

# TRANSFER OF TRAINING IN INDONESIA STATE-OWNED ENTREPRISES TO FACE THE ASEAN ECONOMIC COMMUNITY 2015

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## ABSTRACT

*The purpose of this paper is to provide an overview of the theoretical importance of transfer of training for State-owned Enterprises (SOEs) in Indonesia in order to face the ASEAN Economic Community 2015. This paper is a pre-research paper for the influence of transfer of training towards firm performance. It applied a library research with secondary data analyzing literature about transfer of training and Gagné's five learned capabilities. The expected result was the existence of a specific training system for SOEs in Indonesia for there are very diverse areas of state-owned enterprises in Indonesia. The end goal is Indonesia State-Owned Enterprises have better competitiveness in global market.*

**Keywords:** *transfer of training, learning outcomes, training, competitiveness*

## ABSTRAK

*Makalah bertujuan untuk memberikan gambaran teoretis tentang pentingnya transfer pelatihan untuk BUMN di Indonesia dalam rangka menghadapi masyarakat ekonomi ASEAN pada 2015 (ASEAN Economic Community 2015). Artikel ini merupakan tulisan prapenelitian tentang pengaruh transfer pelatihan terhadap kinerja perusahaan. Artikel menggunakan metode studi pustaka dengan data sekunder yang menganalisis literatur tentang transfer pelatihan dan lima kemampuan belajar Gagné. Hasil yang diharapkan adalah adanya sistem pelatihan khusus untuk BUMN di Indonesia karena sangat beragamnya BUMN di Indonesia. Tujuan akhir adalah untuk BUMN Indonesia memiliki daya saing yang lebih baik di pasar global.*

**Kata kunci:** *transfer pelatihan, hasil belajar, pelatihan, daya saing*

## INTRODUCTION

The development of technology is growing rapidly, as well as changes to condition of the world economy that is increasingly uncertain. Such condition demands a state to improve the quality of its human resources. One of the most important elements in order to improve the progress of a nation is the quality of its human resources. Education and training of human resources is a strategic means to improve the quality of human resources of a nation, company, or organization. Then the strength of the competitiveness of a company can be measured by the progress of educated human resources through a variety of trainings.

The success of a few companies in the world is inseparable from the progress at the start of its human resources, education, and training, so is the State-Owned Enterprises (SOEs) in Indonesia. Indonesia has 140 State-Owned Enterprises which consist of 13 sectors, ranging from agriculture, forestry, plantation, mining, processing, information systems, water and air, construction, trade, hotels, transport, electricity and gas, banking and finance, real estate and consulting services (Act No. 19, 2003). Nevertheless, in fact, the education and training system in Indonesia State-Owned Enterprises has not shown the expected success.

Education and training resources in Indonesia State-Owned Enterprises still have not succeeded in creating reliable human resources (HR), and moreover, to increase company's quality level into a world-class business entity. This can generally be seen from the depreciation of the Human Development Index (HDI) of Indonesia. Seen from ranking of the competitiveness of Indonesia, the national development planning (BAPPENAS, 2012) mentions that among the ASEAN countries, after Singapore, the country's highest ranking of competitiveness in 2012 is Malaysia (25), followed by Brunei Darussalam (28) and Thailand (38). Furthermore, Indonesia is the fourth (50). Timor-Leste is the last (136). The ASEAN countries that experienced the largest increase in competitiveness index since 2008 are Cambodia (24), Brunei Darussalam (11), Philippines (6), Indonesia (5), and Singapore (3). As for Malaysia, Thailand, Vietnam, and Timor-Leste experienced a decline in the competitiveness ranking for 2008–2012. Table 1 shows the ASEAN index of competitiveness ranking for 2008–2012.

Table 1 ASEAN Index of Competitiveness Ranking for 2008–2012

No.	State	2008	2012	Fluctuation
1	Singapore	5	2	3
2	Malaysia	21	25	-4
3	Brunei Darussalam	39	28	11
4	Thailand	34	38	-4
5	Indonesia	55	50	5
6	Philippine	71	65	6
7	Vietnam	70	75	-5
8	Cambodia	109	85	24
9	Timor-Leste	129	136	-7

(Source: UNDP, 2012)

One of the disadvantages of the system of education and training in Indonesia State-Owned Enterprises, or maybe in some companies, in Indonesia is company has not cultivated yet the transfer of training result from employee trainees to their work fields. Transfer means that learners/trainees are able to “transfer” their knowledge and skills learned in a training session back to their jobs. The importance of training result transfer cannot be overemphasized. Organizations spend billions of

dollars each year on training, yet only a fraction of those investments results in improved performance if training transfer is not supported by the employer. (Society for Human Resources Management, 2008)

## METHOD

Given such conditions, this paper is a preliminary research for the effect of training result transfer on firm performance. This paper applies a library research (literature study) with secondary data. It analyzes transfer of training (Baldwin & Ford, 1988; Holding, 199; Noe, 2013) and Gagné's five learned capabilities (Gagné & Medsker, 1996). This article provides a theoretical overview of the importance of transfer of training for Indonesia state-owned enterprises. The transfer is important as Indonesia will be facing ASEAN Economic Community in 2015. This preliminary research will result in conclusion and some recommendations.

## DISCUSSION

Noe (2013) explained that transfer of training refers to trainees effectively and continually applying what they have learned in training to their jobs. Meanwhile, Baldwin and Ford (1988) stated that the success of an employee for the transfer of training results carried out in her/his work is influenced by several things, including: trainee characteristics, training design, work environment, learning process, and transfer of training. Those three things (trainee characteristics, training design, and work environment) influence the atmosphere of the process of learning or training for employees which will affect employees in order to apply the results of her/his training through employment. Transfer of learning outcomes and training conducted by employees will be applied through employment with a process of generalization and maintenance. Generalization refers to the ability of employees in applying what they learned when training as a process of learning that in general they will apply on its work in accordance with the situation and the problems encountered.

Therefore, designing a training similar to the problem and the job situation in employees' working environment is very important as part of employee training system. Because Indonesia State-Owned Enterprises (there are 140 in Indonesia State-Owned Enterprises from 13 Sectors) are varied, the design of training in accordance with the working environment in Indonesia State-Owned Enterprises will be different and come in various design trainings. The design of training of Indonesia State-Owned Enterprises in the field of land transport will be different with sea or air transport. The training design of Indonesia State-Owned Enterprises in agriculture sector will differ from the Indonesia State-Owned Enterprises in plantations, fisheries, forestry sector, etc.

The characteristics of the participants are in regard to the results (outcomes) of the learning process when training. These outcomes relate to the requirements needed by employees who will attend training in order to increase their performance after training. As a trainee, s/he shall deeply know about the outcomes that will be generated after the training will be an increase in intellectual skills. Including these characteristics, basic skills which are owned by trainee employees are cognitive ability, potential, learning motivation, enthusiasm, etc. (Noe, 2013)

The design of the training is how to create a learning environment that can help trainees acquire the results of this training pursuant to the goal of the increasing performance of their job. Furthermore, the training material is in accordance with the line of work. Work environment relates to many things, such as climate or mood of the work physically and non-physically. The atmosphere of

physical work relates to the physical equipment used in employee's work. It is supposed to be fit and/or support for transfer of training; for example, whether the results of the training are supported by adequate equipment to improve performance. Non-working physical atmosphere can be exemplified as work culture, leadership, management, mission of the company, etc. In a schema, the relations between variables above are described in Figure 1.

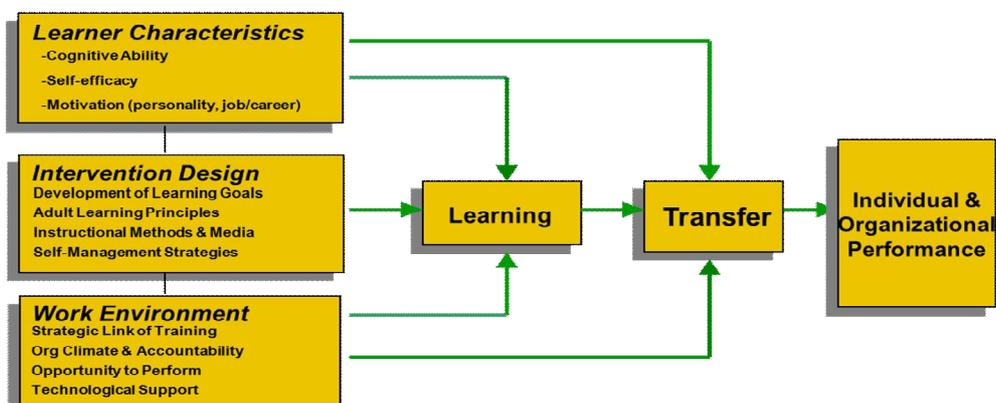


Figure 1 Relations between Learner Characteristics, Intervention Design, Work Environment, and Performance  
(Source: Society for Human Resources Management, 2008)

Observing those three things that affect the process of the transfer of the training, Indonesia State-Owned Enterprises would like to be a company that can compete in global marketplace. It is mandatory to begin identification in accordance with the characteristics of the existing Indonesia State-Owned Enterprises. Although to date the identification may already have been done, it needs continuous improvement of the process of transfer of training for the size of global rate.

Keywords from all of the above described are the process of learning when training and learning outcomes which apply on the job (learning process and the transfer of learning or learned or learning outcomes). Gagné and Medsker (1996) stated there are 5 learning outcomes which can be described and can be given for example when applied. Table 2 shows five learned capabilities.

Table 2 Gagné's Five Learned Capabilities

No.	Learning Outcomes Types	Description of Ability	Examples
1	Verbal Information	Can be suggested and state. Can explain in detail, the work that has been done. Be able to recall the information.	Mention three reasons work safety procedures.
2	Intellectual Skill	Can apply a concept to resolve the issue can create something new.	Designing computer programs to meet the demands of the customer's requirements.
3	Motor Skill	Can make the decision taken accurately.	Shoot the target with precision
4	Attitudes	Personality and can manage culturally	Willing to serve 24 hours
5	Cognitive Strategies	Appropriate learning and thinking.	Diagnosing errors that occur and devise at least three strategies solving

(Source: Gagné & Medsker, 1996)

Verbal information is the verbal information which accepted by someone. Verbal information includes labels and fact and bodies of knowledge. Labels and fact refers to naming and signing of special verbal information responds which accepted by receptor organ of human being (a specific input). Bodies of knowledge refer to reminding of information or experiences to recall for connected with reality reface.

Intellectual skill includes discriminant, concrete concept, rule using, and problem solving. Generally it is called "Gagné identified taxonomy". Discriminant is someone's ability to differ responds and stimuli accepted. Different stimuli will be responded in different action. Concrete Concept is ability to respond the stimuli accepted by someone and it will be individual interests, such as: someone like jazz, country, pop music, etc. Rule using is response of someone for an activity by understanding rules and applying rules which s/he accepts and understands. The rules are as same as a situation and condition faced. Problem Solving is combination of understanding rules level used for problem solving in unpredictable situation. Problem solving in process probably emerges new ideas to solve the problem with trial and error.

Motor skill refers to physical movement with muscles. Physical movement is a form of response for accepted stimuli to do something. Attitude(s) is the state of a person when responding stimuli received, but are not implemented yet still awaiting consideration before implemented. Attitude also means an internal state which affects an individual's choice of action toward some objects. Moreover, cognitive strategy is an internal process in an effort to control individuals in the process of thinking and learning from what they received.

Furthermore, learning outcomes are obtained from the process of learning. When learning outcomes are transferred into work area of an employee, s/he is expected to improve employee and work performance that will ultimately improve organization performance. The explanation about how each individual responds to what is received, then how an individual's response to it is in accordance with Gagné's five learned capabilities (Gagné & Medsker, 1996).

Specifically, Holding (1991) stated that training occurs whenever the effects of prior learning influence the performance of later activities. Transfer of training refers to the knowledge and abilities of oneself in resolving the problem. The success rate of employees in applying the transfer of training is influenced also by the officers' skill level in creating training situations as if equal to the job situation at hand (Baldwin & Ford, 1988). Moreover, Baldwin and Ford (1988) defined that it reflects an industry/organization in psychology perspective. A psychologist might be interested in how trainees' motivation to transfer related to later job performance. The training domain (e.g. a web-based training program) might be very different from the later 'activity' domain (e.g. job performance).

There are three types of transfer of training according to Baldwin and Ford (1988). Positive transfer is when prior learning or training facilitates to acquire a new skill or to reach the solution to a new problem. In this situation, the individual performs better than before having the prior training. Negative transfer is when prior learning or training hinders to acquire a new skill or to reach the solution to a new problem. In this situation, the individual performs worse than after having the prior training. Zero transfer is when past experience or training neither enhances nor hinders to acquire a new skill or to reach the solution to a new problem.

From those three types of transfer of learning, the positive transfer is expected. The ideal training facilities used can provide new skills for the participants. So that, when they completed the training and applying it in their work, they will perform better than before training. The second type of situation (negative transfer), after given training, employees should look for them how to resolve problems encountered in the improvements. The third type is when the training undertaken by employees has no impact on their work. It means the training does not result in performance.

## CONCLUSION

Based on this preliminary research, it concludes as follows. Transfer of training is expected to be applied, when factors that affect the transfer of training are understood. The factors that affect the transfer of training include trainee characteristics, design of training, work environment, and process of learning. Trainees can identify capabilities of individuals in receiving information from training and have an ability to transfer what is acquired during the training. The capabilities of each individual in order to perform the transfer of training are verbal ability information, intellectual skill, motor skill, attitude, and cognitive strategies. Transfer of training results is expected to be positive transfer. Positive transfer conducted by the Indonesian State Owned Enterprises will increase competitiveness in the global market.

Moreover, this paper has some recommendations. Understanding the theory of transfer of training will help HR Department in the company prepare the training more in line with the needs of the job. The HR Department should attempt to involve stakeholders in investing capitals for training. Cooperation among stakeholders to achieve the objectives of the company through training and transfer of training is very important. Training is an investment as a profit center, not a cost center.

Clarity of performance to be achieved by organization and by individual members of the Organization should be clearly understood and implemented. Assigning employees who really have willingness and motivation to learn or have training is the right step. To deal with the ASEAN Economic Community 2015, Indonesia State-Owned Enterprises must understand the transfer of training to enhance company's competitiveness in global market.

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