluation

The evaluation of the structural model was conducted by examining the coefficient of determination (R^2) and the standardized model fit index (SRMR), as presented in Table 4.3. The R^2 value for Operational Efficiency is 0.649, indicating that approximately 64.9% of the variance in Operational Efficiency is explained by its predictor variables. This value can be categorized as substantial, suggesting strong explanatory power.

Similarly, Employee Satisfaction has an R^2 value of 0.591, indicating that 59.1% of the variance in employee satisfaction is explained by the model. This reflects a moderate to substantial level of predictive accuracy. Meanwhile, the R^2 value for Employee Retention Rate is 0.436, which suggests that 43.6% of the variance in employee retention is explained by the exogenous constructs. Although lower than the other endogenous variables, this value still represents a moderate explanatory level, which is considered acceptable in behavioral and organizational research.

In terms of overall model fit, the SRMR value of 0.038 is well below the recommended threshold of 0.08, indicating a good model fit. Collectively, these results demonstrate that the proposed structural model exhibits adequate explanatory power and satisfactory goodness of fit, supporting its suitability for hypothesis testing.

Tabel 4 Structural Model Evaluation

Variable	R^2	SMR
Operational Efficiency	0,649	0,038
Employee Satisfaction	0,591	
Employee Retention Rate	0,436	

d. Path Analysis

The results indicate that all hypothesized relationships are statistically significant and supported, as all t-values exceed the critical value of 1.96 and all p-values are below the 0.05 significance level.

The direct effect of HRIS Adoption on Operational Efficiency (H1) is strong and positive ($\beta = 0.662$, $t = 8.319$, $p < 0.001$), indicating that higher levels of HRIS adoption substantially improve operational efficiency. This finding suggests that HRIS plays a critical role in streamlining HR processes and enhancing operational performance.

Regarding the indirect relationships, HRIS Adoption has a significant indirect effect on Employee Satisfaction through Operational Efficiency (H2: $\beta = 0.271$, $t = 6.329$, $p < 0.001$). This result demonstrates that operational efficiency partially mediates the relationship between HRIS adoption and employee satisfaction, implying that HRIS contributes to employee satisfaction by improving efficiency in organizational operations. Similarly, HRIS Adoption also exerts a significant indirect effect on Employee Retention Rate through Operational Efficiency (H3: $\beta = 0.135$, $t = 3.397$, $p = 0.001$), although the magnitude of this effect is relatively smaller.

The direct effect of Operational Efficiency on Employee Satisfaction (H4) is positive and statistically significant ($\beta = 0.409$, $t = 6.665$, $p < 0.001$), indicating that efficient operational processes enhance employees' satisfaction levels. In addition, Operational Efficiency also positively influences Employee Retention Rate (H5: $\beta = 0.204$, $t = 3.521$, $p < 0.001$), suggesting that improvements in efficiency contribute to employees' decisions to remain with the organization.

Furthermore, Operational Efficiency indirectly affects Employee Retention Rate through Employee Satisfaction (H6: $\beta = 0.227$, $t = 5.133$, $p < 0.001$). This finding highlights the mediating role of employee satisfaction in translating operational improvements into higher retention rates, emphasizing satisfaction as a key mechanism linking efficiency to retention.

In terms of direct effects from HRIS Adoption, the results show that HRIS Adoption has a significant and positive effect on Employee Satisfaction (H7: $\beta = 0.437$, $t = 7.257$, $p < 0.001$), confirming that HRIS adoption directly enhances employees' satisfaction, beyond its indirect effects through operational efficiency. Moreover, HRIS Adoption indirectly influences Employee Retention Rate through Employee Satisfaction (H8: $\beta = 0.243$, $t = 5.573$, $p < 0.001$), further reinforcing the importance of employee satisfaction as a critical mediator.

Finally, Employee Satisfaction has a strong and positive effect on Employee Retention Rate (H9: $\beta = 0.555$, $t = 8.319$, $p < 0.001$). Among all relationships tested, this path exhibits one of the highest coefficients, indicating that employee satisfaction is a dominant predictor of employee retention.

Overall, the findings demonstrate that HRIS Adoption affects employee retention both directly and indirectly through operational efficiency and employee satisfaction. The results emphasize the strategic importance of HRIS implementation, as well as the pivotal roles of operational efficiency and employee satisfaction in enhancing employee retention within the organization.

Tabel 5 Path Analysis

Hypotheses	Relationship	β	STDEV	T	P Values	Result
H1	HRIS - OE	0,662	0,067	8,319	0,000	Supported
H2	HRIS - OE - ES	0,271	0,043	6,329	0,000	Supported
H3	HRIS - OE - ER	0,135	0,040	3,397	0,001	Supported
H4	OE - ES	0,409	0,061	6,665	0,000	Supported
H5	OE - ER	0,204	0,058	3,521	0,000	Supported
H6	OE - ES - ER	0,227	0,044	5,133	0,000	Supported
H7	HRIS - ES	0,437	0,060	7,257	0,000	Supported
H8	HRIS - ES - ER	0,243	0,044	5,573	0,000	Supported
H9	ES - ER	0,555	0,067	8,319	0,000	Supported

3.3 Discussion

The findings of this study demonstrate that HRIS adoption plays a crucial role in improving both organizational and employee-related outcomes. The results indicate that HRIS adoption significantly enhances operational efficiency, which in turn contributes to higher levels of employee satisfaction and employee retention. These findings suggest that the implementation of HRIS supports more efficient work processes, reduces administrative complexity, and improves coordination within the organization, thereby creating a more effective and supportive working environment for employees.

In addition, the study highlights the central role of employee satisfaction as a key determinant of employee retention, as well as the importance of operational efficiency as a mediating mechanism. HRIS adoption influences employee retention not only directly but also indirectly through improvements in operational efficiency and employee satisfaction. This suggests that HRIS should be viewed as a strategic human resource tool rather than merely a technological system, as its successful adoption contributes to sustainable workforce stability by simultaneously enhancing operational performance and employee well-being.

a. H1: HRIS Adoption has a positive effect on Operational Efficiency

The results of this study provide strong empirical support for Hypothesis 1, which proposes that HRIS adoption positively influences operational efficiency. The path analysis reveals a high and statistically significant relationship between HRIS adoption and operational efficiency, as indicated by a path coefficient of $\beta = 0.662$, a t-value of 8.319, and a p-value below 0.001. These statistical values demonstrate that the effect is not only significant but also substantial in magnitude, indicating that HRIS adoption is a major driver of operational efficiency within the organization.

The strength of this relationship is further reinforced by the R^2 value for Operational Efficiency of 0.649, which shows that 64.9% of the variance in operational efficiency is explained by HRIS adoption and related predictors in the model. According to PLS-SEM standards, this represents a substantial level of explanatory power, suggesting that HRIS adoption plays a dominant role in shaping how efficiently organizational operations are conducted. This finding implies that improvements in operational efficiency are largely attributable to the effective implementation and utilization of HRIS.

From a theoretical perspective, this result is consistent with the Resource-Based View (RBV) and information systems theory, which argue that organizational resources—such as integrated information systems—can enhance performance when they are valuable, well-implemented, and effectively utilized. HRIS functions as a strategic resource by automating routine HR activities, improving data accuracy, and facilitating faster information flow across departments. These capabilities reduce administrative bottlenecks, minimize errors, and support more coordinated operational processes.

From a practical standpoint, the findings indicate that organizations investing in HRIS adoption can achieve meaningful improvements in operational efficiency. By digitizing HR processes such as employee data management, attendance tracking, and performance monitoring, organizations are able to reduce manual workloads and improve task coordination. Consequently, the acceptance of Hypothesis 1 confirms that HRIS adoption should not be viewed merely as a technological upgrade, but rather as a strategic initiative that significantly enhances operational effectiveness.

b. H2: Operational Efficiency has a positive effect on Employee Satisfaction

The findings of this study provide strong support for Hypothesis 2, which examines the indirect effect of HRIS adoption on employee satisfaction through operational efficiency. The path analysis indicates that this indirect relationship is positive and statistically significant, with a path coefficient of $\beta = 0.271$, a t-value of 6.329, and a p-value below 0.001. These results confirm that operational efficiency acts as an important mediating variable in the relationship between HRIS adoption and employee satisfaction.

The magnitude of the indirect effect suggests that HRIS adoption enhances employee satisfaction primarily by improving the efficiency of organizational operations. As HRIS adoption leads to more streamlined processes—such as faster access to employee information, reduced paperwork, and improved coordination between

departments—employees experience fewer operational obstacles in their daily tasks. This improved efficiency reduces work-related frustration and allows employees to focus more on their core responsibilities, which in turn increases their overall satisfaction with their jobs.

From a theoretical perspective, this finding aligns with organizational support theory, which posits that employees develop positive attitudes toward their organization when they perceive that organizational systems facilitate their work. HRIS adoption signals organizational investment in efficient systems, while operational efficiency translates that investment into tangible benefits experienced by employees. The significant mediating role of operational efficiency indicates that HRIS alone is not sufficient to increase satisfaction; rather, its value is realized when it effectively improves how work is carried out.

Practically, the acceptance of Hypothesis 2 highlights the importance of ensuring that HRIS implementation leads to real operational improvements. Organizations should not only adopt HRIS but also ensure that the system is properly integrated into daily operations and supported by adequate training. By doing so, HRIS adoption can generate higher levels of employee satisfaction through improved efficiency, reinforcing the strategic value of HRIS as both a technological and organizational tool.

c. H3: HRIS Adoption has an indirect effect on Employee Retention Rate through Operational Efficiency

The results of this study provide empirical support for Hypothesis 3, which proposes that HRIS adoption indirectly influences employee retention rate through operational efficiency. The path analysis reveals a positive and statistically significant indirect effect, with a path coefficient of $\beta = 0.135$, a t-value of 3.397, and a p-value of 0.001. These findings indicate that improvements in operational efficiency resulting from HRIS adoption contribute to higher employee retention, although the magnitude of the effect is relatively smaller compared to satisfaction-related pathways.

The smaller effect size suggests that while operational efficiency plays a role in employee retention, it is not the sole or dominant factor influencing employees' decisions to remain with the organization. Instead, operational efficiency acts as a supporting mechanism by creating a more structured, predictable, and less stressful working environment. When HRIS adoption improves operational processes—such as scheduling, task coordination, and administrative procedures—employees are less likely to experience frustration or uncertainty, which can positively influence their intention to stay.

From a theoretical perspective, this finding aligns with work environment and organizational stability theories, which argue that efficient and well-organized systems contribute to employee retention by reducing work-related stress and ambiguity. However, the relatively modest coefficient indicates that efficiency alone may not be sufficient to strongly retain employees without the presence of positive employee attitudes, such as satisfaction or organizational commitment.

From a practical standpoint, the acceptance of Hypothesis 3 implies that organizations seeking to improve employee retention should view operational efficiency as a necessary but not sufficient condition. While HRIS adoption enhances retention indirectly by improving efficiency, organizations may need to complement efficiency improvements with initiatives that directly enhance employee satisfaction and engagement. Thus, the findings suggest that HRIS adoption contributes to employee retention through operational efficiency, but its impact is more effective when combined with other employee-focused strategies.

d. H4: Operational Efficiency has a positive effect on Employee Satisfaction

The findings of this study provide strong empirical support for Hypothesis 4, which states that operational efficiency positively influences employee satisfaction. The path analysis results show a positive and statistically significant relationship between operational efficiency and employee satisfaction, with a path coefficient of $\beta = 0.409$, a t-value of 6.665, and a p-value below 0.001. These results indicate that improvements in operational efficiency lead to meaningful increases in employee satisfaction.

The magnitude of the path coefficient suggests that operational efficiency is a key predictor of employee satisfaction, although its influence is moderate compared to some other relationships in the model. This finding is further supported by the R^2 value for Employee Satisfaction of 0.591, which indicates that 59.1% of the variance

in employee satisfaction is explained by operational efficiency and HRIS adoption. This level of explanatory power reflects a strong contribution of organizational processes to employees' attitudes toward their work.

From a theoretical standpoint, this result is consistent with job design theory and work environment theory, which emphasize that efficient systems and well-structured processes reduce unnecessary workload and role ambiguity. When operational processes are efficient, employees can perform their tasks more smoothly, encounter fewer disruptions, and experience lower levels of stress. As a result, employees perceive their work environment as more supportive and manageable, which enhances their overall job satisfaction.

From a practical perspective, the acceptance of Hypothesis 4 highlights the importance of improving internal operational processes to enhance employee satisfaction. Organizations should focus on streamlining workflows, reducing redundant procedures, and ensuring that operational systems supported by HRIS function effectively. By doing so, organizations can create a more positive work experience for employees, ultimately contributing to improved organizational outcomes. Thus, the findings confirm that operational efficiency is not only an organizational performance factor but also a crucial determinant of employee satisfaction.

e. H5: Operational Efficiency has a positive effect on Employee Retention Rate

The results of this study provide empirical support for Hypothesis 5, which proposes that operational efficiency positively influences employee retention rate. The path analysis indicates a positive and statistically significant relationship between operational efficiency and employee retention, with a path coefficient of $\beta = 0.204$, a t-value of 3.521, and a p-value below 0.001. These findings suggest that improvements in operational efficiency contribute to employees' decisions to remain with the organization, although the strength of the relationship is relatively moderate.

The moderate magnitude of the path coefficient indicates that operational efficiency plays a supporting rather than dominant role in influencing employee retention. While efficient operational processes help reduce work-related frustration, role ambiguity, and administrative burden, they may not be sufficient on their own to strongly retain employees. This suggests that employees consider operational efficiency as one of several factors when deciding whether to stay with an organization.

From a theoretical perspective, this finding aligns with organizational stability theory and work environment models, which argue that efficient and well-organized systems contribute to employee retention by creating a predictable and less stressful work environment. When employees experience smooth workflows and clear procedures, they are less likely to feel overwhelmed or dissatisfied, which can reduce turnover intentions. However, the modest effect size suggests that operational efficiency primarily supports retention indirectly, rather than acting as a primary motivator.

From a practical standpoint, the acceptance of Hypothesis 5 implies that organizations aiming to improve employee retention should include operational efficiency as part of a broader retention strategy. While investments in HRIS and process optimization can improve efficiency, organizations should also focus on employee satisfaction, career development, and engagement initiatives to achieve stronger retention outcomes. Therefore, operational efficiency contributes positively to employee retention, but its impact is most effective when combined with other human resource practices.

f. H6: Operational Efficiency has a positive effect on Employee Retention Rate

The results of this study provide strong empirical support for Hypothesis 6, which proposes that operational efficiency indirectly influences employee retention rate through employee satisfaction. The path analysis indicates a positive and statistically significant indirect effect, with a path coefficient of $\beta = 0.227$, a t-value of 5.133, and a p-value below 0.001. These findings confirm that employee satisfaction serves as an important mediating variable in translating operational efficiency into higher levels of employee retention.

The magnitude of this indirect effect suggests that operational efficiency contributes more strongly to employee retention when its impact is channeled through employee satisfaction rather than through a direct pathway alone. While operational efficiency improves working conditions by streamlining processes and reducing administrative complexity, these improvements enhance retention primarily by increasing employees' satisfaction with their jobs.

This indicates that employees are more likely to remain with the organization when efficiency improvements positively influence their work experiences and attitudes.

From a theoretical perspective, this finding aligns with attitude–behavior models and job satisfaction theory, which propose that employee attitudes, such as satisfaction, act as a key link between organizational conditions and behavioral outcomes. Operational efficiency improves the structural aspects of work, but it is employee satisfaction that ultimately shapes employees’ decisions to stay or leave. The significant mediating role observed in this study supports the view that satisfaction is a critical psychological mechanism connecting operational factors to retention outcomes.

From a practical standpoint, the acceptance of Hypothesis 6 highlights the importance of focusing on employee satisfaction when implementing efficiency-driven initiatives. Organizations should ensure that improvements in operational efficiency—such as system automation and workflow optimization—are perceived positively by employees. By aligning efficiency improvements with employees’ needs and expectations, organizations can strengthen satisfaction levels and, in turn, enhance employee retention. Thus, the findings emphasize that operational efficiency contributes to retention most effectively when it leads to higher employee satisfaction.

g. H7: HRIS Adoption has a positive effect on Employee Satisfaction

The results of this study provide strong empirical support for Hypothesis 7, which states that HRIS adoption positively influences employee satisfaction. The path analysis demonstrates a positive and statistically significant direct relationship between HRIS adoption and employee satisfaction, with a path coefficient of $\beta = 0.437$, a t-value of 7.257, and a p-value below 0.001. These results indicate that HRIS adoption has a substantial and meaningful impact on employees’ satisfaction levels, independent of its indirect effects through operational efficiency.

The relatively strong magnitude of the path coefficient suggests that HRIS adoption directly enhances employees’ work experiences. This implies that employees perceive HRIS not only as a system that improves organizational processes but also as a tool that supports their daily work activities. Features such as easier access to personal information, transparent HR processes, and reduced administrative burden likely contribute to employees’ positive perceptions, thereby increasing overall job satisfaction.

From a theoretical perspective, this finding is consistent with technology acceptance theory (TAM) and organizational support theory, which argue that employees develop positive attitudes toward systems they perceive as useful and supportive of their job performance. When HRIS is well implemented and user-friendly, employees are more likely to view the organization as investing in tools that facilitate their work, which strengthens their satisfaction. The significant direct effect observed in this study suggests that HRIS adoption itself can shape employee attitudes, beyond its role in improving operational efficiency.

From a practical standpoint, the acceptance of Hypothesis 7 highlights the importance of effective HRIS implementation from the employee perspective. Organizations should ensure that HRIS systems are easy to use, reliable, and aligned with employees’ needs. Providing adequate training and support can further enhance employees’ perceptions of HRIS usefulness, thereby maximizing its positive impact on employee satisfaction. Consequently, the findings confirm that HRIS adoption is a key factor in improving employee satisfaction and should be considered a strategic element of human resource management.

h. H8: HRIS Adoption has an indirect effect on Employee Retention Rate through Employee Satisfaction

The findings of this study provide strong empirical support for Hypothesis 8, which proposes that HRIS adoption indirectly influences employee retention rate through employee satisfaction. The path analysis results show a positive and statistically significant indirect effect, with a path coefficient of $\beta = 0.243$, a t-value of 5.573, and a p-value below 0.001. These results indicate that employee satisfaction plays a crucial mediating role in explaining how HRIS adoption contributes to employee retention.

The magnitude of this indirect effect suggests that the impact of HRIS adoption on employee retention is more substantial when it operates through employee satisfaction rather than through operational mechanisms alone. This finding implies that HRIS adoption enhances retention primarily by improving employees’ attitudes and

perceptions toward their work and organization. When employees perceive HRIS as useful, fair, and supportive of their daily tasks, they are more likely to feel satisfied, which in turn increases their intention to remain with the organization.

From a theoretical perspective, this result aligns with attitude–behavior theories and job satisfaction models, which emphasize that employee attitudes serve as a key link between organizational practices and behavioral outcomes. HRIS adoption represents an organizational practice that influences employees’ psychological responses, and employee satisfaction functions as the mechanism through which these responses translate into retention behavior. The significant mediating effect observed in this study reinforces the importance of satisfaction as a central explanatory variable in retention research.

From a practical standpoint, the acceptance of Hypothesis 8 highlights the strategic importance of managing employee perceptions during HRIS implementation. Organizations should focus not only on the technical aspects of HRIS adoption but also on how the system is experienced by employees. Ensuring transparency, usability, and responsiveness in HRIS systems can enhance employee satisfaction, thereby strengthening employee retention. Consequently, the findings suggest that HRIS adoption contributes to employee retention most effectively when it positively influences employee satisfaction.

i. H9: Employee Satisfaction has a positive effect on Employee Retention Rate

The results of this study provide strong empirical support for Hypothesis 9, which proposes that employee satisfaction positively influences employee retention rate. The path analysis demonstrates a strong and statistically significant relationship between employee satisfaction and employee retention, with a path coefficient of $\beta = 0.555$, a t-value of 8.319, and a p-value below 0.001. Among all direct relationships tested in the model, this path exhibits one of the largest coefficients, indicating that employee satisfaction is a dominant predictor of employee retention.

The magnitude of the path coefficient suggests that employee satisfaction plays a critical role in determining employees’ intentions to remain with the organization. When employees feel satisfied with their work, organizational support, and overall work environment, they are more likely to develop a sense of commitment and attachment to the organization. This strong relationship confirms that retention is not driven solely by structural or operational factors, but is largely shaped by employees’ subjective experiences and attitudes.

From a theoretical perspective, this finding is consistent with job satisfaction theory and organizational commitment models, which posit that satisfied employees are more likely to remain with an organization due to increased emotional attachment and perceived alignment with organizational values. Employee satisfaction serves as a psychological foundation that influences behavioral outcomes, such as turnover intention and retention. The strong empirical support for this hypothesis reinforces the central role of satisfaction in explaining employee retention behavior.

From a practical standpoint, the acceptance of Hypothesis 9 highlights the importance of prioritizing employee satisfaction as a key retention strategy. While investments in HRIS adoption and operational efficiency are important, organizations must ensure that these initiatives ultimately enhance employees’ satisfaction. By addressing factors such as workload balance, system usability, and perceived organizational support, organizations can significantly improve retention outcomes. Thus, the findings confirm that employee satisfaction is the most influential factor in retaining employees within the organization.

4. Conclusion

This study was conducted to examine the impact of Human Resource Information System (HRIS) adoption on employee satisfaction and employee retention rate, with operational efficiency and employee satisfaction acting as mediating variables. The research focused on employees working in star-rated hotels in Bali that have implemented HRIS as part of their human resource management practices. Based on the analysis and discussion of findings, several conclusions can be drawn. First, the results indicate that HRIS adoption has a positive and significant effect on operational efficiency. The implementation of HRIS enables organizations to automate administrative processes, centralize employee data, and improve the accuracy and speed of HR-related tasks. As a result, employees are able to perform their duties more efficiently, with reduced errors and clearer workflows, supporting the role of HRIS as a strategic tool rather than merely an administrative system. Second, operational

efficiency is proven to mediate the relationship between HRIS adoption and employee satisfaction. This finding suggests that HRIS does not only directly influence satisfaction but also improves it indirectly by creating more efficient work processes, better communication, and easier access to HR services. Employees who experience smoother operations and reduced administrative burdens tend to perceive their work environment more positively, leading to higher levels of satisfaction. Third, operational efficiency also mediates the relationship between HRIS adoption and employee retention rate. Efficient HR operations supported by HRIS contribute to a more organized and supportive workplace, which reduces frustration and work-related stress. This improved efficiency strengthens employees' intention to remain with the organization, confirming that operational efficiency is a critical mechanism through which HRIS affects long-term employee retention. Fourth, the study finds that operational efficiency has a direct and significant impact on employee satisfaction. When employees clearly understand their roles, have access to adequate tools and resources, and experience effective communication, they feel more valued and supported by the organization. This reinforces the importance of efficient operational systems in fostering positive employee attitudes. Fifth, operational efficiency also has a significant positive effect on employee retention. Organizations that operate efficiently are better positioned to offer stable work environments, fair management practices, and opportunities for employee development, all of which contribute to employees' willingness to stay with the organization. Sixth, employee satisfaction is confirmed as a mediating variable between operational efficiency and employee retention rate. This indicates that efficient operations enhance employee satisfaction, which in turn strengthens employees' commitment and reduces turnover intentions. Satisfied employees are more likely to develop a sense of belonging and loyalty toward the organization. Seventh, HRIS adoption has a direct and significant positive impact on employee satisfaction. The availability of user-friendly HR systems, transparent HR processes, and self-service features allows employees to manage their work-related information more effectively, leading to a more positive work experience. Eighth, employee satisfaction mediates the relationship between HRIS adoption and employee retention rate. This means that HRIS adoption contributes to retention not only through efficiency improvements but also by enhancing employees' emotional and psychological satisfaction with their jobs. Finally, employee satisfaction has a direct and significant influence on employee retention rate. Employees who are satisfied with their compensation, work environment, career development opportunities, and organizational support are more likely to remain with the organization in the long term. Overall, this study confirms that HRIS adoption plays a crucial role in improving operational efficiency, employee satisfaction, and employee retention. The findings support both the Technology Acceptance Model and Herzberg's Two-Factor Theory by demonstrating that effective HR technology adoption enhances both functional efficiency and motivational outcomes within organizations.

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