Analysis of Organizational Development and Change (ODC) Management Model at PT. Telkom Indonesia (Persero) Tbk.

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Abstract: The purpose of this article is to explore the changes and development of organisational management carried out by PT Telkom Indonesia (Persero) Tbk, as part of a state-owned company (BUMN). The research method uses descriptive analysis with a qualitative approach, through observation data collection techniques and literature review. The findings produced in this article are that it is an obligation for companies to face a volatile market by making changes and development. Without organisational change and development, the age of the company will not be able to last long, moreover market competition makes every company must always be dynamic and innovative in reading every change to be an opportunity. PT Telkom Indonesia (Persero) Tbk. has made changes and developments in order to improve for the better. Its breakthrough in the structural and cultural sectors is able to make Telkom one of the best SOEs today both domestically and abroad. It is recommended that development and change in the organisation are always oriented towards professionalism and transparency towards a better state company.

Keywords: Management, Organisational Development, Company Performance, Organisational Change

1. Introduction

Organisations will be able to increase their value and performance by changing structure, culture and technology (Muchiri, 2000). This is because changes in these aspects are part of the demands of an increasingly advanced era. Changes in organisational structure can help provide a new setting where organisational actors will be more motivated (Subyantoro & Suwanto, 2020). As a form of organisational implementation, a company is also an organisation that requires change because it demands to be relevant to the times. Therefore, companies have no other choice but to make changes (Sholikhah, 2021). This change will certainly occur due to encouragement from internal and external companies.

The quality of employee performance of a company which leads to service quality is very important for companies, especially in the service sector. Employees as human resources are vital assets of the organisation because their role in strategy implementation is very important, namely as the implementing subject of the organisation's strategy (Nugroho, 2020). These human resources are people who are in the organisation and are directly related to their work in the organisation. Having quality and professional human resources is the hope of the organisation (Darsana & Sukaarwama, 2023). Organisations that have this will be able to achieve optimal performance as desired by the organisation, both by individual employees and groups (teamwork) in the organisation so that goals can be achieved and realized (Gani, 2020).

As one of the main components of an organisation, human resources are both planners and active actors in every organisational activity, especially management (Ariani, 2016). People who occupy positions in the organisation
both as leaders and members are important factors that are interrelated with each other. This happens because the success or failure of an organisation is largely influenced by human factors as the executor of the work (Sudiro, 2021). Change is impossible for any organisation to avoid. Nothing is eternal except change itself. The answer to the changes experienced by organisations is through organisational development, because change will always have an impact on the behaviour of members and the future of an organisation (Amir, 2019).

Organisational development is closely correlated with organisational behaviour. Organisational development for managers and implementers is very important and strategic (Ambarwati, 2021). Top managers must always be sensitive to the phenomenon of change because of the decisions they will make in developing organisational effectiveness (Sinambela, 2021). Based on the explanation above, the author is interested in compiling an article related to organisational change and development that will affect a company focused on PT Telkom Indonesia (Persero) Tbk or Telkom for short. Because PT Telkom Indonesia Tbk is part of a government company incorporated in BUMN.

2. Literature Review

2.1 Definition of Organisational Change and Development

Changes in the organisation are important for companies to make in the face of fluctuating markets (Artini, 2011). Without a change in the age of the company will not be able to last long. Market conditions that change so quickly affect the state of a company. Market competition makes every company must always be dynamic and innovative in reading every change. According to Sutrisno (2019) organisational change has several definitions as quoted below:

a. A fundamental and radical reorientation in the way a company organisation operates.

b. Organisations or companies that are undergoing transformation.

c. Directing or leading people to do something differently, or something different from what they have always done.

According to Wijaya (2008), organisational development means different things to various experts in this field, but basically organisational development is a method to facilitate change and development in individuals (e.g. in styles, values, and skills), in technology (e.g. in greater simplicity, in complexity), and in organisational processes and structures (e.g. in relationships and roles).

Sopini (2014) sees that organisational development includes efforts to improve individual performance by getting the best results from employees, both individually and as members of work groups. Even Siagian (2002) asserts that organisational development as a management theory, means a series of concepts, tools and techniques for conducting long-term planning with a spotlight on the relationship between work groups and individuals associated with structural changes.

From some of the above definitions, it can be concluded that organisational change is always organisation-wide so that the change is not a piece meal change, but leads to the use of more efficient ways and systems in running the organisation in order to survive and develop in line with environmental changes and developments. Organisational change and change management are interesting studies in this era.

The development of science and technology, especially information technology, requires organisations to continuously make changes (Setiarso, 2006). According to Sunarta (2011), organisations must change to survive, and organisational change is not an option but a necessity. Changes made by organisations are not always successful in accordance with what the organisation wants, namely increased productivity, increased motivation and morale of organisational members, and reduced costs that make the organisation more competitive. Thus, the organisation does not change if the members of the organisation themselves do not change. In the process of organisational change itself, Carol Kinsey Groman (2004) sees that resistance will be made by organisational members if the change planners forget the human factor.
2.2 ODC Management Model

To develop an ODC management model, a manager should consider the following steps:

![Diagram of ODC Management Model]

Source: Bafadhal & Suharto (2023)

Figure 1. ODC management

2.3 Telkom Profile

PT Telekomunikasi Indonesia, Tbk, (Telkom) is a state-owned enterprise engaged in telecommunications and network services in Indonesia. Telkom is currently 53.6% owned by the Government of Indonesia and 46.4% owned by the public, Bank of New York, and domestic investors. Telkom itself has 13 subsidiaries in various cities in Indonesia (Bafadhal & Suharto, 2023). Telkom is a large network company that has served more than 151.9 million customers. The company provides a wide range of communication services including telephone network interconnection, multimedia, data and internet communication-related services, satellite transponder leasing, subscription circuits, pay television and VoIP services.

![Image of Telkom Indonesia]

Source: Telkom Indonesia

Gambar 2. Logo Telkom
The company, which has a vision to be a superior company in the implementation of Telecommunication, Information, Media, Edutainment and Services (TIMES), has dominated more than 60% of Indonesia's broadband market share. This means that Telkom has more than 19 million broadband customers. The company always tries to ensure the adequacy of internet gateways to meet the needs and satisfaction of consumers from both fixed broadband and mobile broadband, (Bafadhal & Suharto, 2023).

Telkom focuses on TIMES services and is committed to and pioneers the digital society in Indonesia and abroad. Telkom has a grand strategy towards sustainable competitive growth with organic growth targets including consumer services, enterprise services, and wholesale and international services, supported by 10 million POTS connections and 5 million speedy connections. As well as growth achieved by developing new businesses, managing strategic portfolios, and building synergies between companies and subsidiaries. (Bafadhal & Suharto, 2023)

3. Method

The writing of this article uses a qualitative approach with descriptive as its method. The technique of interpretative analysis of documents derived from a critical review of various journals published both indexed and non-indexed nationally-internationally. And, the content of the interpretative analysis becomes the findings at the end of the conclusion.

4. Result and Discussion

4.1 Telkom’s Insistence on Change

The changes experienced by Telkom include changing Telkom's business concept from a telecommunications network provider to telecommunication, information, multimedia and edutainment, services (TIMES). Changes that occur are driven by two directions, namely environmental and internal. Changes in the environment require Telkom to not just be static there because if this environment is ignored what will happen is that Telkom will be left behind and not glimpsed by consumers.

Environmental pressures that make Telkom transform are market, technology, and resources. According to Telkom's observations, market changes occur due to changes in consumer lifestyles that require Telkom to provide services that match the latest community styles to deal with fluctuating market conditions. In addition, technology that continues to change also brings Telkom to change as well. Initially Telkom focused on the telephone sector. However, the emergence of GSM and mobile phone technology in the country greatly threatened the existence of telephones that Telkom loved with fixed lines. So the big mobile revolution was carried out by Telkom by launching self-disruption, namely in 1995 Telkomsel was founded and the postpaid Halo Card began to exist. It did not take long for Telkom to bring this new network throughout Indonesia so that in 1997 the Telkomsel network was present in all provinces of Indonesia. Not only did it stop there, new challenges arose after this 3G-based network was launched. Rumours of a new 4G network emerged and Telkom was able to become the first provider to officially launch 4G LTE mobile commercial services in Indonesia with data access speeds reaching 36 Mbps.

Resources on communication networks are certainly renewable resources and can continue to be developed. Telkom as a service provider in this field is able to lead in Indonesia and even expand abroad. This illustrates that Telkom is able to manage existing resources. Internal pressure also contributed to changing Telkom to run TIMES, this internal pressure consists of behaviour and processes. Currently Telkom is making fundamental internal changes in terms of brand to improve the company's image in the eyes of all its stakeholders by establishing changes in business portfolio, positioning, value, tagline and corporate identity. With the new corporate identity, Telkom applies a new behavioural culture, namely commitment, spirit, promise, product and service quality and service culture by all employees. Telkom carries a new positioning, namely life confident, 5 new values namely expertise, empowering, assured, progressive & heart. The new tagline is The World is in Your Hand and has a new corporate identity by changing the logo. Through this new image, Telkom is expected to provide a new experience that is different from before to stakeholders. The new experience is a service that is provided better than any operator they have ever known and felt, and services that will evoke a completely new experience.
4.2 Telkom's achievements

Organisational achievements will have a good influence on the development of the organisation. The good image that arises from the achievements of a company will increasingly attract consumers to maintain and even start to become consumers of the company. During its existence Telkom managed to achieve a lot of good achievements organisationally. International economic media Forbes lists Telkom as Top 50 on the Forbes Global 2000 list: World Best Employers 2017, which is ranked 44th. While among the leading companies in Asia, Telkom is in 9th place. Telkom's entry on the Forbes Global 2000 list: World's Best Employers 2017 is based on the company's performance in realising work practices and efforts to create professionals.

This achievement is an honour because Telkom is one of the Indonesian companies that is part of the 2000 best companies in employee management, among other global companies from 58 countries around the world. Telkom's inclusion in the Forbes Global 2000 list: World's Best Employers 2017 is a manifestation of Telkom's success in implementing human resource management. For Telkom, this achievement is one of the motivations to continue to innovate in human resource management to support the harmony, productivity, and progress of the company and Indonesia's name in the world. In addition to the above achievements, some of the latest achievements achieved by Telkom are as follows.

a. Received 57 Asia Pacific Stevie Award awards in June 2018 consisting of 1 Grand Stevie, 14 Gold, 30 Silver and 12 Bronze for business innovations in various aspects, including Innovation in Information Technology, Health & Wellness, Transportation & Logistics, Social Apps, Customer Service, Government Services, and Business Utility Apps.
b. "Best Companies to Work for in Asia 2018"
c. Became the Best of the Best SOE in the SOE Mental Revolution Award 2018
d. Platinum award in Indonesia Corsec & Corcomm Award III - 2018
e. Award from Angkasa Pura II 2017
f. The Most Trusted Company based on Corporate Governance Perception Index 2017

In addition to the awards and achievements above, not a few Telkom subsidiaries have received national and international achievements. IndiHome, which is Telkom's flagship product, won the TOP Brand 2018 award in the Fixed Internet Service Provider category. And another Telkom subsidiary, PT Infomedia Nusantara won an award in the 2018 BUMN Marketeers Award - Subsidiaries. Infomedia won three awards at once as "The Most Promising Company in Strategic Marketing", "The Most Promising Company in Tactical Marketing (Sales and Service)", and "The Most Promising Company in Branding Campaign (ATL, BTL, PR, Digital)".

4.3 Diagnosing Telkom's Problems

Every running of an organisation cannot be passed smoothly, especially in the process of change and development. Based on the ODC management model, problem diagnosis consists of information, participation and change agents. Related to the information problems experienced by Telkom are in the financial aspect, namely financial reports. Financial reports are a set of information that is very important for a company, let alone a large company like Telkom. During the leadership period controlled by Ir. Cacuk Sudarjanto, Telkom's financial statements never met the qualified status. This means that Telkom's financial statements are always problematic. In addition, the financial statements are always 3 years late from the reporting year. In addition, Telkom which has dominated the country stretching from Sabang to Merauke, its accounting treatment is centralised. Expenditures are made in each provincial area, but the one responsible is Jakarta. This of course resulted in many uncontrolled leaks.

In participating in the diagnosis of problems that arose, an open teleconference was held with all branch offices. Each reported on progress and what had been done as well as plans for change in their respective areas. Their plans and actions were openly heard by the leaders and staff of all the other offices. Next, what has been done in one branch and reaped success will begin to be implemented in other branches. So all branches are racing each other to improve Telkom. Another problem diagnosis arises in the agent of change. Change agents are the company's own human resources. It was said earlier that Telkom's structure was like an onion. The employees are still poorly educated with an average high school graduation. Facing this reality, the change agent must be
overhauled.

In the process of accelerating the changes implemented by Telkom, Telkom leaders guaranteed Telkom's IT team to study at PT Indosat. As a result, within three years as many as 40 regions had an independent accounting structure and Telkom also achieved WTS (Reasonable Without Condition) status from BPKP on its financial reporting. In addition, the importance of improving the quality of human resources was changed from onions to pyramids. The way this is done is by providing opportunities for the best employees to continue their education at home and abroad. Open recruitment of employees was held for the S1 level. Telkom then established a college to support quality employees under the name STT Telkom.

The spirit of change must continue to be planted in the hearts of employees. Because employees will hold important control as part of the change agent. For this reason, a conducive atmosphere for the company must continue to be created. Various forms of seminars and training are held to support the competence of agents of change. Leadership courses (suspin) with participants from each region are conducted so that each region can run the same programme. These changes will create agents of change in the company in their respective working areas. In order to change the old way of working, each branch office is encouraged to innovate.

4.4 Selection of Telkom Intervention

4.4.1 Structural

In 2017 an AGM was held by Telkom whose agenda was a reshuffle of Telkom's board of directors. This change was motivated by the declining performance of Telkom employees. With this change of directors, it certainly brings a new spirit to Telkom. In addition to changing the position of the board of directors, there is also the addition of directors, namely consumer directors who are expected to improve Telkom's services and relationships with its consumers.

<table>
<thead>
<tr>
<th>New Structure</th>
<th>Old Structure</th>
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<tbody>
<tr>
<td>President Director</td>
<td>Directorate Utama</td>
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<tr>
<td>Director of Finance</td>
<td>Directorate Keuangan</td>
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<tr>
<td>Director of Consumer Service</td>
<td>Directorate Enterprise and Whole Sale</td>
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<tr>
<td>Director of Human Capital Management</td>
<td>Directorate Human Capital and General Affair</td>
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<tr>
<td>Director of Network &amp; IT Solution</td>
<td>Directorate Information and Technology</td>
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<tr>
<td>Director of Digital &amp; Strategic Portfolio</td>
<td>Directorate Compliance and Risk Management</td>
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<tr>
<td>Director of Wholesale &amp; International Service</td>
<td>Directorate Network and Solution:</td>
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<td>Director of Enterprise &amp; Business Service</td>
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Table 1 Differences in the Organisational Structure of PT Telkom Indonesia

Source: PT. Telkom Indonesia Profile

4.4.2 Skills and attitudes

Skills continue to be developed by Telkom to support employees to advance and bring Telkom to a better direction. The skills provided are expected to form patterns of attitude and behaviour in the performance of each employee so that employee performance is more optimal. Some of the programmes implemented by Telkom to support the formation of employee skills and attitudes include:

- Certification which includes Cisco, Microsoft and SAP.
- Public Training which includes ICT Training, Business and Management Training.
- Accreditation Body which includes CIQS 2000 Telkom PCC.
- Consultation and Total Solution which includes ICT & Management, Hardware Reseller, Software Reseller.
- MICE which include Gathering, Team Building & Outbound, National and International Seminar.
- Testing Centre which includes Pearson Vue, Certiport, LSP Telecommunication, LSP TPCC.
The various programmes are implemented to create employees who have the attitude and in accordance with the philosophy held by Telkom. The attitude of the philosophy is as follows:

- **The Telkom Way** is the philosophy, principles, and basic practices applied to every Telkom employee to become the best person, star person, and winning person.
- **To be The Best** is a basic belief that contains the basic philosophy for every Telkom employee to be the best person. This basic belief is the essence of corporate culture that underlies the values and behaviour of every Telkom employee in achieving the best by implementing 4 things namely integrity, enthusiasm, totality and working spirit always the best. The key to success in a job is to have the confidence to give your best and always be the best.
- **To be The Star** is the basic principle to be a star person. These core values are the basic guidelines that shape the mindset and behaviour patterns of Telkom employees in building and developing themselves into star people with the 3S way, namely solid, speed, smart which also becomes core values or great spirit.
- **To be The Winner** is a standard behaviour that contains noble practices to become a winning person in Telkom. This behaviour standard forms the attitude pattern and action pattern of Telkom employees in order to forge themselves into winners by way of IFA, namely imagine, focus, action.

### 4.4.3 Behaviour

As stated above, the behaviour expected by Telkom to support the change and development of the Telkom organisation is employees who have aspects of the Telkom way by applying integrity, enthusiasm, totality, enthusiasm for work, compact, fast, smart, imagination, focus and action. These things are a reflection of the behaviour that Telkom demands for all its employees. If this behaviour can be applied, any challenges and problems that await Telkom will be able to be overcome.

### 4.5 Telkom Condition Limitation

#### 4.5.1 Leadership climate

The Telkom way is not only applied to Telkom employees, Telkom leadership architecture is the basic principles and practices applied to every Telkom leader to become the best leader, star leader, and winning leader. Leadership Philosophy to be The Best is a basic belief for every leader in Telkom to be the best leader. This belief is the essence of corporate culture that underlies the values and behaviour of every Telkom leader at all levels of the organisation in achieving the best change and development. Its implementation through harmony & synergy which serves as a basic belief that a leader must always create harmony between heart and head (2H) and create synergy between spirit and strategy (2S).

Leadership Principles to be The Star are core values that contain the basic principles to be a star leader. These core values are the basic guidelines that shape the mindset and behaviour of Telkom leaders at all levels of the organisation in developing themselves into star leaders. The implementation is done through lead by heart & manage by head, which is a principle that in leading must use the heart (heart); while in managing the work must use the head (head).

Leadership Practices to be The Winner is a behavioural standard that contains noble practices to be a winning leader. This standard of conduct will shape the attitude and action patterns of every TELKOM leader at all levels of the organisation to be the winner. This behaviour is translated into behavioural practices in achieving the goal, which is to be a winner in TIMES business competition. Implementation with the following.

- **Mega Thinking** which is a strategic way of thinking orientated to provide results in the form of benefits or value for the whole community. A leader must start thinking from the mega level, then macro, and finally micro (abbreviated as 3M: Mega, Macro, Micro). And in acting must start from the Company level, then Customer and finally Community (abbreviated 3C: Company, Customer, Community).

- **Leader as a Father** is a leader who carries out the role of a father where he leads with sincerity to always love, protect and defend his children.
- Energise People is the practice of leadership to be an activator and encourager.
- Corporate Strategy is the management of strategy at the corporate level which includes providing direction, structuring and harmonising the business units within the group.
- Business Strategy is the management of business-level strategies that include the development of comparative advantages, the development of competitive advantages, and the development of co-operation and partnerships to leverage the company's resource capabilities.
- Functional Strategy is the management of strategy at the functional level to manage the tasks and activities of various functions within the organisation.

4.5.2 Formal organisation

The organisation at Telkom relates to the structure within Telkom itself. The organisation is related to the duties, authority and responsibilities of one's position within the company. In Telkom, the formal organisational structure at Telkom is described as follows.

Source: PT. Telkom Indonesia Profile

4.5.3 Organisational culture

Telkom began implementing a work culture called The Telkom Way for its employees to anticipate challenges in the business environment and maintain a competitive advantage from within and outside the company. It is not easy to apply this new work culture to all Telkom employees. Therefore, Telkom started with several approaches ranging from awareness to understanding. This approach is carried out so that Telkom employees respond well to the work culture changes implemented at Telkom. In addition to the approach, Telkom provides rewards to divisions that have demonstrated The Telkom Way appropriately and quickly. Creating a competitive climate within the company is an effective form of realising the desired organisational culture of the company. Because when the competition starts, each division will have the enthusiasm to show that their division is the best.
4.6 Telkom Implementation Method

4.6.1 Time

The time used by Telkom in carrying out change and development is throughout the life of the company. From the start of 1856 until now the changes and development of the Telkom organisation are evident.

4.6.2 Scope

The scope or scope of organisational change and development at Telkom is as a whole starting from the top position to the lowest position. Telkom selects leaders who are competent and exude Telkom's leadership principles. Telkom also selectively selects and places employees and provides mentoring and development programmes in an effort to have quality employees.

4.6.3 Experiment

In addition to the development of Telkom employees and leaders, outside of human resources, the implementation of changes and development of Telkom's organisation occurred in several aspects, namely structural, tasks and functions of strategic units, changes in the business landscape, changes in culture and brand identity, and tagline changes.

4.7 Telkom Evaluation Methods

4.7.1 Feedback

Feedback conducted by Telkom through consumer responses as service connoisseurs. All kinds of changes and developments are sought to increase customer satisfaction, so it is the customer who assesses Telkom's own performance. This can be seen from customer loyalty, customer purchase rates, customer complaint rates, and suggestions and input for Telkom.

4.7.1 Adjustments

Adjustments are made from the lowest level to the highest level, from Telkom centre to the regions. However, it does not rule out the emergence of development ideas from Telkom regions so that adjustments are carried out from one region to the centre and distributed to all regions. The adjustment stage of change is divided into 3, namely:

- The unfreezing stage is a state where people will become ready to acquire or learn new behaviours. In the change of directors that occurred at Telkom, employees were required to learn new principles, new things, new rules, targets set by the new leader, and learn the attitude of the new leader in directing his subordinates.
- The changing stage occurs when people begin to experiment with new behaviours. After Telkom employees learnt the attitude of their new leader, and refreshed about the leadership style, they became motivated to do what the Telkom leader targeted, namely improving service to customers.
- The refreezing stage which means if the changes that occur at Telkom bring the organisation back to a new balance.

4.7.2 Revision

Revision of organisational change and development at Telkom is carried out periodically through the GMS and the development of knowledge of employees and all parties involved with Telkom. Revisions to organisational change and development are slight improvements to the new concept of change and development that has been established. The existence of this revision is because after the review and implementation of changes in the near future it feels unsuitable or unrealised.
4.7.3 Strengthening

Strengthening organisational change and development at Telkom is carried out in the management of Telkom's human capital which consists of 3 components namely Character, Competence and Coopetition. Character is closely related to integrity, enthusiasm and totality which is the 3S principle (Solid - Speed - Smart). While competence is closely related to attitude, knowledge and skills. Meanwhile, coopetition is related to the ability to team work, building partnerships and edges. (Andriansyah, 2021)

In its implementation, company change and development can only be achieved through the best performance managed by a solid team of human resources who think smart and act fast. These solid, speed and smart human resources must be led by leaders with level 5 leadership criteria, namely leaders who have good resilience through a combination of personal humility and professional will. In addition, the strengthening of organisational change and development will be increasingly attached to employees with motivations in the form of rewards or punishments.

Conclusion

Organisational change and development are important for companies to deal with volatile markets. Without organisational change and development, the life of the company will not be able to last long. Market conditions that change so quickly will greatly affect the state of a company. Market competition makes every company must always be dynamic and innovative in reading every change to be used as an opportunity. To initiate a change and development of the company, a critical leader is needed in handling a company. Telkom's leaders were able to improve Telkom for the better. His breakthrough in the structural and cultural sectors at Telkom was able to make Telkom one of the best SOEs today both domestically and abroad.

References


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