



What is The Role of e-system HRM, Work Environment and Job Satisfaction on SMEs Employee Performance?

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Abstract

The aim of this study is to analyze correlation of the work environment on job satisfaction, the HR e-system on job satisfaction, work environment on employee performance, the HR e-system on employee performance and the job satisfaction on employee performance. This study uses a quantitative approach, the sampling technique uses purposive sampling, which is a sampling technique with certain considerations. The number of samples set in this study was 340 respondents of SMEs employee distributed through Google Form. Data collection techniques can be done by questionnaires and observation techniques. Instruments use a questionnaire with a Likert scale using 5 (five) scores ranging from answers to statements provided through tools from a Scale of '1' Strongly Disagree (STS) to a Scale of '5' Strongly Agree. The data analysis technique uses a structural equation modeling (SEM). This research data processing tool uses the SmartPLS 3.0 application or software. After that, an evaluation of the SEM model is carried out to obtain and evaluate the proposed suitability and further testing will be conducted using Bootstrap resampling method developed by Geisser & Stone. The test statistic used is the t statistic (t-value) or if the p-value 0.05 (at 5 percent alpha), it is concluded that the results are significant. The conclusion of this study is The conclusion of this study is there is a direct influence between the work environment on job satisfaction, There is a direct influence between the HR e-system on job satisfaction, There is no direct influence between the work environment on employee performance, There is no direct influence between the HR e-system on employee performance, There is a direct effect between job satisfaction on employee performance.

Keywords: e-system HRM, Work Environment, Employee Performance, Job Satisfaction, Job Motivation, SMEs

Introduction

Every organization generally has a function that handles specific processes related to organizational personnel. According to Abou (2013) a dynamic organization will always increase its productivity through consistently producing the best performance and maintaining that competitive advantage, and the factor that is considered the most potential in improving performance is the human resource (HR) factor. In order to achieve the goals and realize the organizational plan through human resources (HR), of course, several supporting aspects are needed, one of which is the application of an adequate information



technology system. According to Ahmed (2011) technology is an integral part of an organization. The development of information technology is characterized by hardware and software innovations that have an impact on the complexity of information technology devices and become a challenge for organizations. Therefore, the use of information technology must also be based on the effectiveness of the system in managing the organization which requires every business person to have the readiness to adopt those who play a role in organizational development and increase selling value . Improving the quality of selling points requires an information system to support personnel programs and improve employee performance or the performance of the organization itself. According Anas et al. (2020);Astuti, et al. (2020) Human resource information system (HR e-system) is an information system to support activities in the human resources function. Human Resources Information System (HRIS) can be defined as a way or system to store and manage employee data or company human resources that are useful for the decision-making process by providing various necessary information . Based on this, mastery of information technology is an absolute demand in an organization and the success of an information system implemented in an organization depends on the quality of the information system itself.

According to Anas et al. (2020);Astuti, et al. (2020) job satisfaction can be understood as a very important factor for every employee, because by achieving job satisfaction, employees will feel comfortable to do their jobs. Job satisfaction is also an emotional response to work situations. Each individual has a different level of job satisfaction in achieving job satisfaction . Job satisfaction is related to the attitude factor. The satisfaction felt by employees after using information systems because the information system helps their work quickly, precisely and efficiently is one of the benchmarks for perceived job satisfaction . According to Abou. (2013);Ahmed (2011) employee job satisfaction factor is also expected to have an important meaning for the company because with the satisfaction of employees, it is expected that later it will further improve performance and have an impact on increasing overall company productivity, which means that before satisfying customers, they must first provide satisfaction for workers so that workers will happy and sincere in providing optimal service for its customers. Facilities in the form of infrastructure and organizational environment also affect the performance and satisfaction of HR in carrying out their responsibilities. So that to increase the effectiveness, productivity, and commitment of HR work, the organization must meet the needs of HR by providing facilities in the form of infrastructure and a comfortable working environment .

The increase in the ease of SMEs transactions also affects the effectiveness of understanding in the community. According Ingsih et al. (2021);Fayzhall et al. (2020) Through millennial age workers, it is also considered that it will be easier to provide understanding to customers effectively so that it has an effect on increasing SMEs productivity. In an effort to increase productivity. Although SMEs transactions are not as critical as large value payment systems in terms of nominal transactions, they still have an important meaning in increasing productivity and efficiency of economic transactions in society. According to Ayub et al. (2011);Budirianti et al. (2020) The existence of inefficiency in the payment system and/or disruption to the smooth operation of the security of this retail payment system, can not only cause social unrest but can also reduce public confidence in the retail payment system in general which can potentially harm the national economy .

According to Ayub et al. (2011);Fayzhall et al. (2020) The success of achieving goals in the company is not only caused by technological factors, operational funds, infrastructure owned, but also on the human



resources that exist in the company. Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him . The achievement of an organizational goal cannot be separated from the resources owned by the organization that are used and run by employees who play an active role as actors in achieving organizational goals. Along with the development of technology, the need for information that can be obtained quickly, precisely and accurately is very necessary in the company. According to Ayub et al. (2011);Budirianti et al. (2020);Drigas et al. (2006) Therefore, the existence of an information system has become an absolute necessity for companies especially in carrying out business processes in increasing productivity. Increasing productivity is the main goal of every company, especially in preparing for the development of the global economic sector or free trade in Indonesia which will benefit several large companies. This forces every other company to work more productively, efficiently and effectively. In addition, the use of technology and applications is also required to be more optimistic in carrying out their duties so that there is a tendency to get ready for the use of the technology. According to Ingsih et al. (2021);Fayzhall et al. (2020) Organizational commitment has a positive relationship with work outcomes . If the company has a goal to increase worker productivity, then the company must also increase the work motivation of its employees. Meanwhile, workers will be more motivated to improve their performance if there are rewards or get rewards and satisfaction with the results they are doing.

According to Gilmeanu, R. (2015);Novitasari (2022) The comfort of working is also supported by leaders who are able to provide motivation and a family atmosphere and have a vision for the future towards digitizing e-SMEs products. The concept of using technology can be applied to various sectors to find better solutions to produce fast, accurate and precise information. target . According Purwanto et al. (2021) This HR e-system factor is expected to be a solution to solve the identified problems that occur in the Digital Payment at SMEs. According to Narasuci et al. (2018);Purwanto et al. (2021) HR management that can facilitate the coordination process between workers and facilitate monitoring of work results, low job satisfaction caused by the use of the HR e-system that is not optimal and a work environment that does not support work comfort and reduced work motivation in an uncomfortable work environment so that indirectly have an impact on decreasing employee performance. Therefore, this study examines specifically the influence of the HR e-System and Work Environment, Job Satisfaction and Work Motivation as a liaison on the performance of SMEs employees in the scope of the Digital Payment.

Literature Review

HR e-System

According to Purwanto et al. (2021); Prayuda (2019) a human resource information system is a computer application program that organizes the governance and management of human resources in the company in providing various information needed and can be used to support the decision-making process or commonly known as decision support systems. According to Suyono et al. (2021);Tzeng (2002);Wright et al. (2003) Productivity and efficiency improvement by using information technology and computers have specific functions and can be carried out in various ways such as technical improvement, reduction of transaction costs and shifting production functions and increasing resource allocation. The characteristics of information that should be prepared include timely, accurate, concise, relevant, and complete . Human resource activities and employee data collection can be integrated to increase efficiency in relation to more strategic human resource planning. Furthermore, it is easy to access data so



that it makes human resource planning and managerial decision making based on information output compared to relying on managerial perceptions and institutions. The existence of equality and employment in HR Development Personnel Competence and health, safety and security benefits for employee and labor relations, the dramatic increase in internet use has raised both possibilities and concerns for human resource professionals especially when building intranets and extranets . According to Putra et al. (2020);Purwanto et al..(2021);Prayuda (2019) states that an HR information system must be designed to provide the desired information and must consider four basic dimensions of information, including relevance, accuracy, timeliness and completeness. HRIS is tasked with collecting and maintaining data that describes human resources, converting that data into information, and reporting that information to users, where the data obtained is the data needed by a company to improve human resources and make it easier for management to make decisions and the system easily accessible.

Work environment

According to Smokrović et al. (2019);Shah et al. (2020) The work environment is the entire set of tools and materials faced by the surrounding environment where a person works, his work methods, and work arrangements both as individuals and as groups The work environment consists of factors such as the physical work environment (physical conditions of the work environment), non-physical work environments (psychological conditions of the work environment) and temporary conditions of the work environment, all three must always be considered so that employees can feel comfortable at work so as to increase productivity. work. Humans will be able to carry out their activities well, so that optimal results are achieved, if they are supported by an appropriate environmental condition. According to Sumarsi, S. (2019);Suprpti et al. (2020). An environmental condition is said to be good or appropriate if humans can carry out their activities optimally, healthy, safe, and comfortable. Inconsistency in the work environment can be seen as a result in the long term. Furthermore, unfavorable environmental conditions can demand more manpower and time and do not support obtaining an efficient work system design.

Job Satisfaction

According to Gılmeanu, R. (2015);Novitasari (2022) Job satisfaction is a positive feeling about work resulting from an evaluation of its characteristics Someone who has a high level of job satisfaction will show a positive attitude, but on the contrary someone who has a negative level of job satisfaction towards his job. Job satisfaction has 3 (three) components including values, interests and perceptions of the work itself, components of salary or wages, supervision, promotion opportunities, co-workers, and overall working conditions are factors that affect job satisfaction . According to Narasuci et al. (2018);Purwanto et al. (2021) Job satisfaction and dissatisfaction have an impact on employee behavior so that job satisfaction will foster employee motivation to enjoy their work so that employee awareness will grow to be able to complete their work as well as possible. The term motivation comes from the Latin word "movere" which means to encourage or move. Motivation questions how to direct the power and potential to work to achieve the specified goals . Motivation refers to a process of influencing individual choices towards various forms of desired activity. According to Anas et al. (2020);Astuti, et al. (2020) Motivation includes the direction or purpose of behavior, strength of response, and persistence of behavior. In addition, the term includes a number of concepts, encouragement, needs, stimulation, rewards, reinforcement, determination of goals, expectations and so on . The dimension of motivation is an incentive which is a stimulant or attraction that is intentionally given to employees with the aim that employees participate in building, maintaining and strengthening and directing their attitudes or behavior



to a goal to be achieved by the company. Hope is the provision of guarantees, facilities and an attractive environment or outcome that becomes a strength of the tendency to work properly. Motive is an impulse that comes from within a person or factors that cause individuals to perform certain actions and behaviors or behave in a certain way . According to Abou. (2013);Ahmed (2011) Motivation can also be done by giving rewards or bonuses by the leadership to employees who are diligent and disciplined at work, or given the opportunity by the company to express opinions through new ideas.

Employee performance

According to Abou. (2013);Ahmed (2011);Amri et al. (2021) performance is intended as the implementation of one's duties to achieve work results in quantity and quality based on the responsibilities given to him . Employee performance has elements including quantity of work, namely the amount of work done in a specified time period. Quality of work is the quality of work achieved based on the terms of suitability and readiness. Job knowledge is the breadth of knowledge about the job and its skills. Creativeness is the authenticity of ideas that arise from actions to solve problems that arise . The performance serves in providing evidence of whether the applied results have been achieved or not. According to Anas et al. (2020);Astuti, et al. (2020)) added that the individual performance function specifically focuses on certain tasks consisting of standard job descriptions as well as maintaining good interpersonal relationships, absenteeism, withdrawal behavior, and other behaviors that increase workplace hazards . Specifically, employees expect a personal orientation to deal with clients and other employees with a design to produce rational evaluations by employees in employee job performance . Performance evaluation relates to the value of the work performed to provide a basis for compensation. Job evaluation begins when the job analysis has been completed

Hypothesis Development

According to Smokrović et al. (2019);Shah et al. (2020) The work environment has also been shown to have a positive and significant effect on satisfaction The need for information systems is related to the need for data processing. A good information system can provide information support for management functions, including in terms of decision making so that the integration of information systems can be the key in generating job satisfaction. According to Sumarsi, S. (2019);Suprpti et al. (2020). states that MIS has a positive effect on improving employee performance, while Shah et al. (2020);Sumarsi, S. (2019) concludes that management information systems and work environment affect employee job satisfaction in one unit. Previous empirical evidence is the background for formulating the following alternative hypotheses:

H1: There is a direct influence between the work environment on job satisfaction

H2: There is a direct influence between the HR e-system on job satisfaction

A good working environment is one of the factors supporting employee productivity. Therefore, a conducive work environment is needed to support employee performance in carrying out their work, so that the work results obtained can be achieved optimally. According to Purwanto et al. (2021);Putra et al. (2020) concluded that the management information system and work environment affect employee performance in one of the distribution then the work environment also has a positive and significant effect on employee performance . However, the work environment has no significant effect on employee performance . According to Suyono et al. (2021);Tzeng (2002);Wright et al. (2003) A good information



system, can be observed from the ability of employees to access, understand, and use and utilize information generated in helping the completion of the work so that the information system which will result in optimal performance. This empirical evidence is the background

formulate the following alternative hypotheses:

H3: There is a direct influence between the work environment on employee performance

H4: There is a direct influence between the HR e-system on employee performance

Employee performance can be said to be good, if the perceived job satisfaction of employees increases. Job satisfaction in a company is needed to boost performance employee. Research Gilmeanu, R. (2015);Novitasari (2022);Narasuci et al. (2018);Purwanto et al. (2021) states that between the variables of job satisfaction and performance there is a linear relationship, there is a positive influence between job satisfaction and performance employees . This empirical evidence is the background for formulating alternative hypotheses to retest:

H5: The direct effect of job satisfaction on employee performance

Method

This study uses a quantitative approach, which relies on numbers in the form of scores as an analytical framework where the scores are obtained by survey methods. Survey method is research conducted on large or small populations, but the data studied are data from samples taken from the population, so that relative events are found, distribution, and relationships between sociological and psychological variables (Sugiyono, 2017). The scope of the research object that is determined is the HR e-System variable, Work Environment, Satisfaction Work, Work Motivation, and Employee Performance of SMEs..

The sampling technique uses purposive sampling, which is a sampling technique with certain considerations . The number of samples set in this study was 340 respondents distributed through Google Form. Data collection techniques can be done by questionnaires (questionnaire) and observation techniques (observations). Data sources that directly provide data to data collectors that comes from primary sources by distributing tools, namely questionnaires to employees of SMEs . Instrument use a questionnaire with a Likert scale using 5 (five) scores ranging from answers to statements provided through tools from a Scale of '1' Strongly Disagree (STS) to a Scale of '5' Strongly Agree. The data analysis technique uses a structural equation modeling (structural equation modeling) or abbreviated as SEM. This research data processing tool uses the SmartPLS application or software. After that, an evaluation of the SEM model is carried out to obtain and evaluate the proposed suitability and further testing will be conducted using Bootstrap resampling method developed by Geisser & Stone. The test statistic used is the t statistic (t-value) or if the p-value 0.05 (at 5 percent alpha), it is concluded that the results are significant.

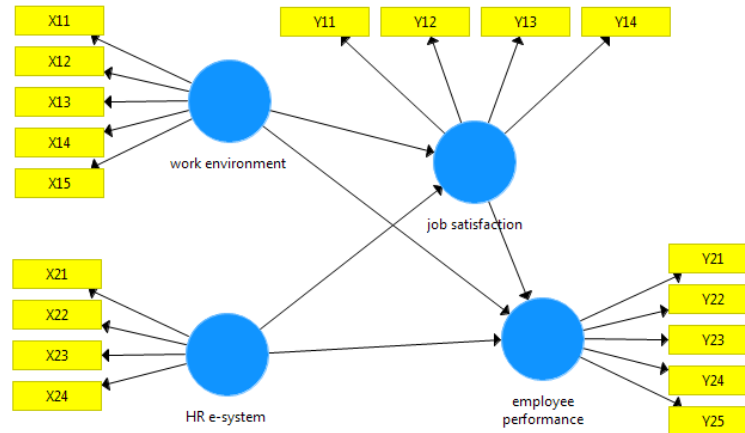


Fig 1. Research Model

- H1: There is a direct influence between the work environment on job satisfaction*
- H2: There is a direct influence between the HR e-system on job satisfaction*
- H3: There is a direct influence between the work environment on employee performance*
- H4: There is a direct influence between the HR e-system on employee performance*
- H5: There is a direct effect between job satisfaction on employee performance*

Results and Discussion

Validity test

The validity test with the SmartPLS 3.0 program can be seen from the loading factor value for each construct indicator. The condition that is usually used to assess validity is that the loading factor value must be more than 0.70. Furthermore, discriminant validity is related to the principle that different constructs (manifest variables) should not be highly correlated, the way to test discriminant validity with reflexive indicators is to look at the cross loading value for each variable must be > 0.70 and the value is more height of other variables

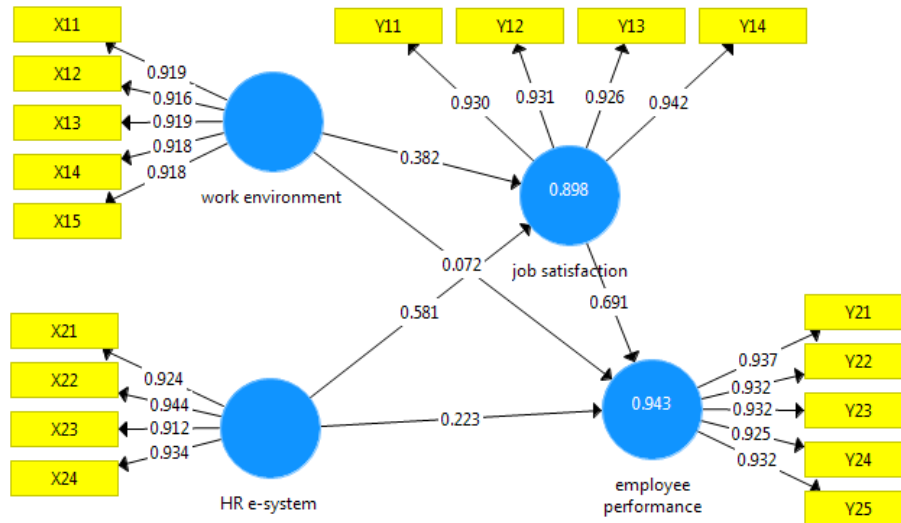


Fig 2 Validity testing

Fig. 2 shows that all loading factors have a value of > 0.7 , so it can be concluded that all indicators have met the criteria for convergent validity, because indicators for all variables have not been eliminated from the model.

Table 1. Reliability Testing

| | Cronbach's Al... | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|----------------------|------------------|-------|-----------------------|----------------------------------|
| HR e-system | 0.947 | 0.948 | 0.962 | 0.863 |
| employee performance | 0.962 | 0.962 | 0.971 | 0.868 |
| job satisfaction | 0.950 | 0.950 | 0.964 | 0.869 |
| work environment | 0.953 | 0.954 | 0.964 | 0.843 |

In table 1, it can be seen the results of the analysis of the reliability test using the SmartPLS tool which states that all composite reliability values are each greater than 0.700, which means that all variables are reliable and have met the test criteria. Furthermore, the value of cronbach's omission also shows that all cronbach's 'alpha' values are more than 0.600 and this indicates that the level of reliability of the variable has also met the criteria. One of the discriminant validity can be seen by comparing the AVE value with the correlation between other constructs in the model. If the AVE root value is > 0.50 , it means that discriminant validity is reached > 0.50 . So it can be said that the measurement model has been valid with discriminant validity

R square (R2)

The value of R square (R2) is a measure of the proportion of the variation in the value of the affected variable which can be explained by the variable that influences it. If in a study using more than two independent variables, then the adjusted r-square (adjusted R2) is used. The value of r square adjusted is a

value that is always smaller than r square. The R2 value is close to 1, with the limiting criteria being divided into 3 classifications, namely (Jamal Maulana Hudin, Yusti Farlina & Denny Pribadi, 2018): If the value of R2 = 0.67 The model is substance (strong) If the value of R2 = 0.33 The model is moderate (medium) If the value of R2 = 0.19 The model is weak (poor)

Table 2. R Square value

| | R Square | R Square Adjusted |
|----------------------|----------|-------------------|
| employee performance | 0.943 | 0.941 |
| job satisfaction | 0.898 | 0.896 |

In table 2 it can be explained that:

1. The adjusted R2 value of the independent variable work environment and HR e-system on job satisfaction is 0.898 or 89.8%. This value is categorized as strong so that it can be concluded that the two independent variables have a strong influence and level on the dependent variable or contribution of 89.8% while the remaining 10.2% by other variables not discussed in this study.
2. The adjusted R2 value of the independent variables of work environment, HR e-system and job satisfaction on employee performance is 0.943 or 94.3%. This value is categorized as strong so that it can be concluded that the two independent variables have a strong influence and level on the dependent variable or contribution of 94.3% while the remaining 5.7% by other variables not discussed in this study.

Hypothesis testing

After the data meets the measurement requirements, the research is continued by using the bootstrapping method on SmartPLS with a significance level of 0.05 where if the p-values are less than 0.05 or t-values are greater than t-critical (1.96) it means an alternative hypothesis. declared accepted. The summary of the path diagram with the output t-values above is based on the results of the hypothesis test in Figure 3 of each effect tested.

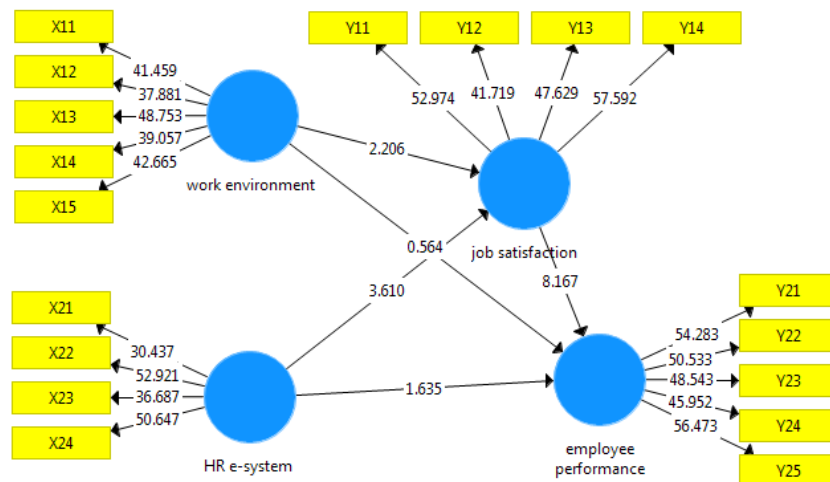




Fig 3. Hypothesis Testing

The criterion for the path coefficient value is that if the value is positive, then the influence of a variable on the variable it influences is unidirectional. If the path coefficient value is negative, then the influence of a variable on other variables is in the opposite direction. The research hypothesis can be accepted if the value of t count (t-statistic) > t table at an error rate (α) 5%, which is 1.96.

Table 3. Hypothesis Testing

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O... | P Values |
|--|---------------------|-----------------|----------------------------|---------------------|----------|
| HR e-system -> employee performance | 0.223 | 0.212 | 0.136 | 1.635 | 0.103 |
| HR e-system -> job satisfaction | 0.581 | 0.571 | 0.161 | 3.610 | 0.000 |
| job satisfaction -> employee performance | 0.691 | 0.682 | 0.085 | 8.167 | 0.000 |
| work environment -> employee performance | 0.072 | 0.089 | 0.127 | 0.564 | 0.573 |
| work environment -> job satisfaction | 0.382 | 0.390 | 0.173 | 2.206 | 0.028 |

H1: There is a direct influence between the work environment on job satisfaction

The first hypothesis shows that the results of data processing are known that the path coefficient value is 0.382 (positive), the t-statistic value is 2.206 (> 1.96), and the p-value meets the requirements, namely $0.028 < 0.050$ which means that it has a significant effect (H1 is accepted). This finding is in accordance with previous empirical evidence According to Abou. (2013);Ahmed (2011);Amri et al. (2021);Anas et al. (2020);Astuti, et al. (2020) shows that the influence of the physical and non-physical work environment has a significant positive effect on employee job satisfaction . The work environment is one of the supporting factors in employee performance which if the environment is good then employees will consider the company still a better place to work. According to Gilmeanu, R. (2015);Novitasari (2022);Narasuci et al. (2018);Purwanto et al. (2021) neat and tidy makes employees feel appreciated and supported by the company to improve long-term careers that will improve company performance. Given the importance of motivation for individuals as an inherent drive or motive and influence certain behaviors as well as efforts to develop the personal life concerned.

H2: There is a direct influence between the HR e-system on job satisfaction

HR E-System has an effect on Job Satisfaction, with a t-value of 3.610 and p value is $0.000 < 0.050$ which means that it has a significant effect (H2 is accepted). This finding is in accordance with previous empirical evidence which shows that MIS has a positive effect on improving employee performance. According to Ayub et al. (2011);Budirianti et al. (2020) HR e-System values that match the value of job satisfaction can have significant benefits in developing the company with the aim of reducing costs by reducing employee behavior and increasing employee productivity.

H3: There is a direct influence between the work environment on employee performance

Work Environment has not an effect on Employee Performance, with a t-value of 0.564 < 1.96 and p value is $0.573 > 0.050$ which means that it has not significant effect (H3 is rejected). A good working environment is one of the factors supporting employee productivity. Therefore, a conducive work environment is needed to support employee performance in carrying out their work, so that the work



results obtained can be achieved optimally. A good information system can also be seen from the ability of employees to access, understand, and use and utilize the information generated in helping the completion of work. With a good information system it will produce optimal performance. This finding provides an update from previous research According to Suyono et al. (2021);Tzeng (2002);Wright et al. (2003) prove the moderating effect of the work environment on employee performance on employee performance . This is also of course evidenced by the fulfillment of work environment indicators such as always trying to complete work more than the targeted number, always trying to correct mistakes, making lessons not to repeat mistakes, being self-improvement, paying attention to details in work, completing work with good results.

H4: There is a direct influence between the HR e-system on employee performance

then the HR e-System also has not effect on Employee Performance, with a t-value of $1.635 < 1.96$ and p value is $0.103 > 0.050$ which means that it has not significant effect (H4 is rejected), Both of these findings are in accordance with previous empirical evidence that shows the effect of MIS and work environment significantly on employee performance but not in accordance with research According to Ayub et al. (2011);Budirianti et al. (2020);Drigas et al. (2006);Ingsih et al. (2021);Fayzhall et al. (2020) which provides evidence empirically that the work environment has no significant effect on employee performance while the work environment has a positive and significant effect on satisfaction .

H5: There is a direct effect between job satisfaction on employee performance

Job satisfaction has an effect on employee performance, with a t-value of $8.167 > 1.96$ and p value is $0.000 < 0.050$ meaning that it has a significant effect (H5 is accepted). This finding is in accordance with previous empirical evidence According to Smokrović et al. (2019);Shah et al. (2020);Sumarsi, S. (2019);Suprapti et al. (2020). which shows that there is a linear relationship between job satisfaction and performance variables, as well as the effect of job satisfaction on SMEs employee productivity as well as a positive and significant influence on satisfaction with employee performance.

Motivated employees tend to be more productive and satisfied and happy so that they will do their work in a very impressive way, and then the results will be good which will certainly have an impact on increasing employee performance. According to Smokrović et al. (2019);Shah et al. (2020);Sumarsi, S. (2019);Suprapti et al. (2020) concludes that communication and motivation do not moderate the effect of communication and work environment on employee performance on performance. On the other hand, the indirect influence shows that leadership style and work environment have a positive and significant effect on performance through satisfaction (Nurwijayanti, Hamzah, & Hamid, 2019). This empirical evidence that is not yet consistent is the background for formulating the following alternative hypotheses:

Conclusion

The conclusion of this study is there is a direct influence between the work environment on job satisfaction, There is a direct influence between the HR e-system on job satisfaction, There is no direct influence between the work environment on employee performance, There is no direct influence between the HR e-system on employee performance, There is a direct effect between job satisfaction on employee performance. The conclusion of the research aimed at specifically examining the effect of the HR e-



System and Work Environment, Job Satisfaction and Work Motivation as a liaison on the performance of SMEs employees within the Digital Payment resulted in the essence, namely the research results obtained facts in the form of a very significant relationship this understanding illustrates that the Work Environment has an impact on increasing Job Satisfaction. The results of the study obtained facts in the form of a very significant relationship , this understanding illustrates that the HR e-System will also have an impact on increasing Job Satisfaction in the SMEs. The results of the study obtained facts in the form of a significant relationship , this understanding provides an illustration that the work environment has an impact on improving employee performance in the SMEs. The results of the study obtained facts in the form of a significant relationship, this understanding illustrates that the HR e-System will also have an impact on increasing employee performance at the SMEs. The results of this study have implications for the management of the need for synergy between sections in the unit work in optimizing programs that have an impact on improving employee performance. The work environment is one that has an important effect on employee performance. Further surveys are needed to evaluate the work environment in order to further increase job satisfaction and its impact on employee performance. Appreciation to employees when employees can complete certain tasks must be done so that employees are motivated to work which directly has a significant influence on job satisfaction

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