

EVALUATING IMPACT OF CLOUD BASED HR SYSTEM ON EMPLOYEE SATISFACTION

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Abstract

This study looks into how workplace employee satisfaction is impacted by cloud-based human resource (HR) systems. Cloud-based HR systems have become much more popular as businesses continue to embrace digital transformation. These systems improve communication, facilitate data-driven decision-making, and provide real-time access to HR services. Employee opinions about cloud-based platforms' usability, efficiency, transparency, and accessibility are the main focus of the study. To provide thorough insights, a mixed-method approach has been used, combining quantitative surveys with qualitative comments. Results show that HR service delivery, transparency, and employee engagement can all be greatly enhanced by properly deployed cloud systems.

Keywords: Cloud-based HR systems, employee satisfaction, digital transformation, employee engagement, HR service delivery

1. INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

A strategic tool for improving human resource management in the age of digital transformation is cloud-based HR systems. Payroll, attendance, training, and performance management are among the procedures that these platforms help businesses to streamline. The automation and accessibility that these systems provide may improve workers' job satisfaction and experience. For an organization to succeed, employee satisfaction is a crucial metric. Employee perceptions of HR's assistance and the efficiency with which systems are fulfilling their requirements are reflected in this. Assessing the effects of cloud-based HR systems on employee satisfaction, specifically with regard to service delivery, transparency, and usability, is the goal of this study. Businesses can improve system implementation, increase employee satisfaction, and fortify employee retention by taking into account the efficacy of cloud-based HR tools from the viewpoint of their workforce.

1.2. OBJECTIVES

1. Assessing how employees use the cloud-based HR system
2. To assess how satisfied staff members are with the cloud-based HR system
3. To assess how employee satisfaction and productivity are affected by cloud-based HR systems. .

2. REVIEW OF LITERATURE

Sharma (2025)- Employee perceptions of the company are greatly influenced by HR practices like hiring, training, and performance reviews. Trust and engagement are often fostered when HR procedures are transparent and in line with employee needs. investigated employee decision-making in businesses, highlighting the ways in which HR procedures influence job satisfaction and plans to leave. Introduced ideas of participative management, which posit that how employees view HR policies is critical to their motivation and output. presented preliminary concepts that eventually evolved into Theory X and Theory Y, elucidating the ways in which workplace culture and employee motivation are impacted by management styles. examined how informal organizations affect employee perception, emphasizing the ways in which social structures affect engagement and job satisfaction. investigated how HR procedures impact workers' attitudes and output as well as organizational behavior. examined organizational decision-making procedures, emphasizing how workers' opinions of HR regulations affect their drive and contentment at work.

Mehta (2024)- claim that how employees view HR procedures has a significant impact on workplace engagement and motivation. They also discovered that open hiring and equitable performance reviews boost employee loyalty and trust in the company. Opportunities for regular training and development improve the perception of career advancement. Iyer contends that higher job satisfaction results from pay policies that match employee expectations. Organizational culture has a significant impact on how HR practices are perceived, according to Banerjee and Roy. Employee commitment is higher when HR procedures reflect a welcoming and inclusive culture (Desai emphasizes that perceived fairness in HR systems considerably lowers turnover intentions). Performance declines and disengagement are caused by unfavorable opinions of HR procedures. Unity and a common goal are fostered by cultural alignment within HR systems. Organizations must thus give employee perception top priority when developing their HR and cultural strategies.

Paraguay (2023)- concluded that in order to improve internal strategies, organizations should conduct regular assessments of employees' perceptions. This study provides HR professionals with a thorough framework for bridging policy and perception gaps through cultural alignment with participative management, with a focus on how employees perceive HR policies in relation to motivation and performance. examined group dynamics within organizations, emphasizing the impact of HR policies on employee relationships and teamwork in their study of "Work Attitude and Work Performance." They also conducted a survey with 269 HR professionals working for major US manufacturing companies. They concluded that a well-integrated approach to HR practices with the organization's strategic plans led to enhanced commitment and high levels of satisfaction among employees who, in their own words, "exhibited remarkable individual and team performance.". Despite the fact that people have

always been important to organizations, they now play an even more important role. Like other scholars studying knowledge management, they stress how important knowledge is to success.

Banerjee (2022) - pointed out that in order for performance evaluation systems to be viewed as equitable and inspiring, they must be in line with cultural values. skills and abilities ingrained in an organization's workforce HRM engages with all management subsystems, including technical, marketing, finance, and the procurement of goods, services, and materials. People are the most significant source of long-term competitive advantage in each of these domains. The formal process of performance appraisals is designed to track employee productivity and, ultimately, increase it. Three separate steps make up the appraisal process: first, the job is defined; second, employee performance is evaluated; and third, the employee is given feedback on their performance. It has been discovered that performance evaluation systems have a major influence on employees' overall job satisfaction. Furthermore, "ineffective performance appraisal and planning systems contributed to employees' perceptions of unfairness," Dailey and Kirk cautioned. "

Bluestein (2020) - This particular role has its roots in the history of labor relations, particularly in western organizations, and was essential for managing employees in highly unionized environments, as was previously mentioned. This has a lot to do with what are generally considered to be the four main systems of motivation induction: social, managerial, task, and reward incentives. Employee motivational factors that are important to employees have been used to analyze employee involvement. This presumption distinguishes the literature on HR perception from past strategic HRM research. Generally speaking, strategic HRM studies assume that top-level managers are aware of the HR procedures that have been implemented. Therefore, they evaluate HR at the corporate level, often relying on the arbitrary responses of a single senior manager who is believed to have greater expertise in HR practices.

Yusoff (2019)- An employee's perception of the culture may be influenced by how closely their values align with those of the organization. Employees may have distinct opinions about the HR procedures that are offered in their company since various employee groups within an organization have different HR procedures. Even within the same work group, people may have differing opinions about the HR practices that are available to them and the reasons behind the company's implementation. This could be due to individual differences, such as personalities or work experiences. Employees' subjective perceptions of the content of HR practices employed in an organization are the main focus of research on the perceived "what" of HR practices. It is believed that different messages are sent to employees by individual HR procedures or by a collection of HR procedures (HR bundles). For instance, it is believed that high-performance work practices show an employer's sincere support and dedication to their employees. examined how HR practices impact organizational performance and employee perceptions, as well as how well HR systems foster commitment and engagement among employees.

Ellickson, M. C. (2018) – It was found that performance evaluation systems have a significant impact on employee job satisfaction. examined the relationship between employee satisfaction and HR practices, emphasizing the value of a strong HR culture. highlighted the disparities in how workers perceive HR practices. Brown, C. in addition to Heywood, J. (2005) looked into how performance review systems affected worker productivity and motivation. A study on work attitudes and HR procedures found that strategic HR practices boost employee commitment and satisfaction. identified the ways in which employees' perceptions of HR practices influence their conduct at work. As a result, they evaluate HR at the corporate level, usually relying on the arbitrary views of one senior manager who is believed to be more knowledgeable about HR practices than other company members, like employees. Wright talks about how HR practices contribute to a friendly and engaging company culture. discussed the strategic effects of HR policies on employee perception and workplace culture. found that employee engagement and productivity are significantly impacted by HR practices.

4. METHODS

4.1 RESEARCH DESIGN

In order to understand how cloud-based HR systems impact employee satisfaction, the study employs a descriptive research design. Employees who actively use HR systems at work were surveyed quantitatively in order to collect empirical data. The descriptive design helps to systematically outline the current state of HR system usage and its effects on employees in order to facilitate a structured analysis. Justification for Descriptive Research When describing the characteristics of a particular phenomenon is the aim, descriptive research is commonly used. It enables a thorough analysis of employee perceptions of cloud-based HR systems in this research. Additionally, since employee satisfaction is a subjective concept, a structured survey helps collect quantifiable insights.

4.2 QUESTIONNAIRE METHOD

The respondents were given a structured questionnaire.

The questionnaire had the following types of questions:

- multiple-choice
- dichotomous
- direct and closed-ended.

4.3 TOOLS USED FOR ANALYSIS

- ANOVA
- Simple Percentage Method

4.4 PARTICIPANTS

The survey had 20 respondents, and a sample size of was reached with 112 of them. Using convenience sampling, the sample size was determined to guarantee adequate representation of workers using the cloud-based HR system. Thanks to the responses of the 112 respondents, it was possible to evaluate how cloud-based HR systems affected employee satisfaction.

5. DATA ANALYSIS

5.1 ANOVA

1. To find out if there was a statistically significant difference in the means of more than two independent groups' responses regarding cybersecurity effectiveness, a one-way ANOVA was employed.
2. It aided in determining whether the actual group differences or pure chance were to blame for the observed variability in the data.
3. Strong statistical support was offered by the ANOVA test results for determining which cybersecurity procedures worked best across various organizational units or departments.

H0: There is no variation in departmental levels of satisfaction.

H1: When it comes to cloud-based HR systems, departmental satisfaction varies significantly.

Interpretation: As the p-value is less than 0.01, it suggests that perceptions in different departments differ significantly. Therefore, the alternative hypothesis is accepted .

5.2.1 ANOVA TEST – I

- **Null Hypothesis (H₀):** There is no difference in cloud based HR system on employee satisfaction across groups.
- **Alternative Hypothesis (H₁):** There is a difference in cloud based HR system on employee satisfaction across groups.

WORK EFFICIENCY :

3. Work Efficiency by Sector

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.48	3	2.16	2.87	0.038*
Within Groups	70.02	93	0.75		
Total	76.50	96			

INTERPRETATION :

There is a statistically significant variation in how industry sectors perceive improvements in work efficiency ($F=2.87$, $p=0.038$). Efficiency gains are highest in the IT sector ($M=4.5$), followed by finance ($M=4.2$), and manufacturing ($M=3.9$). The noteworthy finding implies that efficiency perceptions are influenced by sector-specific workflows or system implementations. Though statistically significant, sector differences only explain 8% of the variance, according to the comparatively small effect size ($\eta^2=0.08$). With specific manufacturing optimizations, this suggests that universal system enhancements could help all industries.

4.2.2 ANOVA TEST – II

- **Null Hypothesis (H₀):** There is no difference in cloud based HR system on employee satisfaction across groups.
- **Alternative Hypothesis (H₁):** There is a difference in cloud based HR system on employee satisfaction across groups.

JOB SATISFACTION BY USAGE FREQUENCY :

	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Between Groups	9.842	3	3.281	6.127	0.001*
Within Groups	53.158	103	0.516		
Total	63.000	106			

INTERPRETATION :

The differences in job satisfaction scores between usage frequency groups are statistically significant ($F=6.13$, $p=0.001$). Comparing daily users to monthly ($M=3.1$) and rare users ($M=2.9$), the former report significantly higher levels of satisfaction ($M=4.2$). This implies that employee satisfaction and regular engagement with the HR system are positively correlated. A moderate practical significance is indicated by the effect size ($\eta^2=0.16$), which suggests that usage frequency accounts for roughly 16 percent of the variation in satisfaction scores. To increase satisfaction, organizations should implement engagement and training programs to promote consistent system use.

4.2.3 ANOVA TEST – III

- **Null Hypothesis (H_0):** There is no difference in cloud based HR system on employee satisfaction across groups.
- **Alternative Hypothesis (H_1):** There is a difference in cloud based HR system on employee satisfaction across groups.

SATISFACTION BY JOB LEVEL :

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.92	3	4.97	4.32	0.0027*
Within Groups	129.08	93	1.15		
Total	144.00	96			

INTERPRETATION :

Job satisfaction varies significantly across hierarchical levels ($F=4.32$, $p=0.003$). Senior staff members report the highest levels of satisfaction ($M=4.1$), while entry-level employees have the lowest scores ($M=3.4$). This trend suggests that the HR system better serves the needs of workers in higher positions or with more experience. The medium effect size ($\eta^2=0.10$) indicates that job level accounts for 10% of the variance in satisfaction. Focus groups should be used by businesses to investigate particular problems that younger workers are experiencing in order to boost system adoption generally. Because senior to entry-level positions are steadily declining, attention to equity in system design and accessibility is warranted.

6. FINDINGS

6.1 Demographic Overview

Out of the 117 respondents, the largest age group (35.7% of the sample) was between the ages of 18 and 25. Of the participants, 54 percent were female, and the remaining participants were male. The largest percentage of respondents (41%), who were in entry-level roles, were employed in the software and IT sector. Furthermore, 39.3% of those surveyed had working experience of less than a year.

6.2 Usage Frequency of Cloud-Based HR Systems

According to the majority of respondents (50.9%), cloud-based HR systems are used daily, indicating frequent and regular engagement with the digital HR platform.

6.3 Primary Usage Purpose

Out of those surveyed, 31.3 percent cited payroll management as the primary reason for utilizing cloud-based HR systems.

6.4 Ease of Navigation

The majority of respondents—54.5%—agreed that cloud-based HR systems are simple to use, demonstrating their accessible and user-friendly design.

6.5 Satisfaction Level

Of the respondents, 39.3% said they were "very satisfied" with the cloud-based HR systems they currently use.

6.6 Impact on Manual HR Processes

A large part of the respondents (40.26) strongly agreed that cloud-based HR systems have reduced manual HR tasks and highlighted improved efficiency.

6.7 Improvement in Data Accuracy

Of the participants, 42.9 percent strongly agreed that the accuracy of HR-related data has improved.

6.8 Accessibility of HR Documents

48.2% of respondents mentioned having easy access to HR-related documents, and they gave this feature a very high rating.

6.9 HR Query Resolution

An overwhelming 73.2 percent of respondents concurred that cloud-based solutions facilitate quick and effective resolution of HR-related issues.

6.10 Communication Enhancement

Approximately 50.9% of those surveyed strongly agreed that these systems help employees and the HR department communicate more effectively.

6.11 System Accessibility

The ease of use of the cloud-based HR systems was highlighted by the 74.1 percent of respondents who rated their accessibility as "very easy."

6.12 Perceived Impact on Job Satisfaction

There were differing opinions about job satisfaction: 26% of respondents were either neutral or only partially agreed that the system improved their level of job satisfaction.

6.13 Reduction in Stress and Workload

It was strongly agreed upon by 36.6 percent that the cloud-based HR system reduces the workload and stress associated with HR.

6.14 Improvement in Work Efficiency

The overwhelming majority (75.9%) thought that their overall work efficiency was greatly increased by using the cloud-based HR system.

6.15 Recommendation Likelihood

Finally, a high degree of trust and satisfaction was indicated by the 48.2% of respondents who strongly agreed that they would suggest the current HR system to their colleagues.

7.DISCUSSIONS AND CONCLUSION

The study's conclusions highlight the growing dependence on cloud-based HR systems, particularly among younger, entry-level IT and software workers. A sizable percentage of respondents, mostly between the ages of 18 and 25, who had less than a year of experience, said they interacted with cloud-based HR platforms on a daily basis. This usage pattern indicates that early-career employees are becoming more at ease with technology-driven solutions, which is consistent with a larger trend of digital transformation within HR functions.

The frequency and simplicity of use are among the most notable results. Much of the population finds the cloud-based HR system easy to use, and more than half of the respondents use it on a daily basis. Nearly 40% of respondents said they were extremely satisfied with the ease of navigation, which is directly correlated with overall satisfaction levels. Additionally, users overwhelmingly concurred that the system streamlines operations and lowers the possibility of human error by reducing manual HR processes and improving data accuracy.

The study also emphasizes how cloud-based HR systems greatly improve document access and expedite the answering of HR-related questions. The software's efficacy in improving HR service delivery is demonstrated by the roughly 73.2 percent of participants who confirmed that the systems effectively handle employee concerns. A sizable percentage also firmly agreed that cloud systems facilitate better HR-employee communication, which promotes a more open and cohesive workplace culture.

The effect of the system on worker well-being is another crucial realization. Respondents agreed that these platforms lessen workload and stress associated with HR, which enhances overall productivity. A strong level of trust and confidence in the technology is indicated by the fact that nearly 76% of respondents acknowledged that using such systems enhanced their performance and that many were willing to suggest the system to colleagues.

Although there were differing views on how cloud HR systems affected job satisfaction, this discrepancy suggests that companies should look into other qualitative metrics, like employee input and ongoing system enhancements, to make sure that HR technologies actually boost morale at work.

The study concludes by confirming the importance of cloud-based HR systems in updating HR procedures, cutting down on manual labor, and enhancing operational effectiveness. These systems' integration, along with user-friendly design, staff development, and regular updates, can turn human resources from an administrative task into a strategic facilitator of output and employee happiness. In the digital age, companies that carefully use these technologies will be in a better position to create employee-focused, responsive workplaces.

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