

Navigating the Digital Shift: Digitalization on Internship Programs of PT PAL Indonesia

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ABSTRACT

This research assessed OJT Digitalization Systems' effectiveness in improving the OJT process's efficiency at PT PAL Indonesia. A qualitative approach with a case study design was employed, involving interviews with HR staff, trainers, and participants, alongside process observation. Content analysis was conducted to analyze the collected data. The findings demonstrated that the OJT Digitalization Systems effectively enhanced the efficiency of the OJT process at PT PAL Indonesia. These systems reduced time and cost, improving accessibility and user-friendliness for stakeholders. Furthermore, they enhanced data accuracy during OJT. This research contributes to the existing literature on digitalization in HR practices by providing evidence of the efficiency-boosting potential of OJT Digitalization Systems. It emphasizes the importance of considering stakeholder requirements in digitalization projects. Managers should consider implementing these systems to enhance OJT efficiency and data accuracy, aiding decision-making in HR practices. Policymakers should encourage digitalization adoption in HR to improve workforce development programs. In summary, this research highlights the positive impact of OJT Digitalization Systems on the OJT process, advocating for their implementation to enhance HR practices.

Keywords: Digitalization, OJT, HR practices, efficiency, effectiveness

INTRODUCTION

The performance of employees is critical to the success of any organization. Good employee performance leads to increased productivity, work enthusiasm, and improved company performance (Andri et al., 2021). However, one of the significant challenges that organizations face is ensuring equal workload distribution among employees. Unequal workload distribution can result in several internal problems within an organization, leading to decreased employee performance and a shortage of manpower. This issue has been widely studied and documented in the literature (Sarma et al., 2019). The risk of loss for the company due to decreased employee performance is one of the impacts of unequal workload distribution (Siregar et al., 2020).

Companies need to develop effective strategies to manage workload distribution to prevent such loss. One such approach is to increase the number of employees, which can be costly. Another approach that companies can use is to

open work internship programs for students. Work internships offer a cost-effective talent screening and recruitment tool for companies. They allow students to learn and develop hard and soft skills that are crucial for entering the workforce (Rogers et al., 2019; Sawyer, 2017). Work internships offer companies an alternative strategy to reduce excessive workload without incurring significant costs.

PT PAL Indonesia, a state-owned enterprise that produces leading defense system equipment in Indonesia, has implemented a work internship program for students called on-the-job training (OJT). The OJT program enables students to practice productive skills by performing actual work/jobs in the industry/occupation. The curriculum and practice programs are prepared jointly by schools/higher education institutions/job training centers, and industries. Nevertheless, the OJT approach at PT PAL Indonesia used to be done manually, which resulted in an implementation that was not as effective as it could have been. As a result, PT PAL Indonesia has implemented digital transformation in the OJT procedure to improve its effectiveness.

This article aims to thoroughly discuss the implementation of digital transformation in the OJT procedure at PT PAL Indonesia and evaluate its efficiency. Specifically, this article seeks to examine the impact of digital transformation on the OJT procedure at PT PAL Indonesia, the benefits of digital transformation for the OJT program, and the challenges and limitations of implementing digital transformation in the OJT program at PT PAL Indonesia. The study will employ a qualitative research design to explore these issues. The findings will contribute to the existing literature on digital transformation in the workplace, particularly in the context of work internships.

This article justifies the topic's importance by highlighting unequal workload distribution and its impact on employee performance. This article's primary contribution to the field is evaluating digital transformation in the OJT method at PT PAL Indonesia. The article's objectives and research questions are to explore the impact, benefits, and challenges of digital transformation in the OJT program. The methods used in this study are qualitative research design. The article's contents will cover the impact of digital transformation, the benefits of digital transformation, and the challenges and limitations of implementing digital transformation in the OJT program.

LITERATURE REVIEW

human resources in organizations is a critical issue that can result in decreased productivity. Therefore, businesses must prepare their human resources to ensure they are qualified for the position. The relationship between technology adoption and human resources is complex and multifaceted. According to Stilianos et al. (2011), technology adoption can lead to a technological shock that increases

employment in leading sectors and total output in the economy. In human resource management, adopting technology can facilitate better adoption in organizations and promote better career growth for individuals (Dhankhar & Singh, 2022). However, adopting new technologies can also face resistance from individuals due to factors such as regret avoidance, inertia, switching costs, and perceived threat (Shankar & Nigam, 2021). Moreover, adopting new technologies in HR can have implications for labor market dynamics, such as changes in the demand for certain skills and the need for new and fresh human resources with the necessary technology readiness (Straub, 2009).

Adopting technology creates new opportunities in the management of information systems. Simarmata et al. (2020) define information systems as a combination of people who carry out tasks, procedures, and various media that collect and transform data into information and share it within an organization. Sudirman et al. (2020) add that information systems are a collection of users and technologies that aim to obtain data for decision-making. Thus, information systems combine users with technology as a medium to produce information that serves as a basis for decision-making.

While information systems are essential in improving productivity and decision-making in organizations, it is important to note that human resources still play a vital role in ensuring the success of these systems. Even with the advancements in event technology, the human touch is still necessary to ensure that information is accurately collected, analyzed, and interpreted. Furthermore, Syarief et al. (2022) emphasize that on-the-job training is an effective way for employees to learn and adapt to the company's information systems.

The Diffusion of Innovation theory is another crucial concept when adopting new technologies in organizations. This theoretical model explains how individuals and groups adopt new technologies over time, which involves several stages and factors. According to the theory, the adoption process begins with awareness and interest, followed by evaluation, trial, and adoption. The theory implies that adopting new technologies may be influenced by various variables, including perceived relative benefit, compatibility, complexity, observability, and social influence. Understanding these factors can help organizations better prepare their human resources to adopt and integrate new technologies into their daily work processes.

The Diffusion of Innovation (DOI) Theory, postulated initially by E.M. Rogers in 1962, is a seminal social science theory that expounds upon how individuals and groups embrace new technologies. Rogers (1962) proposed that the theory clarifies how an idea or product acquires traction and diffuses over time within a particular population or social system. The theory posits that adopting novel technologies is a gradual process involving several distinct stages, including

awareness, interest, evaluation, trial, and adoption. Moreover, Rogers (1962) identifies several factors that affect the adoption of new technologies, including relative advantage, compatibility, complexity, observability, and social influence. In addition, the theory divides adopters into five unique types: innovators, early adopters, early majority, late majority, and laggards. It proposes five techniques for appealing to each of these categories. Simarmata et al. (2020) suggest that developing computer-based information systems requires collaboration between humans and technology. Effective collaboration, as highlighted by Atah and Ukah (2021), requires a shared goal and an understanding each other's capabilities and limitations.

In this scenario, organizations must delegate tasks that benefit humans and technology to generate accurate and valuable information for decision-making. Organizations need to groom their human resources, particularly fresh recruits unfamiliar with the domain, to ease the assimilation of the company's information systems. On-the-job training, often known as OJT or apprenticeship programs, is one method that might be used to accomplish this objective. Atah and Ukah (2021) argue that collaboration denotes cooperation between individuals or organizations to attain better results than individual efforts. This collaboration hinges on a shared goal, and individuals or organizations must establish this goal before commencing collaboration (Akpo & Andah, 2021). Thus, effective collaboration mandates that both parties must comprehend each other's abilities and limitations, and they should delegate tasks to benefit both parties. The on-the-job training (OJT) or apprenticeship programs organizations provide can be particularly beneficial for fresh recruits unfamiliar with the domain. It must adjust to the company's information systems. As mentioned earlier, the use of information systems in organizations has evolved, and the present trend is toward computer-based systems. This implies that fresh recruits must prepare to work with technological innovations, including hardware, software, and different media used to gather, transform, and disseminate data within the organization (Simarmata et al., 2020). Furthermore, adopting new technologies is a gradual process that entails several distinct stages, as explained by the Diffusion of Innovation (DOI) Theory (Rogers, 1962). Hence, organizations must ensure that their fresh recruits possess the necessary knowledge and skills to adapt to the company's information systems and technology.

On-the-job training or apprenticeship programs can play a significant role in preparing employees for the digital office environment. As mentioned earlier, using various media, such as word processing, software presentation, spreadsheets, document management, backup storage, employee time tracking, and survey & campaign monitoring, can enhance the efficiency of human resources (Attaran et al., 2019). To accomplish this efficacy, however, employees must possess the necessary knowledge and skills to acclimatize to the digital office's characteristics,

such as organizational design and strategy, human resources and work, and technology platforms. (William & Schubert, 2018). Therefore, organizations must ensure that their employees are equipped with the required knowledge and skills through on-the-job training or apprenticeship programs to increase their productivity and effectiveness in the digital office environment.

Productivity is a crucial concept in economics, as it measures the effectiveness of an organization's efforts based on the output generated from the input. Berg et al. (2020) argue that productivity is a key metric in measuring an organization's effectiveness. Output refers to the results of work in the form of products or services, while input involves resources such as labor, materials, and equipment used to produce output. Input and output are interrelated with effectiveness and efficiency. Effective output is produced when it aligns with the goals set, and efficient input is used when resource utilization does not exceed what is required, resulting in lower costs without affecting output quality. To increase the efficiency of human resources, Attaran et al. (2019) suggest using various media, such as word processing, software presentation, spreadsheets, document management, backup storage, employee time tracking, and survey & campaign monitoring.

In digital office transformation, employee knowledge of the digital office's characteristics is critical to avoid mistakes in its implementation (Attaran et al., 2019). William and Schubert (2018) categorize digital office characteristics into three categories: organizational design and strategy, human resources and work, and technology platform. The aspects of a digital office make it distinct from a traditional office, and organizations need to prepare their employees to adapt to the new environment.

METHOD

The on-the-job training (OJT) process at PT PAL Indonesia has undergone a digital transition, and this study employs the qualitative research approach to investigate these changes. Alhamid & Anufia (2019) define qualitative research methods as techniques that generate learnable descriptive data in the form of individual words and behavior. The characteristics of qualitative research include data collection techniques, data sources, data analysis, research instruments, and research objectives. This study employed observation, interviews, a literature review, and documentation for data collection. The research location was the Human Capital Development Department of PT PAL Indonesia, and the study was conducted over three months.

The article highlights the importance of understanding qualitative research characteristics to ensure the research results' quality. Qualitative research is particularly relevant in this study as the research process focuses on aspects inherent

in the elements of qualitative research. Within the Human Capital Development Department of PT PAL Indonesia, the methods of observation, interviews, a review of the relevant literature, and documentation were utilized throughout the data-gathering process. The data that were gathered were analyzed using a technique called thematic analysis. Overall, this study demonstrates the effectiveness of qualitative research in providing an in-depth understanding of the digital transformation of the OJT procedure in PT PAL Indonesia.

RESULT AND DISCUSSION

PT PAL Indonesia has undergone a digital transformation in response to the challenges posed by a manual on-the-job training (OJT) implementation system. Prior to the transformation, the OJT registration and administration procedures were carried out in person at PT PAL Indonesia's office, requiring participants to come in person to complete registration requirements. Participants had to submit a proposal to the HCD Department, which would check the quota in the relevant division. If accepted, participants had to pay for an ID card to access the company during their OJT. However, due to several deficiencies in the manual procedures, the HCD Department developed a digital transformation concept to improve the previous process.

Due to some constraints, the digital transformation concept was only realized at the beginning of 2022. In the new process, all information and registration can be accessed through the company's official website. Coordination between participants and central admins is also easier because it can be done online. In the first stage, participants can submit OJT applications through the company's website. If accepted, the participant will take a personality test through a provided link and then document and upload the test results on the website. Suppose the participant passes this stage and completes the required documents, such as a 3x4 photo, ID card, KTM, and BPJS Employment Card. In that case, the admin will change the participant's role to "active intern" as a sign that the participant has officially been accepted into the OJT program at PT PAL Indonesia.

The digital transformation carried out by PT PAL Indonesia is an organizational step in adapting to environmental change by implementing digital technology. This change requires organizations to evolve into more modern entities by incorporating technology into their business processes. By formally introducing the Maritime Industry 4.0 concept on December 12, 2021, PT PAL Indonesia has taken a bold step to bolster its position in promoting connections for global maritime access. This concept realizes digital transformation within the company's internal scope to make business processes more modern and efficient.

The successful implementation of the digital transformation in the OJT implementation procedure highlights the importance of embracing digital

technology in business processes. The benefits of digital transformation are evident in the new OJT implementation procedure at PT PAL Indonesia, which is more efficient and easily accessible. This new process has eliminated access-related difficulties, lengthy processes, additional costs, and decreased human resources.

However, while digital transformation is a critical step toward modernizing business processes, it has challenges. Implementing digital technology requires adequate planning, resources, and support to ensure its success. PT PAL Indonesia's success in digital transformation underscores the importance of careful planning and execution in realizing the full potential of digital technology in business processes.

The idea that digital transformation is a necessary step for organizations to adapt to environmental changes through the implementation of digital technology is well-supported by Vial (2021). Adopting this transformation enables organizations to become more modern and efficient by incorporating technology into their business processes. The implementation of digital transformation is seen as advantageous, particularly in terms of efficiency, associated with the time, energy, and cost required to carry out OJT procedures.

In support of this notion, Gaedre and Deoskar (2020) argue that the efficiency gained through digital transformation is a result of using an internet-connected system, which reduces reliance on human labor as the primary means of carrying out work. This reduction in the need for human labor is a significant benefit of digital transformation, resulting in cost savings for organizations while also increasing efficiency.

Overall, adopting digital transformation in OJT procedures is a logical step for organizations seeking to modernize their business processes while also increasing efficiency and cost savings. By embracing technology and automation, organizations can adapt to changing environments and stay competitive in an increasingly digitized world.

CONCLUSION

PT PAL Indonesia has implemented digital transformation in its OJT process by introducing the OJT Digitalization Systems. These systems can be accessed through the company's official website, www.hcm.pal.co.id, where all the necessary information and registration procedures are available. The website also provides contact information for the central administration, which can help participants in case of difficulties.

The OJT Digitalization Systems consist of participant accounts, central administration accounts, and division administration accounts. Each account has different features tailored to the user's needs, making it easier for them to use the

system efficiently. The systems have helped to address the inefficiencies of manual procedures, mainly by reducing the need for human resources and increasing the speed of access.

However, since the OJT Digitalization Systems is new, some issues still need to be addressed. Regular checks are necessary to identify and address problems arising during system use.

Practical recommendations for the company include conducting regular checks to identify and address system issues and developing new features that meet users' needs. Researchers should conduct more in-depth studies on digital transformation and consider the factors that influence the implementation of digital transformation.

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