STRATEGIC REVIEW OF DIGITAL TECHNOLOGY TRANSFORMATION TOWARDS THE ERA OF DIGITAL CULTURE

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ABSTRACT

Digital technology continues to develop rapidly. The presence of digital technology can never be stopped or hindered. This research aims to prepare a strategic review in the context of digital technology transformation towards the era of digital culture. The research method used is qualitative descriptive analysis. The research results are a strategic review and guidelines for wise steps in dealing with digital technology. Accepting, getting to know, mastering, and developing digital technology is a strategic effort to help solve problems in human life that continue to develop. Therefore, everyone must undergo a digital cultural transformation to adapt and align themselves with technological advances. Many people, organizations, companies, agencies, and even countries have gone bankrupt because they cannot adapt to developments in digital technology. On the contrary, many people, organizations, companies, agencies, and even countries have advanced because they quickly adapt, accelerate, and innovate with a digital culture that continues to develop dynamically.

Keywords: Transformation, Digital Culture, Digital Technology

1. INTRODUCTION

God Almighty created humans according to their nature as social creatures who live in groups. They interact and communicate with each other. They can build competitions or collaborate. Humans instinctively have the desire to compete with each other but also have the desire to help each other. Competition and collaboration in social interaction are normal things in human life. As long as it is managed healthily and humanely, it will bring welfare benefits to human life itself.

Human existence continues to develop from generation to generation, ultimately creating social groups and ethnic groups. They are members of various organizations, such as government organizations, companies, educational institutions, and community organizations. These various organizations create cultures with characteristics that are believed to be able to provide their strength in maintaining existence, survival, meeting needs, and achieving common goals for the organization.

It is in group life that humans form an organization to be able to build cooperation to achieve goals to fulfill their life needs. They realize that it is impossible to achieve the goal of meeting their daily needs through their efforts because of their physical and mental limitations, so other people must help them to make it happen. Several people then form a group that is built based on several things they have in common, for example, similar goals, needs, background, education, enjoyment, and so on.

Several similarities then unite and give birth to a determination and bond of brotherhood. They come together to bond based on an agreement and form a more special group. The group that was formed was even given a name as an identity and characteristic that differentiates it from other groups. Each individual in the group tries to show his existence and potential so that he can make the best contribution to the group that has been formed. They interact with each other, communicate, exchange ideas, and share a sense of common destiny.

The process of interaction and communication between individuals in groups and between groups does not rule out the possibility of collaboration or competition. Collaboration will lead to conditions for mutually beneficial cooperation processes, whereas an atmosphere of competition will lead to conditions where each individual is motivated to want to show his/her potential to be better than others. A healthy competitive atmosphere will lead to better dynamics within the group, but on the other hand, an unhealthy competitive atmosphere can lead to conflict that can

destroy the group. Along with the rapid development of digital technology, patterns of interaction and collaboration are also experiencing changes or transformations, which is what is called digital cultural transformation.

2. LITERATURE REVIEW

2.1 Leader and Follower

In groups, there is an interesting phenomenon where there is an individual figure who always wants to stand out among the group members and can ultimately be appointed as a leader or leader of the group. However, there are also individuals in the group who appear mediocre and tend to like to act as followers who are usually referred to as followers or staff. This phenomenon that occurs is common in a group. Some followers have critical minds and some are less critical. Followers who think critically usually always monitor their behavior towards themselves and others. In their daily lives, critical followers are always careful and think about the impact of their behavior on themselves and others. Meanwhile, followers who are not critical tend to be passive, just waiting and accepting orders from their leader, and have difficulty thinking about the possibilities that will happen.

Talking about individuals who act as followers, it turns out that they have a style of carrying out their activities. There are conformist participants, namely followers who actively participate in activities but are unable to think critically. There is an Alienated follower style, namely followers who always think critically but are not active in participating in activities. There is a passive follower style, namely the type of follower who does not have critical thinking and is not active in activities. Some have a pragmatic survivor style, namely followers who always look for profitable positions for

themselves and always tend to avoid detrimental activities.

A leader needs the participation of his followers to help implement the leader's policies in the group. On the other hand, followers also really need a leader to provide role models, examples, motivation, guidance, and direction in every pattern of thought and action. This relationship between the leader and his followers then gave birth to the science of leadership.

An organization always develops and changes according to its era. Currently, the world has entered the era of Industrial Revolution 4.0, where in this era there has been a fundamental and extraordinary leap in organizational culture due to the influence of the spread of digital technology and the internet. Regarding this change phenomenon, Oreq (2006) and Wanous et al., (2000) reminded that organizational change will continue to occur continuously throughout time, thereby encouraging organizational members to make similar changes in anticipation of facing new challenges.

2.2 The Industrial Revolution and Its Effects

Let's look back at the historical journey of human life in previous eras, current conditions, and predictions of future destiny. There has been a shift in eras from Industrial Revolution 1.0, 2.0, to 3.0, and now at 4.0, and it does not rule out the possibility of another leap occurring. to the 5.0 era, wherein each of these eras there has been very fundamental changes in many aspects of human life. Each era has characteristics with a different emphasis on radical change and presents advantages according to its era. The essence of the radical changes in the Industrial Revolution itself is changing how humans produce things through the discovery and development of new technology to improve the quality of life and welfare.
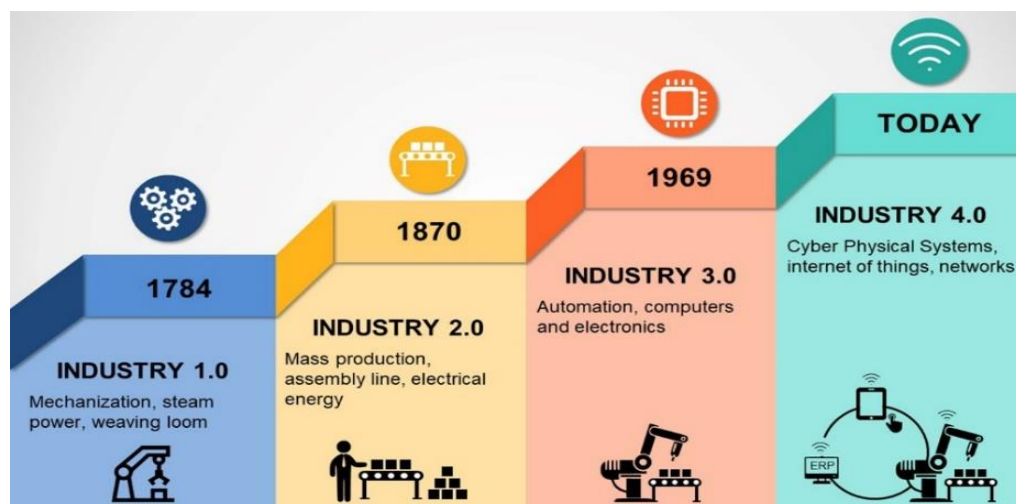

Figure 1. Industrial Revolution, radical changes from era to era
Source. https://www.freedomsiana.id/

Every change in the industrial revolution brings two different consequences, which can be beneficial or detrimental. There are many examples of companies that experienced losses, bankruptcy, and even destruction because they were unable to adapt to new changes, such as Kodak, Nokia, Toys R Us, Disc Tarra, Payless, Myspace, and Pebble. The company was initially able to appear as a large and well-established company with employees whose welfare was guaranteed. However, due to ignoring and being late in responding to technological digitalization the company, ultimately went bankrupt and was destroyed and was unable to rise again like the golden times it once experienced. This is very unfortunate because of the lack of attention to cultural change for the sustainability of the organization which has been used as a place to work and dedicate oneself for many years.

Figure 2. Unable to seize opportunities, Kodak went bankrupt
Source. https://warta Ekonomi.co.id/

Why did Kodak experience collapse? Even though Kodak is an American company that has been around for a long time, is large and well-established. Kodak was founded by George Eastman in 1892. The name Kodak became the trademark of the famous camera company for a century. In 1969, Astronaut Neil Armstrong, the first person to set foot on the moon, used a Kodak camera to capture his activities on the moon. Since then, Kodak has become a camera company with a good trademark and is well-known worldwide. However, six years later, when the development of digital technology rolled around, the Kodak camera market was taken over by Canon, Casio, Nikon, and Fuji Film, which were better able to see market opportunities in digital cameras. Kodak was too slow in anticipating innovation in its camera products, so it went bankrupt and could never recover.

Nokia also experienced a fate similar to that of the Kodak company. In fact, in the decade from 1990 to 2000, Nokia became the largest cellphone company in the world. The name Nokia is legendary as the most favorite cellphone in the world because the public widely uses it. So why did Nokia go bankrupt? Nokia's glory began to fade when Apple introduced the iPhone in 2007. The economic analysis concluded that three main internal factors caused Nokia's bankruptcy as the king of mobile phones, namely: weak company vision, the arrogance of its leaders (managers), and technological quality was far inferior. with Apple. Regarding the arrogance of the management ranks, it created a tense and tense culture so employees worked with fear (Wahyunanda Kusuma Pertiwi, Oik Yusuf, 2021).

Figure 3. Nokia is unable to compete in the technology arena
Source. Digital https://tekno.kompas.com/

What about Toys R Us, Disc Tarra, Payless, Myspace and Pebble? Why do these companies go bankrupt and not last long? Toys R Us turned out to be left out because it was unable to seize opportunities in competing to create an online shopping system offered by e-commerce. Disc Tarra was marginalized because it was unable to expand into digital media. Payless, entangled in high operational costs and also in debt. Myspace is marginalized by the existence of Facebook Cs, namely: Twitter and YouTube. Pebble was left out because it was unable to innovate touch screens so it was abandoned by its customers (AsiaQuest Indonesia, 2020). These companies are some examples of companies that have not been able to transform organizational culture in the digital era.

In essence, every individual must be able to adapt to new emerging technologies and always follow the latest developments in the field (Yuen et al., 2022). Digital competency involves technical skills such as operating digital devices (Basantes-Andrade et al., 2022), using software applications, and navigating online platforms (Vishnu et al., 2022). However, digital competency is more than just technical skills. It also includes critical thinking skills (Lorencová et al., 2019). Mastery of digital competencies will be able to bring organizations more global in line with the very dynamic development of digital technology.

Meanwhile, for companies that are very responsive to the development of digital technology, adopt and even implement it as a digital culture, the company can continue to exist and not be abandoned by its customers. For example, Netflix, Hasro, GoJek, Nike, etc., are many companies that have carried out digital transformation (Natalia, 2021). Digital transformation is used as an appropriate and effective business strategy for attracting as many customers as possible. In fact, in times of crisis like now, digital transformation is considered more efficient and effective than applying previous methods which were carried out manually or conventionally. Slowly, gradually, or radically, digital transformation must still be carried out so that organizations can survive amidst global challenges that are complex and full of uncertainty.

It turns out that it is not only organizations operating in the business sector that are carrying out digital transformation. Government organizations, TNI, Polri, educational institutions, community organizations, professional associations, and other types of organizations also need to do the same thing in digital transformation. The Indonesian government, under the leadership of Ir. Joko Widodo has tried to pioneer a road map towards digital cultural transformation.

Several policy regulations were issued by the Indonesian Government to further encourage the strengthening of digital transformation so that it is hoped that the process can run as stipulated. The issuance of Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Information and Electronic Transactions is one of the Government's efforts to deal with cyber threats that have developed in the digital world. Then the issuance of Presidential Regulation number 39 of 2019 concerning One Indonesian Data (SDI) is an example of the government's good faith towards digital transformation in the context of accurate, up-to-date, integrated, and accountable data management.

On various occasions at world-level meetings such as the G20 in 2022 in Bali and the ASEAN Summit in 2023 in Jakarta, President Joko Widodo emphasized to the world to immediately implement digital transformation to build an efficient world economy. At the G20 event, initiated by the Indonesian Government, the forum was finally able to give birth to the concept of encouraging payment system support to prepare a digital-based post-pandemic economy. Meanwhile, at the ASEAN Summit, the Indonesian Government urged ASEAN member countries to pay attention to the green and digital economy. These two topics were successfully discussed and received priority from ASEAN members to be developed in their respective countries. The development of a green and digital economy has a high urgency to face the challenges of climate change and industrial revolution 4.0. At various national level events, President Jowo Widodo has reminded the government and the Indonesian people to work together to accelerate digital transformation in the country.

In the digital era, technology, and digital transformation inevitably have to be adopted, mastered, applied, and developed into promising opportunities. The behavior of avoiding technology and digital transformation is the same as digging your own grave, which of course can result in self-harm. Digital transformation requires a leader who can understand developments in the strategic environment around him and direct his members to have a digital culture. A leader can sometimes impose his or her values and assumptions on a group. If the group takes it for granted, then a new culture will be created within the group and will be transmitted to the next generation of new members.

Opportunities can only be created through critical thinking and creative and innovative actions carried out continuously. New ideas or notions are always generated so that new activity processes grow which need to be followed up. New problems automatically emerge along with these ideas. New methods, techniques, and steps in solving each problem will also grow and develop along with the times.

3. RESEARCH METHODS

This research is qualitative. Qualitative research in question is to understand the phenomena experienced by research subjects holistically by descriptive means in the form of words and language in a context, especially natural ones, by utilizing various natural methods. Furthermore, this research uses descriptive qualitative research which aims to collect detailed actual information that describes existing symptoms, identifies problems, or examines prevailing conditions and practices. The descriptive method is used to systematically describe certain facts or areas of digital technology in the digital culture era.

4. DISCUSSION AND RESULTS

4.1. The Urgency of Digital Transformation in Organizations

The term digital transformation is a term that is currently trending in line with the dynamics of digital technology development which is currently widespread. Digital transformation is a change effort carried out by integrating digital technology into all lines that are the core business of an organization. The presence of digital technology has brought fundamental changes to all aspects of an organization's daily operations. This means that the digital transformation of organizational culture must be carried out so that the organization becomes more productive and more competitive, and the expected organizational goals can be achieved effectively and efficiently.

An effort to carry out a digital transformation process is not easy because it requires breaking down old habits from the past that are still attached. Successful transformation of organizational culture in the digital era requires planned, systematic, gradual, and sustainable efforts. Without well-managed, hard, and intelligent efforts, it will be difficult to implement digital transformation as a culture that is to be developed in the organization. Success in implementing the digital transformation process of course requires a good understanding of various matters related to digital technology, market needs, innovation, and systematic approaches from all members of the organization, including policies from top leaders.

Several benefits can be obtained if you can carry out the transformation quickly and precisely. That is. Among others:

a.   Increase productivity while reducing labor costs.

Digital technology is used to increase the productivity of employees or organizational members. When compared to working manually, the use of digital technology is considered more efficient and effective. The data and information prepared are very accurate because they can be used for analysis and decision-making quickly and precisely.

b.   Increase customer satisfaction.

Productive performance from employees or organizational members will have a direct impact on improving customer service so that the customer satisfaction index can be increased. Tech-savvy customers want the best service through various interactions such as mobile applications, social media, email, live chat, etc.

c.   Make the organization more competitive.

Along with the challenges of global competition between organizations, digital technology transformation will be able to improve organizational performance so that it is more competitive. Digital technology provides power that can change organizational strategies to make them more effective and efficient.

d.   Analysis. Fast, accurate, precise, and professional decision-making.

The application of digital technology can influence organizational strategies in making important decisions based on valid data analysis. Data collection, analysis, and use can be done quickly, making it possible for leaders to make decisions quickly, accurately, precisely, and professionally.

5.   CONCLUSION

Digital technology continues to develop rapidly, and the presence of digital technology can never be stopped or hindered. The wise step in dealing with digital technology is to accept, recognize, master, and develop digital technology to help solve the problems of human life. Therefore, everyone needs to carry out a digital cultural transformation to adapt and align themselves with technological advances. Many organizations, companies, agencies, and even countries have gone bankrupt because they cannot adapt to developments in digital technology. On the other hand, organizations, companies, agencies, and even countries are progressing because they quickly adapt, accelerate, and innovate with a digital culture that continues to develop dynamically. Therefore, it is necessary to prepare a strategic review regarding the Strategic Review of Digital Technology Transformation Towards a modern and strong Digital Cultural Era.

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