

## **The Role Of Using Hris (Human Resource Information System) Technology In Human Resource Management At Pt Pegadaian Medan North Sumatera**

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### **ABSTRACT**

This study aims to find how the influence of compensation, discipline, and HRIS Development on HR Management at PT Pegadaian Medan Branch, the research method used is quantitative with a Multiple Regression Analysis approach. The number of samples taken was 52 respondents calculated using the Slovin formula. The problem to be studied is to find the right model of application of Compensation, Discipline, and development of HRIS applications that will affect HR management in general and specifically increase the business productivity of Medan branch pawnshop employees to provide the best, both for internal companies and in the wider community to help the process of pawning goods or gold. The results of this study indicate that a) The results obtained from research conducted on HRIS variables (X1), namely there is an influence between HRIS on HR Management at PT Pegadaian Medan Petisah. This means that one of the factors of HR management is influenced by the use of HRIS by employees. Employees who can operate IT properly will get optimal performance results, b) The results obtained from the Work Discipline variable influence HR Management. Where the greater the discipline received by employees both internal and external, the greater the management of HR at PT. Pegadaian, c) The results obtained prove that compensation influences HR Management. This means that the amount of compensation obtained for their work provides enthusiasm that gives birth to maximum HR management.

## **INTRODUCTION**

In today's digital era, managing human resources (HR) is becoming increasingly complex. Companies are required to be able to manage employee data and information effectively and efficiently. One solution that can be implemented is to use a Human Resources Information System (HRIS). HRIS is an integrated system used to manage various HR-related processes and information in an organization (Agustino et al., 2023). Through HRIS, companies can carry out various activities such as HR planning, recruitment, employee data management, payroll, training, and employee development in a computerized manner. PT Pegadaian Medan, one of the major companies in the financial services sector, also faces challenges in managing its human resources. HRIS implementation can be an effective solution for PT. Pegadaian Medan to improve efficiency, productivity, and competitiveness. This research will examine how the role of HRIS technology implementation in HR management at PT Pegadaian Medan, as well as its impact on organizational performance.

Zebua et al. (2023) explained that today business development is increasing, so each company is required to continue to make innovations so that the business being run can survive and continue to grow. The existence of a company that still exists in business competition cannot be separated from the active role of human resources, because human resources determine the success of the company to be able to achieve predetermined goals. Riniwati, (2016) suggests that human resources are the most valuable and most important asset or asset to be owned by an organization/company. This is because humans are planners, implementers, and at the same time controllers of the realization of organizational goals. Therefore, human resources must be managed appropriately and efficiently to make a maximum contribution to the organization or company.

## **LITERATURE REVIEW**

Human resource management is an activity carried out by the company concerning all elements of human resources. The management can start with prospective employees who register through the recruitment process until employees work in the company until retirement (Santoso & Masitoh, 2022). This human resource management must be done appropriately. Because human resource management that is carried out appropriately can be a driving force to achieve the goals of the organization/company that has been set. In addition, human resource management must also be carried out effectively and efficiently (Arta et al., 2023). Then the results of human resource management can help companies or organizations to make decisions appropriately and quickly. Human resource management can be done

precisely and quickly through the use of the Human Resource Information System (HRIS) (Buljac-Samardzic et al., 2020). Globalization that occurs in various fields including business provides many challenges that need to be considered and answered by companies. Many significant changes have occurred such as increasingly sophisticated technology, increasingly fierce competition, increasingly critical customers, and other factors that have contributed to companies having to revise the strategies that have been implemented previously (Lehrs et al., 2022). The ongoing empowerment process has not fully provided increased authority to employees. All matters regarding decision making are in the authority of a Head of Government and employees still have to refer to instructions given by someone more senior in carrying out work. Background to the problem HRIS is becoming increasingly relevant in an ever-changing business environment. Organizations, especially those that are growing rapidly, face increasing complexity in human resource management. Traditional manual processes such as manual salary calculations or inefficient attendance management can lead to errors, delays, and unwanted additional costs (Bonokeling et al., 2022). In addition, company management increasingly requires fast and accurate access to HR data to support strategic decision-making (Dharmastuti, 2016). In addition, increasingly stringent employment rules and data privacy regulations require organizations to have systems in place that can ensure compliance, which is often difficult without the right HRIS support. With all these challenges, HRIS implementation and management is a critical investment for organizations to optimize human resource management and meet rapidly changing business needs.

In this context, HRIS not only helps improve operational efficiency but can also increase employee satisfaction. Employees want easy access to information related to their work, such as pay slips, leave schedules, and available training. Without a good HRIS, employee satisfaction levels can erode due to the lack of affordability and accuracy of such information (Baron et al., 2020). In addition, HRIS also plays a role in reducing the risk of payroll errors, which can impact employee productivity and morale. Incorrect or late salary calculations can cause employee dissatisfaction, even leading to legal issues that can be detrimental to the company. With a change in organizational culture that supports new technologies and the integration of HRIS with other systems, organizations can achieve higher levels of efficiency, ensure regulatory compliance, and be better prepared to deal with changes in HR management in an evolving business era (Harati, 2024; Nirwana et al., 2023).

To understand and overcome this background of HRIS issues, companies must carefully plan the implementation and management of HRIS systems. The process of selecting an HRIS system that suits the needs of the organization is a crucial first step. Criteria such as scalability, integration with other systems, data security, and reporting capabilities must be seriously considered (Fatinah, 2022). After HRIS implementation, training employees and HR staff in its use is an important next step. Effective use of HRIS can optimize HR management and deliver the expected benefits. In addition, organizations must also commit to continuously developing their HRIS systems in line with changes in business needs and technology. This involves constant monitoring and evaluation of HRIS performance and plans to improve it. In this overall context, HRIS is not just a technology tool, but also an integral part of the organization's human resource management and growth strategy. By addressing relevant HRIS background issues, organizations can improve efficiency, compliance, and employee satisfaction, while becoming better prepared for the inevitable changes in a dynamic business environment (Rohmat & Nuriyah, 2023).

In addition, the background of HRIS issues also underscores the importance of effective change management. HRIS implementation often involves changes in the way organizations manage people and interact with technology (Susanto & Parmenas, 2021). Therefore, good communication and employee involvement in the change process are key to success. Organizations need to identify stakeholders affected by HRIS implementation, listen to their feedback, and ensure that they understand the benefits and goals of the change. Furthermore, periodic evaluation of HRIS usage is required to ensure that the system remains relevant and meets the needs of the organization. During this process, the organization can identify areas that require improvement or additional development (Bakri et al., 2024). In HRIS management, data privacy is an important issue that must be maintained. With the rise of privacy regulations such as GDPR (General Data Protection Regulation) in Europe and similar regulations in various other countries, organizations must ensure that employees' data is protected and properly processed by applicable rules (Guntara & Azkarin, 2023). Finally, organizations should also consider the long-term benefits of HRIS implementation. While the initial investment in HRIS technology may be significant, the long-term benefits may include reduced operational costs, increased employee productivity, and better support in strategic decision-making. In conclusion, the background issues of HRIS create important opportunities and challenges for organizations in the management of their human resources. With the right approach, a commitment to change management, and a focus on data security and privacy, HRIS implementation can help organizations achieve higher efficiency, improve compliance, and create a more productive and satisfying work environment.

## METHOD

The quantitative research method is a research method using research data in the form of numbers and analysis using statistics (Unaradjan, 2019). In data collection using research instruments, data analysis is quantitative with the aim of testing predetermined hypotheses. Quantitative research is experimental / survey when the problem is clear. The sequence in the quantitative research process starts with building hypotheses from theory, collecting facts or data, using data to test hypotheses, and finally drawing conclusions from the results of data processing (Kurniawan, 2014). Therefore, the material in this study uses quantitative material, namely material related to data describing the components of commitment, work discipline, and HRIS development on HR management at the Medan Pawnshop Office, Petisah Branch.

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions (Nurlan, 2019). The sample is part of the number and characteristics possessed by the population. The population in this study was the number of employees of PT. Pegadaian from the center and related units, totaling ± 52 employees. The sampling method in this study uses the Slovin formula. The data source used in this study is primary data, namely data obtained from observations, questionnaires, interviews/interviews, literature, and related agencies/institutions/organizations that support research related to the problems studied. The details of the data used and the data sources needed in this study can be seen in the following table.

**Table 1 Of Research Variable Data Sources**

| VARIABLES     | DESCRIPTION   | DATA TYPE |
|---------------|---|-----------|
| Compensation  | Compensation is everything that employees receive as remuneration (contra- performance) for their work (Handoko, 2010)  | Primary   |
| Discipline    | According to Darmawan, (2019), work discipline is a tool that managers use to communicate with employees so that they are willing to change their behavior and as an effort to increase a person's awareness of obeying company regulations and applicable social norms.. | Primary   |
| KRIS          | The ability of a company to achieve economic benefits above the profits that competitors in the market can achieve in the same industry (Bennett & Smith, 2002; Della Corte & Aria, 2016)   | Primary   |
| HR Management | Management is the science and art of managing the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal (Hasibuan, 2001).  | Primary   |

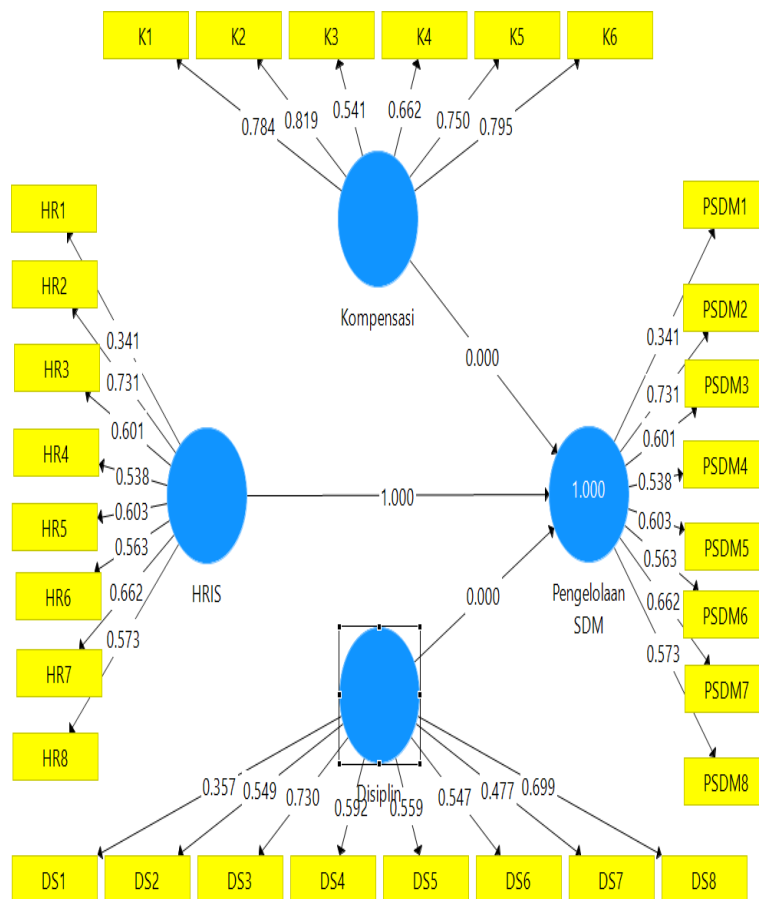
The inner model (inner relation, structural model, and substantive theory) describes the relationship between latent variables based on substantive theory. The structural model is evaluated using R-square for the dependent variable, Stone-Geisser Q-square test for predictive relevance and t-test, and significance of the structural path parameter coefficients. In assessing the model with PLS, we

start by looking at the R-square for each dependent latent variable. The interpretation is the same as in regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable and whether it has a substantive effect (Djaali, 2021). Apart from looking at the R-square value, the Partial Least Square (PLS) model is also evaluated by looking at the Q-square predictive relevance for the constructive model. Q square measures how well the observed value is generated by the model and its parameter estimates. Hypothesis testing using full model structural equation modeling (SEM) analysis with smart PLS. In the full model structural equation modeling, apart from confirming the theory, it also explains whether or not there is a relationship between latent variables (Djaali, 2021). Hypothesis testing by looking at the Path Coefisien calculation value in testing the inner model. The hypothesis is said to be accepted if the statistical T value is greater than the T table of 1.96 ( $\alpha$  5%), which means that if the statistical T value of each hypothesis is greater than the T table, it can be declared accepted or proven.

## RESULT AND DISCUSSION

The researcher's analytical framework is described as follows:

Figure 1



To see the Loading Factor on the variables studied:

1. In the HRIS variable (Human Resources Information System) contributed 1,000 units in assessing Human Resource Management at PT Pegadaian.
2. The compensation variable accounts for 0.000 units in assessing HR Management at PT. Pegadaian
3. The discipline variable accounts for 0.000 units in assessing HR management at PT.Pegadaian

The Author Model is: When viewed on Cronbach alpha or composite reliability > 0.7, it can be concluded that this latent variable has good reliability.

**Table 2**

| Matrix          | Cronbach's Alpha | rho_A        | Composite Reliability |
|-----------------|------------------|--------------|-----------------------|
|                 | Cronbach's Alpha | rho_A        | Composite Reliability |
| Disiplin        | <b>0.766</b>     | <b>0.777</b> | <b>0.791</b>          |
| HRIS            | <b>0.717</b>     | <b>0.738</b> | <b>0.802</b>          |
| Kompensasi      | <b>0.823</b>     | <b>0.848</b> | <b>0.872</b>          |
| Pengelolaan SDM | <b>0.717</b>     | <b>0.738</b> | <b>0.802</b>          |

**Table 3 AVE (Average Variance Extractide) is to measure convergent validity > 0.5**

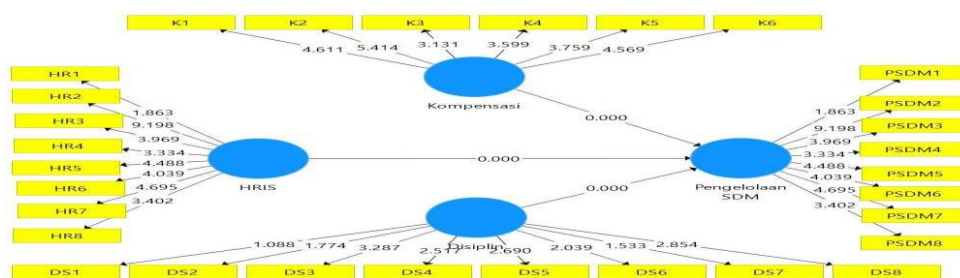
|                 | Average Variance Extracted (...) |
|-----------------|----------------------------------|
| Disiplin        | <b>0.330</b>                     |
| HRIS            | <b>0.344</b>                     |
| Kompensasi      | <b>0.535</b>                     |
| Pengelolaan SDM | <b>0.344</b>                     |

**Table 4 Discriminant Validity**

|                 | Disiplin | HRIS  | Kompensasi | Pengelolaan SDM |
|-----------------|----------|-------|------------|-----------------|
| Disiplin        | 0.574    |       |            |                 |
| HRIS            | 0.355    | 0.586 |            |                 |
| Kompensasi      | 0.331    | 0.303 | 0.732      |                 |
| Pengelolaan SDM | 0.355    | 1.000 | 0.303      | 0.586           |

1. The Discipline variable with a value of 0.574 has a greater validity value than other latent variables.
2. the HRIS variable with a value of 0.586 has greater validity than other latent variables.
3. The Compensation variable with a value of 0.732 has greater validity than other variables.

**Figure 2**



**Interpretation**

1. Relationship between Human Resources Information System and HR Management
2. The HRIS relationship has a positive and significant effect of 0.000 on HR Management with an effect of 0.000. so that when HRIS increases it will improve HR management and vice versa.
3. Relationship between Discipline and HR Management
4. The Discipline relationship has a positive and significant effect of 0.000 so that when Discipline increases it will improve HR management and vice versa.

Compensation Relationship to HR Management The Compensation relationship has a positive and significant effect of 0.000 so that when Compensation increases it will improve HR management and vice versa.

## CONCLUSION AND SUGGESTIONS

Based on the above data analysis and discussion on the role of HRP (Human Resource Information System) in HR management at PT Pegada Meydan, the data was processed using SmartPLS 3.0 tool. Therefore, the results of this study are as follows:

1. Therefore, the motive for HR management depends on how employees use the HRIS system. Employees who know how to manage IT can achieve better results.
2. The consequences of changing work preferences affect HRM. When employees are motivated internally and extrinsically...Pandler says that turnover of public transport employees is increasing greater the management of HR at PT. Pegadaian.
3. The results obtained prove that compensation influences HR Management. This means that the amount of compensation obtained for his work provides enthusiasm that gives birth to maximum HR management.

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