



## Analysis of the Role of Human Resources in the Implementation of Digitalization of Group Health Insurance Business Processes at PT KLM Insurance

Franciska Natalia<sup>1</sup>, Sitti Rakhman<sup>2</sup>

Program Studi Ekonomi Bisnis, Sekolah Tinggi Manajemen Asuransi (STMA) Trisakti,  
Jl. Jenderal A. Yani Kav. 85, Cempaka Putih, Jakarta Pusat. DKI Jakarta, Indonesia. 10510

Article Info	ABSTRACT
<p><b>Corresponding Author:</b> Name of Corresponding : Franciska Natalia E-mail: <a href="mailto:franciska.nat81@gmail.com">franciska.nat81@gmail.com</a></p>	<p>Digital transformation in the insurance sector requires not only system renewal but also the readiness of human resources (HR) as the main driver of change. This study aims to analyze the role and preparedness of HR in supporting the digitalization of group health insurance business processes at PT KLM Insurance. Using a qualitative case study approach, data were collected through in-depth interviews with staff and management across key divisions. Findings reveal that digital competencies—both technical skills and soft skills such as adaptability and collaboration—are crucial for successful digitalization. However, challenges such as generational digital gaps, insufficient contextual training, and transitional workload hinder progress. Employee perceptions also show varied attitudes toward digitalization, highlighting the need for inclusive change management strategies rooted in a digital organizational culture. In conclusion, digital transformation success depends not only on technology but also on the full readiness and engagement of HR.</p> <p><b>Keywords:</b> Human Resources, Digitalization, Digital Transformation, Organizational Readiness, Work Culture</p>

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license



### INTRODUCTION

The advancement of digital technology in the insurance industry has transformed operational landscapes, including marketing, underwriting, claims management, and customer service. Digitalization, characterized by the adoption of technologies such as artificial intelligence, machine learning, document automation, and data-driven Customer Relationship Management (CRM), promises greater efficiency, speed, and enhanced customer experience. However, this technological adoption does not yield optimal results without the readiness of human resources (HR) as the key actors in the digital ecosystem.

Amidst the wave of digital transformation, one of the major challenges faced by insurance companies, including PT KLM Insurance, lies not only in the technological aspects but in how well HR can adapt to these changes. According to the Financial Services Authority (OJK, 2022), one of the primary obstacles to digitalization in Indonesia's financial services

*Analysis of the Role of Human Resources in the Implementation of Digitalization of Group Health Insurance Business Processes at PT KLM Insurance- **Franciska Natalia, et.al***

sector is the low level of digital literacy and technical skills among operational and managerial staff. The gap between rapid technological acceleration and HR readiness can hinder the strategic goals of digitalization, such as process efficiency, decision-making accuracy, and customer satisfaction.

Digital transformation is not merely a technological shift, but a systemic change involving work culture, leadership models, organizational structure, and the emergence of new roles that may not exist in traditional frameworks. In implementing digitalization in its group health insurance division, PT KLM Insurance urgently requires HR not only capable of operating digital systems but also equipped with analytical skills, data literacy, and cross-functional collaboration abilities.

Literature such as Kane et al. (2019) emphasizes that successful digitalization strongly depends on an organization's ability to develop HR digital capabilities through training, role restructuring, and enhanced technological literacy. This is supported by Gartner (2021), which found that organizations with high digital literacy across all HR levels are twice as likely to achieve efficiency and customer satisfaction goals through digital initiatives.

This phenomenon highlights that strengthening HR capacity is an inseparable foundation of the digitalization process. Without individual and team readiness to embrace and effectively operate digital systems, technological implementation risks becoming a mere formality with no tangible impact. Therefore, this study is essential to examine how HR readiness at PT KLM Insurance contributes to the success of digital transformation, particularly in the group health insurance segment, which involves high complexity and demands for speed and accuracy in service delivery.

## METHODS

This research adopts a descriptive qualitative approach, aiming to explore in depth the role and readiness of Human Resources (HR) in supporting the implementation of digitalization in the group health insurance business processes at PT KLM Insurance. Rather than quantifying variables, the study seeks to uncover meanings, experiences, and employee perceptions regarding digital transformation within the company. This approach allows a more nuanced understanding of how digital initiatives are received and adapted to by those directly involved in operational changes.

To achieve a contextual and holistic analysis, the study utilizes a single-case study approach, focusing exclusively on PT KLM Insurance. This method provides an opportunity to investigate complex organizational dynamics within their real-life setting, particularly in the context of ongoing technological changes. The research concentrates on the readiness and contribution of HR across various functions, including underwriting, claims, customer service, information technology, and human resource management itself. By observing and understanding these divisions, the research captures how digital systems are integrated into everyday processes and how employees respond to them.

The study involves a purposive sampling strategy, targeting employees who have been directly engaged in digital transformation efforts for at least one year. These individuals span from operational to managerial levels and have roles that require regular interaction with digital platforms. The total number of participants is ten, which is considered adequate for reaching data saturation in qualitative studies. This sampling ensures the inclusion of diverse perspectives while maintaining the depth necessary for meaningful analysis.

Data collection was conducted through semi-structured in-depth interviews and non-participant observation. Interviews were guided by a flexible protocol that enabled participants to reflect on their challenges, perceptions, and adaptive behaviors in the face of digital change. Meanwhile, non-participant observations allowed the researcher to witness how employees interact with digital tools in real-time, including their use of CRM systems, e-policy platforms, and digital claims processing. Observations also included responses to technical issues, the continuation of legacy practices alongside new systems, and interdepartmental communication patterns.

Thematic analysis was used to interpret the collected data, involving transcription, coding, and the identification of recurring themes. To ensure research validity, triangulation was employed through multiple sources and methods. Interviews from different departments were compared, and their insights were cross-referenced with observational data and supporting documentation, such as internal training materials and digital implementation guidelines. This triangulated approach enhances the credibility of the findings and reinforces the understanding that successful digital transformation is not solely about technology but critically about the people who engage with it.

## **RESULTS AND DISCUSSION**

### **The Strategic and Operational Role of HR in Digitalization Implementation**

Digital transformation in the insurance industry involves more than just adopting new technologies; it reflects a broader organizational shift that depends heavily on the engagement and active participation of human resources (HR). At PT KLM Insurance, in-depth interviews reveal that HR plays a vital role in two key dimensions—strategic and operational—which are both crucial to the success of digitalizing group health insurance business processes.

At the strategic level, HR acts as a change agent, contributing to the planning and decision-making processes related to the company's digital transformation roadmap. Several division leaders reported being actively involved in designing the digitalization roadmap, selecting appropriate technology platforms, and formulating new work policies tailored to a digital ecosystem. This supports the view of Kane et al. (2019), who argue that "digital transformation requires human-centered leadership that empowers employees as co-creators of change, not just recipients of technology." In alignment, Westerman et al. (2018) emphasized that organizations integrating HR into their digital core strategy are twice as likely to succeed in digital transformation as those focusing solely on technology.

At the operational level, staff involved in underwriting, claims, and customer service are now required to use systems such as automated underwriting algorithms, digital policy dashboards, WhatsApp Business API integration, and AI-driven chatbots. This digital shift demands a change from manual processes to data-driven, automated, and collaborative workflows. According to the Digital Capability Framework (DCMF) by Oberer & Erkollar (2020), digital capability can only be achieved when HR possesses a mix of technological skills, data literacy, and cross-functional collaboration. For PT KLM Insurance, this shift has affected work culture significantly. Employees accustomed to traditional systems must now adapt to faster-paced workflows, automated CRM systems, and data-driven decision-making. However, as noted by Bonnet et al. (2021), cultural resistance often emerges due to individual or group unpreparedness for change, while Arntz et al. (2022) found that unfamiliarity with technology can create new pressures and digital anxiety among staff.

## **Internal HR Challenges in Facing Digital Transformation**

Although digitalization promises operational efficiency and faster service, it also presents internal challenges for HR, particularly in organizations previously reliant on manual processes. At PT KLM Insurance, interviews identified three significant internal challenges affecting HR readiness during the digital transition.

First, there is a generational digital skills gap. Senior employees familiar with conventional systems face difficulties using new technologies such as OCR-based claims processing, digital dashboards, or API-integrated tools. Many experience low confidence in operating these systems and fear being replaced by automation. Van Laar et al. (2020) emphasized that generational disparities in digital competence can hinder successful technology implementation, especially in the absence of adaptive and personalized training. Similarly, Harteis (2018) highlighted that fear of job displacement can reduce employee engagement with technological changes.

Second, there is a lack of ongoing and context-specific training. Although PT KLM Insurance provides basic digital training, most respondents found it generic and not tailored to their specific job contexts. The absence of case-based or hands-on learning methods left many feeling unprepared for the new digital environment. Panisoara et al. (2022) stressed that effective digital training must be contextual and participatory, while Barrett & Davidson (2020) underscored the importance of continuous learning models to support organic adaptation rather than mere compliance.

Third, staff reported increased workloads during the transition period. Many employees were required to perform both manual and digital tasks due to unstable systems or uneven adoption across departments. This dual burden led to fatigue, demotivation, and resistance to change. DeLucas & Rietveld (2021) warn that digital burnout can result from unbalanced workloads and inadequate change management strategies. These findings suggest the need for holistic change management strategies that address emotional, social, and technical aspects of transformation, as described in Kotter's (2014) eight-step change model.

## **Digital Competency Readiness and Its Impact on Implementation Effectiveness**

Successful digital transformation in the insurance sector requires not only technological investments but also strong digital competencies among employees. These competencies involve both technical skills—such as system operation, data analytics, and automation—and soft skills like adaptability, learning agility, and cross-functional collaboration.

Employees with prior experience using digital tools adapted more quickly. In the underwriting division, staff familiar with data processing and digital workflows showed enthusiasm for system adoption and even contributed suggestions to improve algorithm logic and dashboard design. This aligns with Vuorikari et al. (2020), who emphasized that digital literacy strongly influences how effectively technology can be integrated into work processes. Tech-savvy employees are not only able to operate systems efficiently but also drive innovations and optimize features to enhance productivity.

Beyond technical skills, soft skills also play a critical role. Employees in customer service who were accustomed to using digital communication tools in their personal lives adapted more easily to chatbot systems and WhatsApp Business. This indicates the importance of translational skills—the ability to transfer digital familiarity from personal to professional settings. Mercader & Gairín (2020) found that digital self-efficacy and comfort in dynamic digital environments were key to successful technological integration. Furthermore,

employees who feel ownership over digital processes are more committed to improving service quality, resonating with Kesting et al.'s (2021) concept of employee-driven innovation.

The impact of digital competency is reflected in operational efficiency and customer experience. At PT KLM Insurance, enhanced HR capabilities led to fewer input errors, faster claims processing, and increased customer satisfaction. The average claim processing time decreased from 5–7 business days to just 1–2 days post-digitalization. Customer satisfaction index (CSI) scores also improved—from 78.4 in 2022 to 88.2 in 2024. These results demonstrate how competent HR can directly influence digital success. As Tarhini et al. (2019) noted, the success of digital service delivery is closely linked to employee technology readiness and mindset.

### **HR Perceptions of Digitalization and Its Organizational Cultural Implications**

Digitalization not only alters tools and systems but also triggers a profound transformation in organizational culture. At PT KLM Insurance, qualitative data reveal that the company is undergoing a cultural transition from a traditionally hierarchical structure to a more agile, collaborative, and technology-oriented organization. However, this shift has not been evenly experienced across all employee levels.

Many staff reported that the transformation process remained top-down, with decisions and system designs made by management without sufficient involvement from system users. This disconnect created a lack of ownership and engagement among frontline staff, resulting in lower adoption rates. These findings support Al-Haddad & Kotnour's (2021) theory that employee engagement in change processes is essential to foster a sense of ownership and reduce resistance. Structural changes alone are insufficient without participatory strategies that invite input from all levels.

Generational differences also shaped perceptions of digitalization. Younger employees saw it as an opportunity for growth and career development, while older employees viewed it as a threat to job security. According to Zanini & Meister (2020), digital natives are more agile in adapting to disruption, whereas digital immigrants require more empathetic and human-centered guidance. Bridging this perception gap is a key cultural challenge, and organizations must balance both the technological and psychological aspects of digital change. Beer & Finnström (2019) argued that successful digital transformations require attention to employees' emotional needs amid uncertainty.

Organizational culture must shift toward values such as openness to innovation, cross-functional teamwork, and data-driven decision-making. However, this cannot occur without strong internal communication and open feedback mechanisms. Buchanan & McCalman (2021) emphasized the need for empathetic and two-way communication to facilitate cultural change. Organizations must also adopt inclusive and human-centered change management approaches that empower individuals and teams. As Hiatt (2019) proposed in the ADKAR model—Awareness, Desire, Knowledge, Ability, and Reinforcement—organizational transformation succeeds only when each individual is personally and collectively supported through every stage of change.

## **CONCLUSION**

Based on the findings of this study, the implementation of business process digitalization at PT KLM Insurance is predominantly driven by the readiness and active involvement of human resources (HR), rather than by technological factors alone. HR plays

both a strategic role in shaping the direction of digital transformation and an operational role in its day-to-day execution. The shift toward more data-driven, collaborative, and adaptive work processes requires employees to master not only technical skills but also essential soft skills. The research identifies key internal challenges such as generational gaps in digital competence, the inadequacy of training programs tailored to specific divisions, and the burden of dual workloads during the transition period. Digital competency among employees has been shown to directly impact operational efficiency and enhance customer experience, as evidenced by faster claim processing times and higher customer satisfaction scores. Furthermore, differing perceptions between younger and older employees underscore the need for inclusive communication strategies and adaptive change management. Ultimately, the success of digital transformation is contingent on the organization's ability to manage HR readiness and foster a collaborative, cross-functional work culture. To ensure the success and sustainability of digital transformation, PT KLM Insurance is advised to strengthen inclusive change management strategies that go beyond top-down directives and involve employees across generations and departments in the planning and implementation of digital systems. Developing contextual and continuous training programs, such as real-case simulations and intergenerational mentoring, is essential to enhance digital literacy equitably. During transitional periods, organizations must allocate sufficient time and resources while redistributing workloads to prevent burnout and maintain productivity. Bridging the digital divide between generations through mutual learning initiatives can also foster a culture of respect and collaboration. In addition, building a supportive organizational culture—open to innovation, data-driven decision-making, and cross-functional teamwork—requires strong internal communication, recognition of innovative contributions, and leadership that models effective use of technology.

## REFERENCE

- Al-Haddad, S., & Kotnour, T. (2021). A review of organizational change models for successful implementation. *Journal of Organizational Change Management*, 34(2), 383–398.
- Arntz, M., Gregory, T., & Zierahn, U. (2022). Digitalization and the future of work: Macroeconomic consequences and labor market implications. *Journal of Economic Perspectives*, 36(1), 143–168.
- Barrett, M., & Davidson, E. (2020). The value of contextualized learning in digital transformation. *MIS Quarterly Executive*, 19(3), 179–195.
- Beer, M., & Finnström, M. (2019). The silent killers of strategy implementation and learning. *MIT Sloan Management Review*, 60(3), 73–80.
- Bonnet, D., Ferraris, P., & Westerman, G. (2021). *Leading digital: Turning technology into business transformation (Updated Edition)*. Harvard Business Review Press.
- Buchanan, D., & McCalman, J. (2021). *High performance change management: Sustainable organizational success through stakeholder engagement*. Routledge.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation and practice (7th ed.)*. Pearson Education.
- DeLucas, A., & Rietveld, J. (2021). Burnout in the age of digital transformation: A systems perspective. *Journal of Organizational Behavior*, 42(8), 1059–1076.
- Eling, M., & Lehmann, M. (2018). The impact of digitalization on the insurance value chain and the insurability of risks. *The Geneva Papers on Risk and Insurance – Issues and Practice*, 43(3), 359–396.

- Harteis, C. (2018). Machines, change and work: An educational view on the digital transformation. *Journal of Education and Work*, 31(1), 1–14.
- Hiatt, J. (2019). ADKAR: A model for change in business, government and our community. Prosci Learning Center Publications.
- Kane, G. C., Palmer, D., Phillips, A. N., Kiron, D., & Buckley, N. (2019). Accelerating digital innovation inside and out: Agile teams, ecosystems, and ethics. MIT Sloan Management Review and Deloitte Insights.
- Kesting, P., Ulhøi, J. P., Song, L. J., & Nielson, K. (2021). Employee-driven digital innovation: A systematic review. *Human Resource Management Review*, 31(4), 100807.
- Kotter, J. P. (2014). *Accelerate: Building strategic agility for a faster-moving world*. Harvard Business Review Press.
- Kumar, R., & Singh, A. (2021). Predictive analytics in insurance underwriting: Machine learning approaches and applications. *Journal of Risk and Insurance Technology*, 12(3), 145–160.
- Kumar, V., Choi, J., & Greene, M. (2020). Synergistic effects of social media and traditional marketing on firm performance: A customer equity perspective. *Journal of Marketing*, 84(2), 35–54.
- Mercader, C., & Gairín, J. (2020). University teachers' perception of digital competence: A qualitative study. *International Journal of Educational Technology in Higher Education*, 17(1), 48.
- Oberer, B., & Erkollar, A. (2020). Developing a digital transformation framework: Insights from experts. *International Journal of Information Management*, 55, 102191.
- Oliveira, T., Thomas, M., Baptista, G., & Campos, F. (2021). Mobile payment: Understanding the determinants of customer adoption and intention to recommend the technology. *Computers in Human Behavior*, 61, 404–414.
- Panisoara, G., Lazar, I., Panisoara, I. O., Chirca, R., & Ursu, A. S. (2022). Digital skills and training for digital transformation: Evidence from organizations in transition. *Education Sciences*, 12(4), 273.
- Porter, M. E., & Heppelmann, J. E. (2014). How smart, connected products are transforming competition. *Harvard Business Review*, 92(11), 64–88.
- Tarhini, A., Alalwan, A. A., Al-Qirim, N., & Algharabat, R. (2019). An analysis of the factors influencing the adoption of online customer service systems in the insurance industry. *Journal of Enterprise Information Management*, 32(5), 794–817.
- Van Laar, E., van Deursen, A. J. A. M., van Dijk, J. A. G. M., & de Haan, J. (2020). Determinants of 21st-century digital skills: A large-scale survey among working professionals. *Computers in Human Behavior*, 100, 93–104.
- Vuorikari, R., Punie, Y., Carretero Gomez, S., & Van den Brande, G. (2020). DigComp 2.1: The digital competence framework for citizens with eight proficiency levels and examples of use. Publications Office of the European Union.
- Westerman, G., Bonnet, D., & McAfee, A. (2018). *Digital transformation: A roadmap for billion-dollar organizations*. Capgemini Digital Transformation Institute.
- Zarifis, A., Holland, C. P., & Milne, A. (2023). Evaluating the impact of AI on insurance: The four emerging AI- and data-driven business models. *Emerald Open Research*, 1(15).