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Navigating the Challenges of Digital Transformation: Insights from the Salary Payment System in Sangkat Ta Khmau

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Abstract

The shift towards the digital salary payment system can be regarded as an important leap in the administration of public affairs in Cambodia, especially in Sangkat Ta Khmau. This research aims to identify the challenges and opportunities of the shift towards the digital system, especially in relation to civil servants' experiences. This study employed a qualitative research design in gathering data from in-depth interviews of key stakeholders in the public administration system of Cambodia. Based on the findings of the research, it can be identified that even though the shift towards the digital system has been beneficial in terms of transparency, efficiency, and job satisfaction, civil servants still need training in fully utilizing the benefits of the system. However, the majority of civil servants were found to be satisfied with the usability of the digital applications. This study provides significant insights into the recent developments in e-governance in Cambodia, especially in terms of important recommendations for improving public affairs administration through innovative technological solutions.

Keywords: *Digital Transformation, Public Administration, E-Governance, Civil Servants, Organizational Culture*

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Introduction

The digitization of public administration has been identified as a key factor in improving the efficiency, accountability, and transparency of public services around the world. In Cambodia, the use of technology in administrative affairs is not only beneficial but also necessary in order to satisfy the growing demands of the people. The recent technological developments, including the adoption of the Digital Economy and Society Policy Framework for 2021-2035 and the Digital Government Policy for 2022-2035, highlight the commitment of the Cambodian government to adopt a modern framework for its public administration system. The new policies are designed to overcome the inefficiencies of the bureaucracy and make optimal use of resources, thereby promoting a more responsive and effective governance system (Mono, 2021; Vichana, 2023).

SWithin the context of Sangkat Ta Khmau, the shift from the traditional manual salary payment system to a digital platform is one such example of this modernization process. Traditionally, the civil service salary payment system in Cambodia has been faced with numerous challenges, some of which include delays, inaccuracies, and a lack of transparency. For example, prior to the digitization process, civil servants were faced with delays in the

processing of their salaries, which on average took 10 to 14 days, with a margin of error of about 15% in the salary payment process (World Bank, 2013). This not only affects the morale of the employees but also fosters a culture of corruption within the institutions (Korm, 2011; Tep, 2015). The digitalization of the payment process of salaries offers an opportunity for these long-standing problems to be addressed with the aim of streamlining the process, reducing the chances of mistakes, and increasing transparency. However, the civil servants have raised some concerns regarding their ability to cope with the change in the use of technology, thus requiring training during the transition period. The intricacy of the digitalization process and its integration into the existing bureaucratic structures have raised some challenges, including the resistance to change and the requirement for the necessary technological infrastructure (Banga et al., 2020; Ndou, 2004).

The primary objective of this research is to examine the impact of the newly implemented digital payment system on the experiences and perceptions of civil servants in Sangkat Ta Khmau. Through an exploration of the challenges faced during the transition process, this research will offer important insights into the success of e-governance in Cambodia. Therefore, the findings of this research will be an important addition to the discourse on the modernization of public administration in the country, providing important recommendations for those seeking to improve service delivery through innovative technological solutions. Finally, it can be concluded that apart from emphasizing the need for digitization in improving public administration, this research also emphasizes the need for support and training of civil servants in the effective implementation of digital systems, which is important in creating an efficient and transparent governance system that will benefit the people of Cambodia.

Literature Review and Research Focus (for Qualitative)

Overview of E-Government and Digitization

The idea of e-government represents an important milestone in the administration of government, particularly in developing countries like Cambodia. E-government has been defined as "the application of Information and Communication Technology (ICT) to improve interaction between citizens and government, thus enhancing service delivery and engagement" (Al Kilani & Kobziev, 2017). Inglehart and Baker (2000) suggested that modernization is a process that begins with traditional agrarian societies and moves towards industrialized and modern economies with complex interdependencies. This is evident in Cambodia, where there are strategic plans aimed at improving service delivery and eliminating bureaucratic inefficiencies in the country, like the Digital Economy and Society Policy Framework (2021-2035) and Digital Government Policy (2022-2035), which have been put in place (Mono, 2021; Vichana, 2023). E-government involves a number of interaction models, including Government to Citizen (G2C), Government to Business (G2B), and Government to Government (G2G), and the overall goal is to enhance the efficiency of operations and win the confidence of citizens (Alshehri & Drew, 2010). In Cambodia, the models are intended to enhance the level of service delivery to citizens, as is currently demonstrated by the effort to digitalize the government and make it accountable (Fang, 2002).

Common Challenges in Digitization

Despite the potential benefits, however, it should be noted that there are several challenges that can be associated with the digitization of public services. For example, the factor of civil servants' resistance to change and the lack of civil servants' digital literacy skills can be considered as a challenge that can be associated with the digitization of public services (Agocs, 1997; Chetty et al., 2018). For example, the civil servants of Sangkat Ta Khmau are slightly experiencing difficulties in changing the method of payment from the cash payment method to the digital payment method.

Infrastructure Limitations

One of the most important factors that work as a hindrance to the application of e-government is the lack of technological infrastructure. There are many places in Cambodia where the required infrastructure is lacking, which is acting as a hindrance in the proper delivery of services (Khadka, 2024; Banga et al., 2020). This not only works as a hindrance in the proper delivery of services, but the deprived sections of society are also being further marginalized by not allowing them the benefits of development provided by technology. Moreover, the issue of security and privacy of data is also an important factor that works as a hindrance in the proper adoption of technology by society (Petrucelli & Peters, 2016). The experience gained in Sangkat Ta Khmau has also revealed that in order to properly implement technology, these issues have to be kept in mind.

The Role of Organizational Culture

Organizational culture also plays an essential role in the success of digital transformation programs. Organizational culture can help to build trust and inspire civil servants to adopt new technologies (M. Taylor et al., 2014). In the context of Sangkat Ta Khmau, the organizational culture is viewed as positive but has not greatly impacted the level of trust and satisfaction among civil servants. This is an area for further improvement in terms of technological and organizational culture. According to a study by Ndou (2004), it is important to note that the success of e-government initiatives not only depends on technological developments but also on a cultural change in the organization to ensure responsiveness and flexibility. The relationship between organizational culture and the adoption of information technology is essential in improving the effectiveness of public administration.

Implications for Policy and Practice

The results of this review of literature highlight the significance of overcoming the challenges of digitization in public administration. It is important for policymakers to focus on investments in technology, training of public servants, and an inclusive culture that facilitates participation in decision-making processes. These are critical steps towards successful implementation of digital payment of salaries. It is worth noting that the importance of the literature review lies in the critical role that e-government plays in the modernization of public administration in Cambodia by focusing on the challenges and opportunities of the digitalization process, thus providing insights into the effective implementation of e-governance, which will improve service delivery in the country and instill confidence among civil servants.

Method

This research utilizes a descriptive survey design with a qualitative approach in determining the challenges and opportunities that are involved in the digitalization of the salary system of Cambodian civil servants. The use of qualitative and quantitative research methods will give an overall view of the perception of the new digital salary payment system by civil servants in Sangkat Ta Khmau. Data collection includes primary and secondary data. Primary data is collected using semi-structured in-depth interviews with key stakeholders who are directly involved with the salary payment system. These key stakeholders include the Commune Chiefs, Council Members, and administrative assistants. These interviews provide an opportunity for gaining deeper insights into the transition process. Secondary data is collected by carefully examining relevant documents and materials related to the wage system and other relevant policy reports.

The participants are selected through purposeful sampling, where the respondents have important knowledge about the research objectives. Thematic analysis is also applied in the analysis of qualitative data, where the data is organized in the form of themes and sub-themes according to the emerging patterns. This helps in the identification of important factors affecting the adoption of the digital system of salary payment, leading to appropriate recommendations.

Result and Discussion

Survey Sample

The research subjects were 48 civil servants of Sangkat Ta Khmau who were experienced in using the recently implemented online salary payment system. This gave the research a 100% response rate since all questionnaires were returned. However, only 40 questionnaires were deemed usable for analysis after assessing the questionnaires due to bias-related issues, giving the research an **83.33%** response rate.

Table 1: Profile of Respondents

Respondent Category	Count	Percentage
Commune Chief	1	2.08%
Deputy Commune Chief	2	4.17%
Council Member	8	16.67%
Commune Assistants (Finance, Administration, Civil Service)	4	8.33%
Head of the Villages	11	22.88%
Deputy Village Chief	11	22.88%
Village Assistant	11	22.88%
Total	48	100%

Identified Challenges

Moreover, qualitative responses provided by participants identified some of the major challenges that civil servants might face while adapting to this new digital system of salary payment. These challenges include:

1. **Technological Literacy**
Some of the civil servants felt that they needed to be trained properly to effectively utilize this new technology. From their responses, it was clear that they were not familiar with this new technology.
2. **Concerns over Data Security**
Some of the civil servants were apprehensive about their personal information being secure within this new digital system. The issue of data breach was of major concern.
3. **Resistance to Change**
Some of the civil servants were found to resist this new system of digital payment of salaries. The main reason for this was their fear of losing their jobs.
4. **Infrastructure Limitations**
Some of the civil servants living in rural areas were found to face problems of accessing this new digital system of payment. The lack of technology was found to affect this digital system of payment.

Table 2: Summary of Key Challenges

Challenge	Description
Technological Literacy	Need for training on the new digital systems
Data Security Concerns	Apprehensions about the safety of personal information
Resistance to Change	Hesitation in adopting new processes due to fear and skepticism
Infrastructure Limitations	Issues with access to reliable digital services, especially in rural areas

These aspects point out the complexities that need to be considered to ensure the successful implementation of the digital salary payment system within the civil servants of Sangkat Ta Khmau.

Interpretation of Findings

The adoption of the digital system for the payment of salaries has been received with positive enthusiasm, as demonstrated by the average rating of 4.045. However, some challenges could hinder the success of the digital system. A challenge associated with the digital system is the fact that although the organizational culture is supportive, it is not necessarily translated into civil servant trust and satisfaction. This is demonstrated by the fact that although the average rating for the organizational supportive culture was 4.087, it is evident that the civil servants do not correlate it with the dimensions of trust and satisfaction. This could be attributed to the fact that the civil servants have had a poor experience with the manual system, as evidenced by the fact that they sometimes receive delayed and erroneous payments.

Furthermore, it can be noted that there is a marked absence of technological competency, as inferred from the average score of 3.622. This shows that civil servants are cognizant of the capabilities of new technology but are not competent enough to use it effectively. Training is essential so that civil servants can derive maximum benefits from the digital payment system. This point of intersection between organizational culture, trust, and technology competency highlights the very daunting backdrop wherein not only would the success of the online salary system be based on the application of technology but also on the human factors that would influence the adoption of the digitized salary system.

Comparison with Literature

This is in line with the literature that has been established regarding the hindrances to digitization in public administration. Ndou (2004) states that for e-government to be successfully implemented, public servants must be ready to adopt new technologies, a factor that is also evident in the experiences of civil servants in Sangkat Ta Khmau. Moreover, this study also affirms that culture is a factor in determining whether e-government is accepted or not, a factor that is also supported in the literature (Gil-García & Pardo, 2005). Moreover, the relationship between trust and the digital salary system is consistent with the findings by Halachmi and Greiling (2013), which emphasize the significance of transparency and communication for building trust in e-governance. The challenges identified in the case of Sangkat Ta Khmau resonate with the themes discussed in different studies focusing on the digital divide and its impact on e-governance.

Implications for Practice

Implications of the findings of this study are very important for practitioners in public administration, especially in Sangkat Ta Khmau:

1. Invest in Training

It is important for the administration to invest in training civil servants on the digital salary payment system. The training should aim at improving technical capacity and alleviating concerns regarding information privacy. This will help to reduce fears and uncertainties associated with the digital process.

2. Foster an Integrated Organizational Culture

It is important to engage civil servants in discussions regarding the implementation and development of the digital salary system. This will help to create a sense of ownership and commitment to the success of the system.

3. Continuous Monitoring and Improvement

It is recommended that the administration put in place a mechanism to monitor the digital salary payment system on a continuous basis. Such continuous monitoring would help to identify the problems in the system and rectify them to ensure that the civil servants' needs are met in an efficient manner.

4. Enhance Data Security

It is important that policymakers put in place effective cybersecurity measures to ensure that the data in the digital salary payment system is secure. Such a measure would help to gain the trust of civil servants to use the digital salary payment system.

5. Explore Emerging Technologies

It is recommended that the government investigate the possibility of incorporating new technologies, such as blockchain technology and cloud computing, in the digital salary payment system to ensure that civil servants' needs are met in an efficient manner.

Conclusion

In conclusion, it is important to address the challenges that come about as a result of implementing the digital salary payment system in Sangkat Ta Khmau. It is important to understand that it is crucial to address the challenges that come about as a result of the organizational culture, technology, and trust in order to increase efficiency and satisfaction in the administration. The implications derived from the findings of this research are likely to yield the following practical recommendations for the administration:

1. Training Initiatives

The administration needs to consider developing training initiatives for the civil servants working within the government. The training needs to cover not just the technical aspects but also the aspects related to data protection mechanisms. Such an approach would likely help to alleviate the fears related to the digital process.

2. Communication Channels

The administration also needs to consider developing communication channels to address the concerns related to data security and the overall functioning of the digital process. Such an approach would likely help to enhance transparency.

3. Continuous Improvement

The administration needs to consider dedicating resources to the development of the digital salary payment system. Such an approach would likely help to enhance the effectiveness of the digital salary payment system for the civil servants working within the government.

4. Involvement in Decision-Making

The administration needs to consider involving the civil servants working within the government in the decision-making process related to the digital salary system. Such an approach would likely help to enhance the acceptance of the digital salary system.

It should be noted that there are certain limitations associated with this research, which are important to be taken into consideration. For example, it should be noted that this research has concentrated on the experiences of the civil servants in Sangkat Ta Khmau, which does not represent the entire context of the digital transformation in public administration in Cambodia. Future research should be conducted to investigate the implementation of the digital payment system for salaries in different contexts to ascertain the generalization of the results obtained

from this research. Longitudinal research will be able to provide an understanding of the impact of the digital transformation in public administration in Cambodia on the satisfaction of civil servants.

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