DIJEFA: Dinasti International Journal of Economics, Finance & Accounting
E-ISSN: 2721-303X
P-ISSN: 2721-3021
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455
DOI: https://doi.org/10.38035/dijefa.v6i2.4207
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Received: 15 February 2025 | **Revised:** 06 April 2025 | **Accepted:** 21 April 2025

Digital Transformation in HR Management: Implementation of SIMPEG to Achieve Good Governance at PT. Concord Karawang

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Abstract: The purpose of this study is to investigate the effect that the introduction of the Employee Management Information System (SIMPEG) has had on the implementation of excellent governance at PT Concord Karawang. A quantitative method based on multiple linear regression analysis is used in this study to look into the relationship between the dependent variable (good governance) and the independent variables (ease of access, administrative efficiency, data transparency, and effect on work productivity). We administered questionnaires to respondents, who were workers using SIMPEG for personnel administration operations, to collect data. According to the findings of the research, it is evident that every independent variable exerts a substantial impact on good governance, as shown by a p-value smaller than 0.05. Based on the results of the regression analysis, it is clear that the variable that measures administrative efficiency has the most significant effect, as shown by the coefficient ²=0.378. This is followed by the variables representing labor productivity (β=0.341), ease of access (β=0.321), and data transparency (β=0.294). Furthermore, the coefficient of determination value of 0.728 indicates that the four independent variables can explain 72.8% of the variation in good governance. The remaining 27.2% of the variation is due to factors that were not investigated. Based on these data, it can be concluded that the deployment of SIMPEG has made a substantial contribution to the improvement of HR governance at PT Concord Karawang. It is possible for the organization to increase administrative efficiency, boost data transparency, and encourage staff productivity via the optimization of this system, which will eventually have a favorable influence on the implementation of good governance. For this reason, it is strongly recommended that constant improvements be made to the implementation of SIMPEG in order to promote more professional and accountable human resource management methods.

Keywords: SIMPEG, Effective Governance, Administrative Efficacy, Data Transparency, Productivity Enhancement.

INTRODUCTION

The Digital transformation in Human Resource Management (HRM) has become a necessity for companies that want to remain competitive in the Industry 4.0 era. According to Amalia, M. (2024), the digitalization of HR processes increases efficiency, accuracy, and transparency in personnel administration. One of the technologies that helps with this digitization is the Employee Management Information System (SIMPEG). It is a database for employees and a way to make administrative tasks like hiring and career development easier (Sakarina, S., Ena, Z., Adi, P., C., & Surahman, S., 2022). The implementation of SIMPEG is expected to realize positive corporate governance by enhancing accountability and transparency in human resource management. According to Shaddiq, S. et al. (2024),

PT Concord Karawang, a leading manufacturing company, recognizes the importance of digitalization in HR management. With a large number of employees, managing personnel administration manually becomes inefficient and prone to errors. The implementation of SIMPEG is expected to help the company manage employee data more effectively and efficiently. SIMPEG allows the integration of various HR functions, such as attendance recording, performance management, and remuneration calculation, into a centralized system. Thus, strategic decisions related to HR can be made based on accurate and real-time data. However, the implementation of SIMPEG at PT Concord Karawang is not without challenges. One of the main obstacles is the resistance from employees who are already accustomed to the manual system. Technological changes often face obstacles from users who do not fully understand the benefits of digitization. In addition, there is still a digital skills gap among employees, which could potentially hinder the adoption of the new system. Therefore, a systematic approach is needed in the implementation of SIMPEG, including comprehensive training programs to enhance the digital literacy of employees (Stef, A. & Crisan, E., 2024).

In addition to internal resistance, external factors such as the readiness of technological infrastructure also pose challenges in the implementation of SIMPEG. Digital systems require adequate hardware and software support, including servers with sufficient capacity to store employee data. Data security is also a major concern, considering that employee information is sensitive and must be protected from cyber threats. Therefore, PT Concord Karawang needs to invest in information security technology to ensure the integrity and confidentiality of employee data in the SIMPEG system. The effective implementation of SIMPEG not only depends on the technology used but also on adherence to good corporate governance principles. Transparency in HR management must be ensured by providing fair access to relevant information for all stakeholders. Also, accountability needs to be improved by setting up control systems that let the system's performance be checked on a regular basis (Ding, S., & Li, L. 2021; Polachan, K., Pal, J., Singh, C., & Tamma, P. 2022; Ayedh, M., Jamil, N., & Zainuddin, M. 2021). Thus, SIMPEG can become a tool that supports ethical and sustainable corporate governance.

On the other hand, the implementation of SIMPEG also opens up opportunities for PT Concord Karawang to optimize talent management. With the availability of structured and digitized employee data, the company can conduct more accurate analyses regarding training and development needs for employees. This system enables the identification of competency gaps and the development of more effective skill enhancement programs. Thus, the company can ensure that human resource development aligns with long-term business strategies. In addition, SIMPEG can also assist in designing more adaptive and responsive HR policies to changes in the business environment. With real-time data related to employee performance, companies can more easily adjust incentive and promotion policies based on measurable achievements (Eteng, F. 2021; Susanti, R., & Andriani, D. 2023). This can increase employee motivation and productivity while also creating a more competitive and professional work

environment. With a transparent and data-driven system, companies can also reduce the potential for bias in decision-making related to HR management.

Periodic evaluations of the implementation of SIMPEG are also a key factor in the success of this digital transformation. The company must regularly conduct audits of the implemented system to ensure that the technology used remains relevant to the organization's needs (Álvarez-Foronda, R., De-Pablos-Heredero, C., & Rodríguez-Sánchez, J. 2023; Samagaio, A., & Diogo, T. 2022). This evaluation includes technical aspects, such as system performance and data security, as well as functional aspects, such as user satisfaction levels and the effectiveness of the system in supporting HR management. With a continuous evaluative approach, PT Concord Karawang can identify areas that need improvement and implement appropriate innovations. In the long term, the optimal implementation of SIMPEG will provide significant benefits for PT Concord Karawang, both in terms of operational efficiency and the enhancement of the company's competitiveness. With a more integrated system, HR administration processes can be carried out more quickly and accurately, allowing the company to focus more on business development strategies (Tafsir, M. 2024; Savin, D. 2024; Keputusan, P. 2024). In addition, with better HR governance, companies can create a more conducive and professional work environment, which will ultimately contribute to increased productivity and employee well-being.

Overall, the implementation of SIMPEG through digital transformation is a strategic step for PT Concord Karawang in addressing business challenges. Overall, digital transformation through the implementation of SIMPEG is a strategic step for PT Concord Karawang in realizing good institutional governance. A successful implementation depends on technology adoption and the organization's change management readiness. With a well-planned approach, adequate infrastructure support, and commitment from all stakeholders, the company can maximize the benefits of SIMPEG to sustainably improve the quality of HR management.

METHOD

The survey method used in this study is a quantitative one (Alajaili, H. 2024; Singh, B. 2023; Debela, K. 2022). It looks at how the Employee Management Information System (SIMPEG) was put into use in HR management at PT Concord Karawang and how it affected good governance. We chose this method because it objectively measures the relationship between variables and provides a comprehensive overview of the effectiveness of digitalization in HR management. The research design used is descriptive-quantitative with a survey technique. We collected data by distributing questionnaires to PT Concord Karawang employees to understand their perceptions of SIMPEG implementation and its impact on corporate governance. The population in this study includes all 640 employees of PT Concord Karawang, consisting of 18 women and 622 men. Given the large population size, this study applies a stratified random sampling technique to ensure proportional representation of both genders in the research sample. Based on Slovin's formula with a 5% margin of error, the sample size obtained is 246 respondents, consisting of 239 men and 7 women.The primary instrument in this study is a questionnaire developed based on the concepts of digital transformation, HR management, and excellent governance. The questionnaire uses a 5-point Likert scale, where 1 means strongly disagree and 5 means strongly agree. It asks about: a) How well SIMPEG works for managing employees; b) How open and responsible HR management is; c) How digitization affects work productivity; and d) How happy employees are with SIMPEG implementation. The collected data is analyzed using descriptive and inferential statistical methods. Descriptive statistical analysis is used to describe data distribution based on mean, standard deviation, and percentage. Meanwhile, we conduct inferential analysis using multiple linear regression to examine the impact of SIMPEG implementation on good governance at PT Concord Karawang. The Pearson Product-Moment method tests the validity of the research instrument before use, and Cronbach's Alpha tests its

reliability. If the Cronbach's Alpha value exceeds 0.7, the instrument is considered reliable and suitable for this study.

RESULTS AND DISCUSSION

Research Results

Digital transformation in human resource (HR) management has become an urgent necessity for companies to enhance work efficiency and effectiveness. The Employee Management Information System (SIMPEG) is being put in place at PT Concord Karawang to make employee data more open, accurate, and easy to get to, which is in line with good governance principles.

This study involved a population of 640 employees, consisting of 622 men (97.18%) and 18 women (2.82%). The sample was made up of 246 respondents, chosen using the proportionate stratified random sampling method to make sure that all employee groups were represented. The research instrument used was a questionnaire with a 5-point Likert scale to measure employees' perceptions of SIMPEG implementation. The results of the descriptive analysis show that most respondents think SIMPEG is an easy-to-use system (mean = 4.32), good at managing employees (mean = 4.45), and able to make HR data more open and accountable (mean = 4.41).

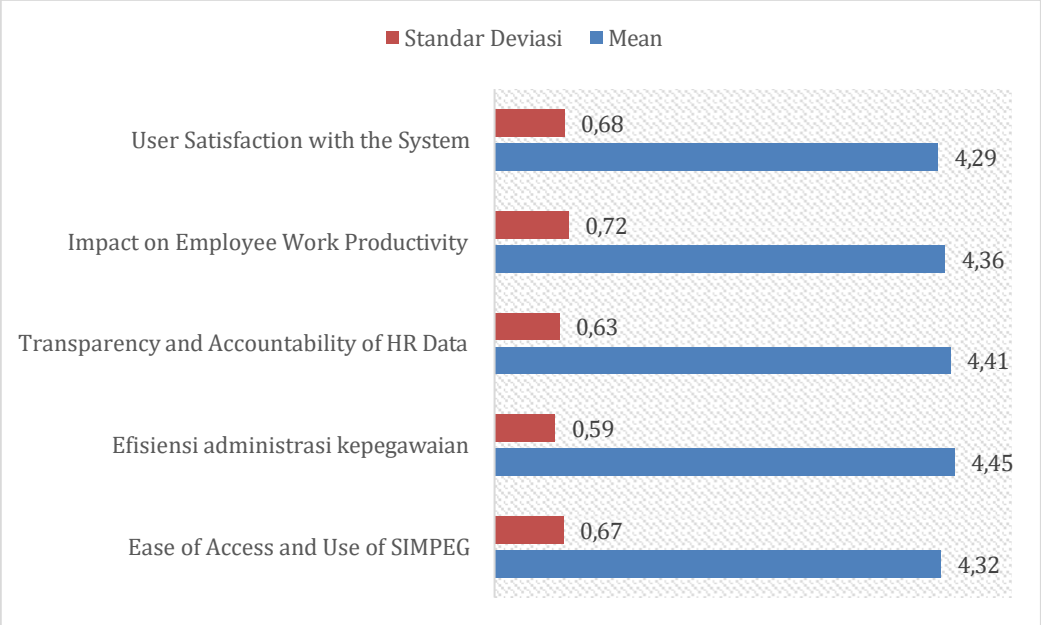


Figure 1. Response to SIMPEG Implementation

The findings of this study indicate that the majority of respondents provided highly positive assessments of the implementation of the Employee Management Information System (SIMPEG). These high ratings are primarily reflected in two key aspects: the efficiency of personnel administration and the transparency of data management. Respondents felt that SIMPEG has helped accelerate administrative processes and ensured that employee data can be accessed more easily and accurately, thereby enhancing transparency and accountability in human resource management. Before conducting regression analysis, validity and reliability tests were performed to ensure that the research instrument was suitable and consistent in measuring the study variables. The validity test using Pearson Product Moment showed that all questionnaire items had correlation values above 0.30, indicating validity. The reliability test using Cronbach's Alpha yielded a score of 0.87, demonstrating high reliability and confirming that the instrument was trustworthy for measuring the research variables (Hair et al., 2022).

To examine the extent to which the implementation of SIMPEG contributes to the application of good governance principles, multiple linear regression analysis was conducted. In this analysis, SIMPEG was evaluated through four independent variables: ease of access, administrative efficiency, data transparency, and its impact on work productivity. The statistical analysis results indicated that all four variables had a significant effect on good governance, with a probability value (p-value) of less than 0.05. This means that any improvement in ease of access, administrative efficiency, data transparency, and work productivity will have a tangible impact on strengthening good governance practices.

Among these four variables, administrative efficiency exhibited the greatest influence on good governance, as indicated by a regression coefficient (β) of 0.378. This suggests that improvements in administrative efficiency—such as expediting personnel data management processes and reducing administrative burdens—contribute the most to enhancing good governance principles. Next, work productivity also had a strong influence, with $\beta = 0.341$. This demonstrates that the optimal use of SIMPEG can improve employee effectiveness, which ultimately enhances the quality of public services. The ease of access variable ranked third with $\beta = 0.321$, indicating that the more accessible SIMPEG is for employees in obtaining HR-related information and services, the greater its contribution to better governance.

Lastly, data transparency had the lowest influence compared to the other variables, with $\beta = 0.294$, but remained significant. This suggests that while data transparency in SIMPEG contributes to good governance, its impact is still smaller than administrative efficiency, work productivity, and ease of access. Overall, this study confirms that SIMPEG plays a crucial role in enhancing good governance, particularly through improvements in administrative efficiency and work productivity (Sentanu, I., 2021). Therefore, optimizing this system can serve as an effective strategy for improving organizational governance, particularly in government sectors and personnel management.

There is a strong link between the four variables that were studied and good governance at PT Concord Karawang. The coefficient of determination (R^2) = 0.728 shows this. These variables are ease of access, administrative efficiency, data transparency, and impact on work productivity. In other words, changes in these four factors significantly contribute to improving human resource (HR) governance in the company. Meanwhile, the remaining 27.2% of variations in good governance are influenced by other factors not included in this study, such as organizational culture, leadership, management policies, or external factors. This suggests that while SIMPEG plays a crucial role in enhancing HR governance, other aspects must also be considered to achieve comprehensive good governance optimization.

Overall, this study confirms that the implementation of SIMPEG significantly contributes to improving HR governance at PT Concord Karawang. Enhancing administrative efficiency, data transparency, ease of access, and work productivity through this system helps create a more structured, accountable, and effective work environment. Therefore, further optimization of SIMPEG implementation can serve as an effective strategy to strengthen good governance practices within the company.

Discussion

Further analysis shows that the ease of access to SIMPEG benefits employees by allowing them to manage their HR information independently. This finding aligns with Zhang et al. (2023), who stated that HR digitalization improves accessibility, reduces reliance on manual processes, and accelerates administrative decision-making. At PT Concord Karawang, the majority of employees feel that SIMPEG enables them to access HR data more easily, including attendance records, salaries, and online leave requests. The impact of administrative efficiency is also significant in supporting better corporate governance processes. This system reduces HR administrative processing time by up to 40% compared to the previous manual methods. A

study by Brown et al. (2023) showed that the implementation of digital systems in HR management improves work efficiency and reduces the administrative burden on company management. By minimizing manual processes, PT Concord Karawang has successfully optimized resource allocation for other strategic activities.

Moreover, transparency and accountability in HR data have significantly improved after SIMPEG implementation. Previously, HR data was stored in physical documents, but now both employees and management can access it in real time. This finding backs up what Davis and Clark (2022) said about how digital HR information systems make it easier to audit data, lower the chance of data manipulation, and boost trust in company policies among employees.

Increased work productivity is another positive impact of SIMPEG implementation. With this digital system, employees can access HR information more quickly and efficiently, allowing them to use their work time more effectively. Rahman et al. (2023) found that companies implementing HR digitalization experienced a 15–20% increase in productivity since the time previously spent on administrative processes could be redirected to more strategic tasks.

Although the study results indicate positive impacts, there are some challenges in SIMPEG implementation. Some respondents mentioned technical difficulties, such as adapting to the new system and limited internet access in certain work locations. This aligns with Wang et al. (2022), who stated that the success of digital transformation heavily depends on infrastructure readiness and adequate employee training. To address these challenges, PT Concord Karawang has undertaken various efforts, including intensive training for employees, improvements in IT infrastructure, and the provision of technical support services for SIMPEG users. Survey results show that after training, employee satisfaction with the system increased from 73% to 89%, indicating the effectiveness of mentoring strategies in improving technology adoption in the workplace.

In addition to these strategies, PT Concord Karawang has also implemented a periodic monitoring system to evaluate the effectiveness of SIMPEG. According to a study by Roberts et al. (2023), companies that regularly evaluate their digital systems are better able to identify weaknesses and implement necessary updates to ensure that the system remains relevant to organizational needs. This evaluation also ensures that every feature in SIMPEG truly benefits its users. To enhance system sustainability, the company is also collaborating with technology vendors to develop new features that are more responsive to employee needs. In line with the study by Lee et al. (2023), collaboration between organizations and technology providers can improve the quality and usability of the implemented information system. Therefore, PT Concord Karawang needs to continue developing the SIMPEG system by adapting features to better meet employee needs and enhancing integration with other systems within the company. Additionally, regular evaluations of system effectiveness and improvements in employee training programs are necessary to maximize the benefits of this system.

As technology advances, digitalization in HR systems is no longer just an innovation but a pressing necessity for companies aiming to remain competitive. Technological advancements have enabled the automation of various administrative processes, reducing human intervention and improving work efficiency. In the context of PT Concord Karawang, the implementation of SIMPEG is not only a data management system for employees but also a tool for enhancing corporate governance as a whole. The development of digital technology has brought significant changes to HR management, especially with the adoption of cloud computing-based systems and artificial intelligence (AI). With these technologies, companies can manage employee data more flexibly, reduce the risk of data loss, and improve information accuracy. Cloud-based systems also allow HR data to be accessed from various locations, making them highly supportive of the increasingly adopted hybrid work models in modern companies.

Apart from cloud computing, the use of big data in HR management is also an emerging trend. By analyzing employee data collected in SIMPEG, PT Concord Karawang can identify work patterns, evaluate employee productivity, and make data-driven strategic decisions. For

example, data analysis can help companies formulate fairer compensation policies, identify training needs, and optimize work scheduling systems. Artificial intelligence (AI) can also be leveraged to improve HR system efficiency. AI-powered chatbots, for instance, can be used to answer employee inquiries related to HR matters, thereby reducing the workload of HR staff. Additionally, AI can assist in recruitment processes by automatically analyzing candidate resumes, selecting applicants based on their suitability for company needs, and minimizing bias in decision-making.

In facing the rapidly advancing digital era, PT Concord Karawang's main challenge is ensuring that all employees have sufficient digital literacy to use SIMPEG optimally. Therefore, the company must continuously conduct training and mentoring programs for employees, particularly those who are less familiar with digital technology. Additionally, SIMPEG integration with other applications used in the company, such as payroll systems or performance evaluation systems, also needs to be enhanced to create a more efficient digital ecosystem.

PT Concord Karawang should consider developing new interactive and adaptive features in SIMPEG to better accommodate employee needs. For instance, they could consider implementing an automated notification system to remind employees about important dates such as leave request deadlines, contract expirations, or performance evaluations. Additionally, the system could incorporate gamification features, where employees earn rewards or incentives based on specific work achievements.

To ensure optimal implementation of SIMPEG, regular evaluations of the system are necessary. Gathering employee feedback and benchmarking against similar systems used in other companies can achieve this. Moreover, PT Concord Karawang could collaborate with technology providers to continuously update SIMPEG features so that they remain aligned with technological advancements and the company's evolving needs. Thus, PT Concord Karawang must continue developing the SIMPEG system by adapting features to better meet employee needs and enhancing integration with other corporate systems. Additionally, regular evaluations of system effectiveness and continuous improvements in employee training programs are essential to fully optimize the benefits of this system

CONCLUSION

The research findings indicate that the implementation of SIMPEG at PT Concord Karawang has had a positive impact on HR management, particularly in improving administrative efficiency, data transparency, and work productivity. However, challenges such as employee adaptation, infrastructure limitations, and the need for broader training must still be addressed to ensure an optimal digital transformation. To overcome these challenges, PT Concord Karawang has implemented various strategies, including enhanced employee training, strengthening technological infrastructure, and conducting regular evaluations of SIMPEG's effectiveness. These efforts are expected to support good governance principles and ensure the system remains relevant to organizational needs. As a recommendation, future research could explore the long-term impact of SIMPEG implementation on overall organizational performance. Additionally, a deeper analysis of external factors influencing the success of HR digitalization across different industry sectors could provide broader insights for the development of technology-based HR systems.

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