

## CHAPTER I INTRODUCTION

### 1.1 Overview of the Research Object

#### 1.1.1 Organization Overview

PT Telekomunikasi Indonesia, Tbk or often called Telkom Indonesia is a big corporate as service and network provider telecommunication in Indonesia. Telkom Indonesia is a State-Owned Enterprise State (or Badan Usaha Milik Negara or BUMN) whose shares are majority held by Indonesian Government and the remaining shares traded on the Jakarta Stock Exchange through a public offering without listing. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

PT Telkom Indonesia (Persero) Tbk (Telkom) is a State-Owned Enterprise (BUMN) engaged in information technology and communication services (ICT) and telecommunication network in Indonesia. Telkom's majority shareholder is the Government of the Republic of Indonesia of 52.09%, while the remaining 47.91% is controlled by the public. Telkom shares are traded on the Indonesia Stock Exchange (IDX) with the code "TLKM" and New York Stock Exchange (NYSE) code "TLK". (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

In an effort to transform into a digital telecommunication company, TelkomGroup implements a customer-oriented business strategy and operations. The transformation will make TelkomGroup's organization lean and agile in adapting to the rapidly changing telecommunication industry. The new organization is also expected to improve efficiency and effectiveness in creating quality customer experience. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

TelkomGroup's business activities are growing and changing along with the development of technology, information and digitalization, but still in the corridor of telecommunication and information industry. This is evident from the

growing business line completing the legacy that already exists. Currently TelkomGroup manages 6 portfolio products serving four consumer segments, namely corporate, housing, individual and other consumer segments. The following explanation of TelkomGroup's business portfolio (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017):

#### 1. Mobile

This portfolio offers mobile voice, SMS and value-added service products, as well as mobile broadband. The products are offered through a subsidiary, Telkomsel, with the brand of Halo Card for postpaid and simPATI, Kartu As and Loop for prepaid. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

#### 2. Fixed

This portfolio provides fixed services, including fixed voice, fixed broadband, including Wi-Fi and other emerging wireless technologies, with IndiHome brand. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

#### 3. Wholesale & International

Products offered include interconnection services, network service, Wi-Fi, VAS, data center hubbing and content platform, data and internet, and solution. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

#### 4. Network Infrastructure

Products offered include network service, satellite, infrastructure and tower. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

#### 5. Digital Enterprise

It consists of information and communication technology service platform and smart enabler service platform. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

## 6. Consumer Digital

It consists of media and edutainment services, such as e-commerce (blanja.com), video or TV and mobile based digital services. In addition, we also offer digital life services such as digital lifestyle (Sky Music and VideoMax), digital payments such as TCASH, digital advertising and analytics such as digital advertising business and mobile banking solutions and enterprise digital services that offer Internet services of Things (IoT). (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

### 1.1.2 Organization's Vision and Mission

#### 1.1.1.1 Vision

Be the King of Digital in the Region.

#### 1.1.1.2 Mission

Lead Indonesian Digital Innovation and Globalization

#### 1.1.1.3 Objective

As an Indonesian powerhouse company that has international business footprint, TelkomGroup has the following strategic objectives:

Top 10 Telco Market Capitalization in Asia-Pacific by 2020 and maintain its defense position.

The Directorate of Human Capital Management is an organization in Telkom Indonesia consisting of Sub Directorate and Unit Operations / Business Units that are under the control and responsibility of the Director of Human Capital Management. HCM acts as a strategic partner to business line and corporate functions of human management capital Telkom Group supports business units and subsidiaries in achieving corporate objectives through the development of a center of excellence on Human Capital Management functions in Subsidiaries, provide guidance and policies, manage human capital alignment and strategic integration, as well as integrating talent management system. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

HCM provides training for the employee of Telkom Indonesia. Training as a process where employees gain knowledge and skills that will improve and develop them to perform tasks to accomplish their personal and organizational goals. Their responsibility includes talent management, career management, leadership development, talent retention and reward management, organization culture development. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

PT Telkom Indonesia Witel Jabar is an organization from Telkom Indonesia Group that handle West Java sector. PT Telkom Indonesia Witel Jabar has a leadership development program that includes regular leader courses programs (suspim program), global talent programs, international leadership programs, and certification programs. Functional Training is a training that includes regular training, certification, seminars, and case study. Telkom digital learning is a web-based electronic media used in teaching and learning process, both independent and mandatory. Digital Learning is one of the learning pillars in the Telkom environment that has advantages in terms of the speed of dissemination of learning, efficient because it can be used and deployed repeatedly, and greatly support the mobility of its users. (Source from <https://www.telkom.co.id/>. Laporan Tahunan Telkom 2017)

### 1.1.1.4 Organizational Structure Witel Jabar

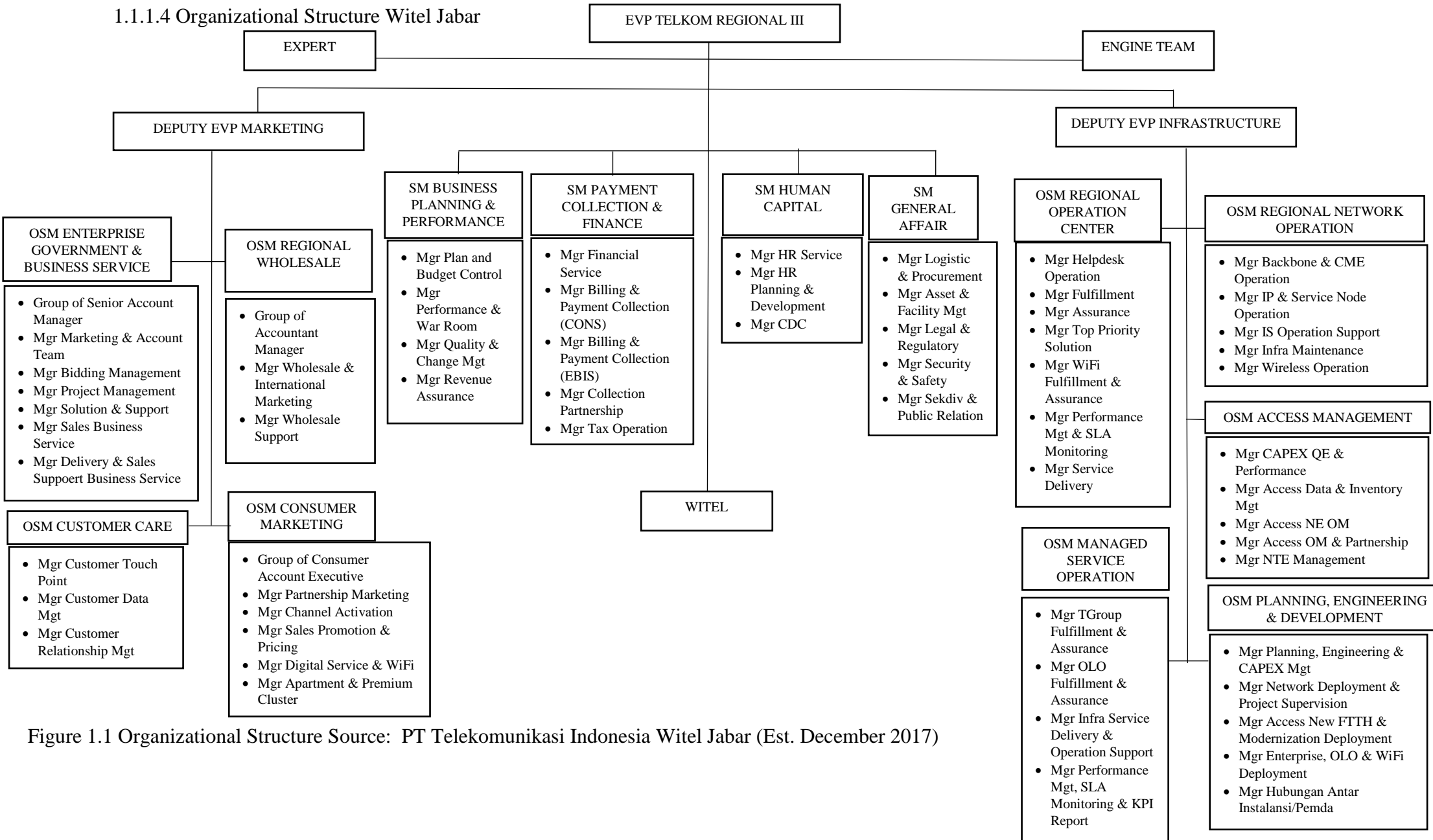


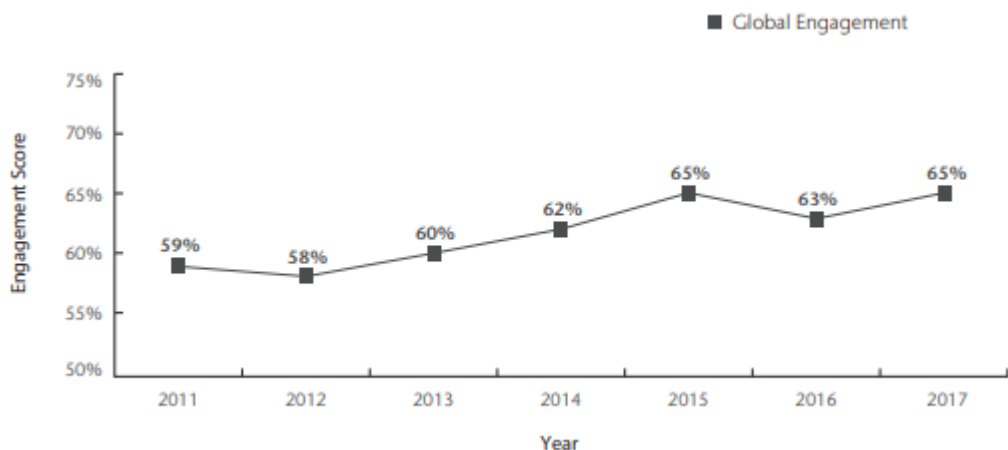
Figure 1.1 Organizational Structure Source: PT Telekomunikasi Indonesia Witel Jabar (Est. December 2017)

## 1.2 Research background

The Aon employee engagement model beneath gives a total image of the business effect of engagement, employee engagement and work experience factors that lead to higher Engagement. In addition to estimating employee engagement, this investigation additionally measures 16 elements of work understanding: Career & Development, Collaboration, Customer Focus, Decision Making, Diversity & Inclusion, Empowerment / Autonomy, Enabling Infrastructure, Employee Value Proposition (EVP), Managers, Mission / Values, Performance Management, Awards & Recognition, Senior Leadership, Talent & Staffing, Work and Work / Life Balance, (www.aon.com:2018).

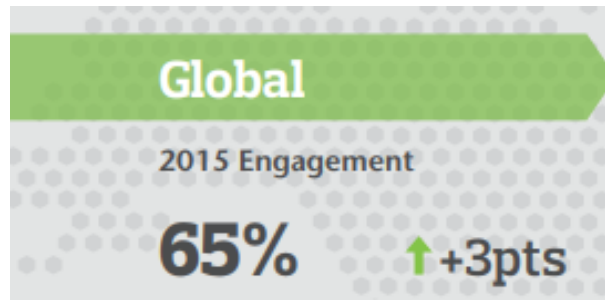
Consistently Aon estimates employee engagement for more than 1,000 organizations around the world. This examination has been led utilizing information from more than 8 million worker reactions in 2016 and 2017. The reactions originate from associations with as few as 100 representatives to the most complex associations with a huge number of workers. More than 60 enterprises are spoken to in the examination. Based on global survey employee engagement from Aon Hewitt, from 2014 to 2018 there are increasing and decreasing in each year. (Aon Hewitt Survey, 2018)

Figure 1.2 Aon Hewitt Global Survey Employee Engagement, 2018.



(Source: <http://www.aon.com/>)

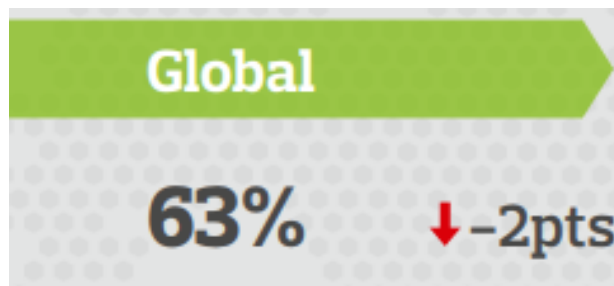
Figure 1.3 Aon Hewitt Global Survey Employee Engagement 2015.



(Source: <http://www.aon.com/>)

Around the globe, the basic business metric of representative commitment is progressing. Regardless of a tight work advertise in the United States, a financial vulnerability in Europe, and business challenges in different parts of the world, Aon Hewitt's Global Employee Engagement Index ascended from 62% to 65%. This is uplifting news for CEOs, heads of Human Resources, and supervisors all over the place. Be that as it may, a more profound take a gander at Aon Hewitt's investigation of Global Employee Engagement demonstrates critical nation unpredictability that is an indication that only one out of every odd official can celebrate.

Figure 1.4 Aon Hewitt Global Survey Employee Engagement 2016.

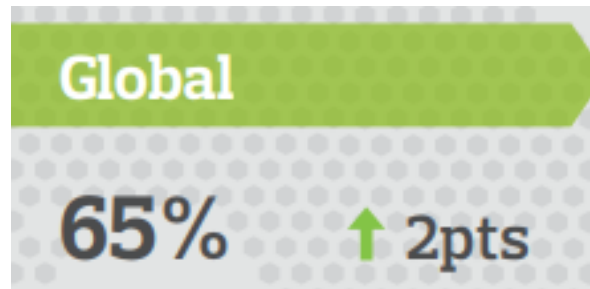


(Source: <http://www.aon.com/>)

Around the globe, representative commitment has withdrawn in the most recent year. The two-point drop of connected representatives about counterbalance the three-point rise found in the 2016 Trends in Global Employee Engagement Report. Only 24 percent of all workers fall into the Highly Engaged class and another 39 percent can be arranged as Moderately Engaged, putting the worldwide commitment score at 63 percent contrasted with 65 percent the earlier

year. There are decreases in rewards and recognition, senior leadership, career opportunities, and enabling infrastructure that impact to the engagement opportunities.

Figure 1.5 Aon Hewitt Global Survey Employee Engagement 2017.



(Source: <http://www.aon.com/>)

As this report appears, the worldwide representative commitment has bounced back after 2016's drop. To more likely comprehend what's behind the worldwide pattern we must analyze commitment levels and year-over-year changes by area and market. There is a lot of fluctuation in both 2017 commitment and the commitment incline from the earlier year over the globe. A portion of the commitment level fluctuation is because of social contrasts. Different variables — like political or financial strength — can impact commitment. The diagram beneath shows how the greater part of business sectors had some positive development in 2017, with a considerable lot of the greatest nations and economies pulling worldwide commitment to its two-point change. We likewise observe that there are unmistakable "exceptions" for enhancing markets than there are for declining markets.

One noticeable difference in the requirements of workers in Asia is the significance put on the C-suite. Representatives need to feel that their pioneers are fit. There is a high significance set on trust in both administration and the eventual fate of their organization. Further, there is a solid requirement for the destinations of associations to be clear and frequently imparted.

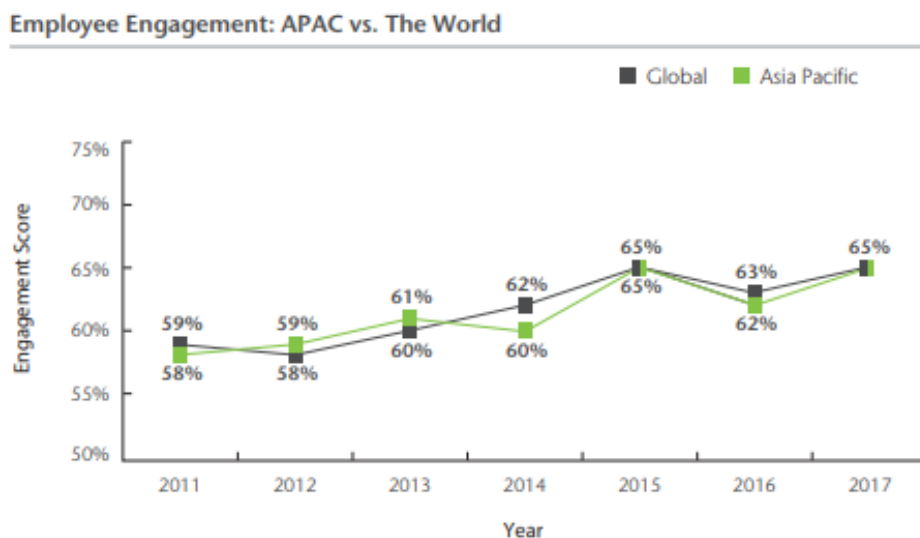
After encountering a three-point drop in commitment for 2016, the APAC locale skipped back to its most noteworthy commitment level at 65 percent of all



representatives a year ago. Markets that fell a year prior flooded back, driven by the area's biggest nations – China (+2 focuses), India (+2 focuses) and Japan (+2 focuses). Not exclusively did commitment ascend in these nations, yet the economies in India and China kept on developing essentially in both 2016 and 2017. Three of the littler markets likewise added to APAC's bounce back. Malaysia (+4 focuses) and the Philippines (+6 focuses) accomplished anomaly status, while Indonesia enhanced an unfathomable 15 focuses over the earlier year. (Source: Aon Hewitt Global Survey Employee Engagement, 2018)

Just three of the district's biggest markets saw commitment fall flat. Thailand, Australia and South Korea each declined by a solitary point, while Singapore and Hong Kong remained level. Of the 16 measurements estimated, just two declined in APAC: Customer Focus declined two focuses and Mission/Values fell four focuses. The area's commitment enhancements are not an unexpected while considering the best drivers of commitment likewise climbed fundamentally. The Senior Leadership measurement (the locale's No. 2 driver) enhanced four focuses, Rewards and Recognition (the No. 1 driver) rose three focuses and Career Development (the No. 3 driver) climbed three focuses.

Figure 1.6 Aon Hewitt Global Survey Employee Engagement, 2018.



(Source: <http://www.aon.com/>)

Figure 1.7 Aon Hewitt Global Survey Employee Engagement, 2018.



(Source: <http://www.aon.com/>)

Based on the employee engagement survey from Aon Hewitt, Indonesia has 25,4% of engaged and committed employee. Only 2,2% engaged in the job and committed to the organization 47,3%. Unfortunately, 25,1% employees are not engaged and not committed to the organization. However, 9,2% of the employees are engaged and/or committed and intend to leave the organization. A possible explanation of this finding is that workers who are physically, psychological, and genuinely engaged with job execution will feel obliged to stay in the association (Albdour and Altarawneh: 2014).

Based on the description above, it can be concluded that, employee engagement and commitment are important things that must be owned by employees in their work. Thus, companies must be able to form and increase employee engagement and commitment to each employee with good human resource management.

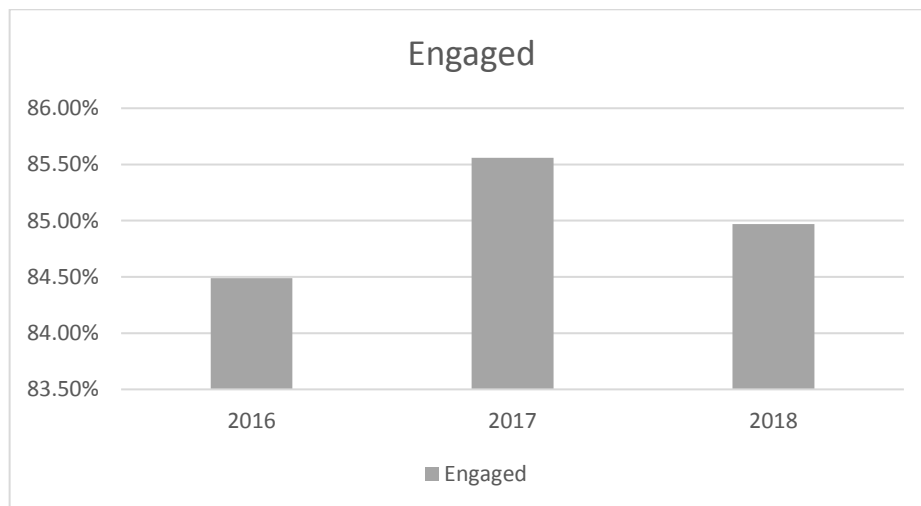
PT Telkom needs information about the level of employee engagement to maintain, improve, develop and other treatments related to the management of Human Capital in PT Telkom. The required information can be obtained by conducting an Employee Engagement Survey.

According to Gallup Organization (2004) in (Mustamu, 2016) classifies 3 types of employees based on engagement levels. There are:

1. Engaged are employees who work with enthusiasm and feel a very close relationship with the company, they are inspired to innovate to advance the company.
2. Somewhat Engaged are employees who basically only work according to their duties without any effort to innovate or do work updates.
3. Disengaged are employees who are dissatisfied in their work, they actively show their dissatisfaction. Employees like this can influence other employees.

The data on the next page shows the survey from employee engagement of PT Telekomunikasi Indonesia from 2016 to 2018:

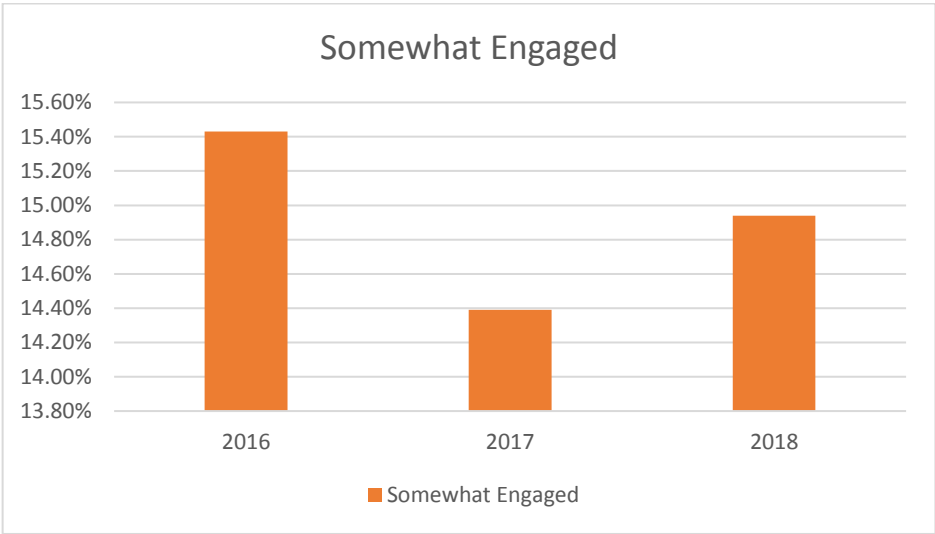
Figure 1.8 PT Telkom's Employee Engagement Survey for Engaged



*(Source: Survey from PT Infomedia Nusantara)*

Engagement rates from PT Telekomunikasi Indonesia employees belonged to the high-performance category (based on the standards of Hewitt). The percentage of Engaged experiencing fluctuation from 2016 to 2018. On 2017, the engaged rate is higher than the previous year that reached 85.56%. That means the employees who work with enthusiasm and feel a very close relationship with the company, they are inspired to innovate to advance the company.

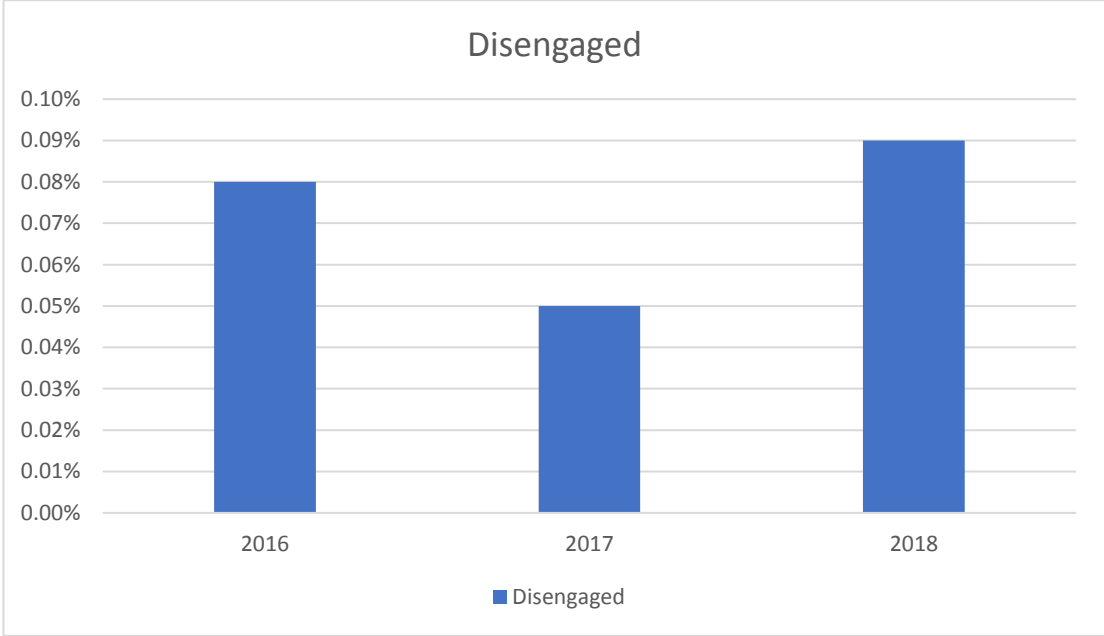
Figure 1. 9 PT Telkom’s Employee Engagement Survey for Somewhat Engaged



(Source: Survey from PT Infomedia Nusantara)

Engagement Index PT Telekomunikasi Indonesia for Somewhat Engaged is having fluctuation from 2016 to 2018. In 2016 the percentage is quiet high that reached 15.43%. That means the employees are basically only work according to their duties without any effort to innovate or do work renewals.

Figure 1. 10 PT Telkom’s Employee Engagement Survey for Disengaged



(Source: Survey from PT Infomedia Nusantara)

Based on the survey shows that the disengaged percentage in 2016 to 2018 having fluctuation. In 2018 the percentage is higher than previous years that reached 0.09%. That means the employees who are dissatisfied with their work, they actively show their dissatisfaction. Employees like this can influence other employees. According to Harter et al. (2002 cited by Jalal Hanaysha:2016), employee engagement is very important to accomplish helpful business execution results for different organizations.

PT Telekomunikasi Indonesia always conducts training every year. PT Telkom has a variety of training that has the function of each for PT Telkom employees. The training programs are Certification Training, SUSPIM Training, and Regular Training. Below are the training table from PT Telkom Indonesia from 2016 to 2018.

Table of Number of Employees and Telkom Training Hours by Gender as of 31 December 2016-2018 explained below:

Table 1.1 Laporan Tahunan PT Telekomunikasi Indonesia 2018.

No.	Type of Training	2018		2017		2016	
		Men (Person)	Women (Person)	Men (Person)	Women (Person)	Men (Person)	Women (Person)
1	Certification Training	1.140	193	850	321	308	118
2	SUSPIM Training	1.048	426	822	262	446	62
a	Technical Operational Field	10.054	1.668	9.367	4.299	12.385	3.493
b	Management Field	655	98	5.352	1.761	7.464	2.105
	Total for each gender	12.897	2.385	16.391	6.643	20.603	5.778
	Total	15.282		23.034		26.381	

(Source: <https://www.telkom.co.id/>)

The Table 1.1 shows that every year from 2016 to 2018 employees of the company who are attend training program is decreasing every year, but, for Technical Operational Field Training for male employee is increasing from 2017 to 2018. In 2018, Telkom provides education and training opportunities for 12,897 men and 2,385 women. This number has generally declined due to a change in the learning method to self-led learning where Telkom provides a knowledge repository based on business needs. To calculate the data from Table 1.1 to be percentage, the gender for each training program divided by the total for each gender then multiply with 100%. Thus, the result can be seen on the Table 1.2 below:

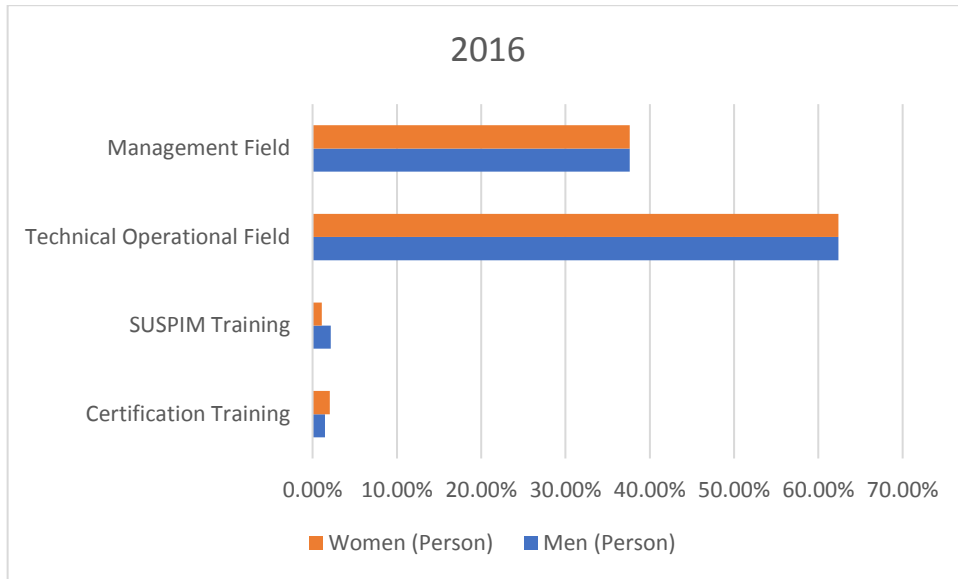
Table 1.2 Data processed from Laporan Tahunan 2018 PT Telekomunikasi Indonesia in percentage.

No.	Type of Training	2018		2017		2016	
		Men (Person)	Women (Person)	Men (Person)	Women (Person)	Men (Person)	Women (Person)
1	Certification Training	8.84%	8.09%	5,18%	4,83%	1,49%	2,04%
2	SUSPIM Training	8.13%	17.87%	5,03%	3,95%	2,17%	1,08%
a	Technical Operational Field	77.96%	69.94%	63,63%	70,94%	62,39%	62,39%
b	Management Field	5.07%	4.10%	36,37%	29,06%	37,61%	37,61%
Total		100%		100%		100%	

(Source: <https://www.telkom.co.id/>)

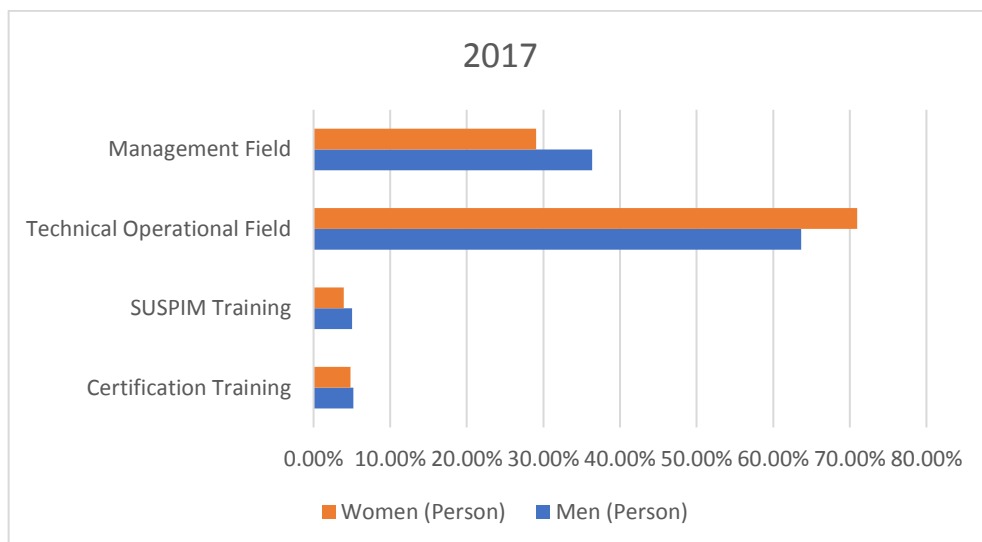
Table 1.2 shows the fluctuation happens from 2016 to 2018 in percentage of each training program for every gender since. Telkom is committed to providing the best employee education and training because increasing employee competencies will have an impact on improving Telkom's performance. Telkom has always sought to increase quantitatively and qualitatively for employee education and training.

Figure 1.11 Data processed from Table 1.2 Laporan Tahunan Telkom 2016 in percentage.



In 2015 shows that Management Field training followed by 84,65% men and 84,64% woman higher than other training. Most of the employee who followed SUSPIM Training in 2016 is male employee which is 1,74%. The Certification Training are followed by 3,35% men and 4,97% women.

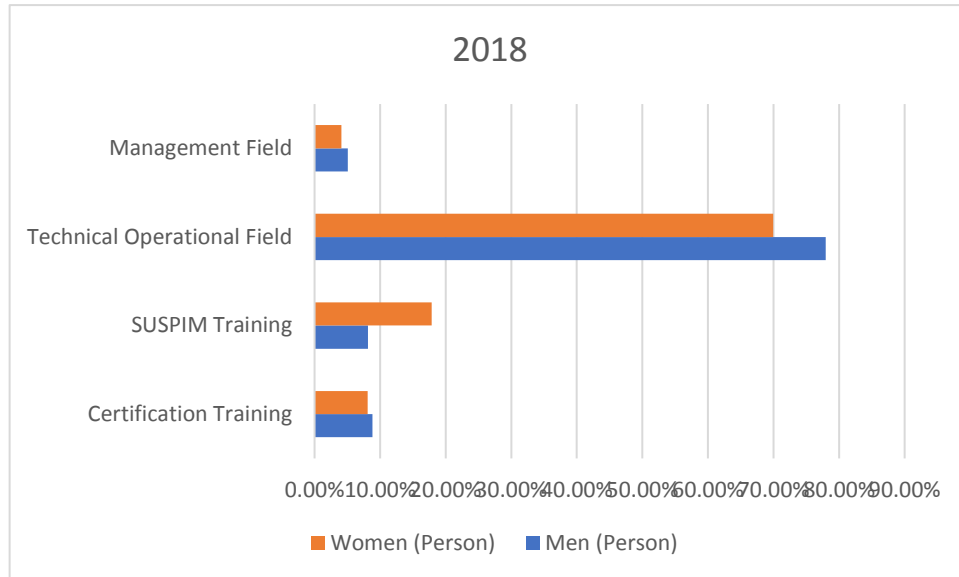
Figure 1.12 Data processed from Table 1.2 Laporan Tahunan Telkom 2017 in percentage.



In 2016 shows that Technical Operational Field training followed by 62,39% men and 62,39% woman higher than other training. Most of the employee

who followed SUSPIM Training in 2016 is male employee which is 2,17%. The Certification Training are followed by 1,49% men and 2,04% women.

Figure 1.13 Data processed from Table 1.2 Laporan Tahunan Telkom 2018 in percentage.



In 2018 shows that Technical Operational Field training followed by 63,63% men and 70,94% woman higher than other training. In Management Field, SUSPIM Training and Certification Training mainly followed by male employee.

Based on the training data from PT Telkom Indonesia shows that in 2016, the total of employee who took the training increased to 26.381 employee followed by 20.603 men and 5.778. On 2017, the total of employee who took the training program decreased from 2016 that reached 23.034 employee followed by 16.391 men and 6.643 women. On 2018, the total of employee who took the training program is decreased from the previous year which is 15.282 employee with 12.897 men and 2.385 women. Employees will develop faster and better, and can work more efficiently, if before they work, they receive training first, under the supervision of an expert instructor supervisor.

According to Manullang (2012), an employee who has just worked in a company must be given training so that the employee knows how to do the work



in accordance with the job description he has in the company. According to Noe (2017), training focuses on helping employees' performance in their current jobs. Not only for new employees, but training must also be given to employees who have long worked to develop their skills and abilities. Critical analysis of the empirical studies in the preceding paragraphs draws attention to several importance concepts. The examination outlines that employee training has been just contemplated as far as the impression of employees on general grounds in connection to employee engagement.

Table 1.3 Survey of PT Telekomunikasi Indonesia Witel Jabar and processed in 2018.

	Totally Disagree	Disagree	Neutral	Agree	Totally Agree	Total
Employee Recognition			1	4	5	10
Work Attitude				3	7	10
Availability to Work			1	3	6	10
Achieve Organizational Goal				5	5	10
Desire to Work				4	6	10
Total			2	19	29	50
	0%	0%	4%	38%	58%	100%

(Source: processed by the author)

PT Telekomunikasi Indonesia Witel Jabar has employees with a good level of organizational commitment but not maximally. This can be seen in the table 1.3. According to the survey of 10 respondents, 58% of them are totally agree being committed to the organization, 38% of the respondents are agree with being committed to the organization, and 4% of the respondents are neutral with being committed to the organization.

According to Robert and Kinicki (2011), organizational commitment is the degree to which an employee relates to the association and wishes to stay with the association. According to Robbins (2016), theoretical models propose that employees who are committed will be less likely to take part in work withdrawal regardless of whether they are dissatisfied because they have a feeling of organizational loyalty or connection (Robbins & Judge, 2016:50). On the other hand, employees who are not committed, who feel less faithful to the association,

will in general show lower levels of participation at work across the board. It appears that regardless of whether if employees are not currently happy with their work, they are eager to sacrifices for the organization if they are committed enough. According to Miroshnik (2013), organizational commitment is defined in the literature as: ‘a mental connection between the workers and his/her association, which would provoke the employees to get joined to the association so that they would not leave voluntarily’. According to Cho and Wong (2006 cited by Khalid & Khalid:2015) it was found that when organizations provide better work life conditions, employees become more engaged and commitment level is increased.

### 1.3 Problem statement

PT Telekomunikasi Indonesia Witel Jabar develop the employee and can achieve the goals. Regarding of it, PT Telekomunikasi Indonesia Witel Jabar need to increase the employee performance by training and develop. Based on the data that already explained, the employee engagement demonstrates a change over the timeframe, while it ought to be increase or decrease has a reliable accomplishment in every period.

The data shows that the employee engagement in 2018, 0.09% of employee in PT Telekomunikasi Indonesia classified to “Disengaged” which means that they are dissatisfied with their work in the company. Training usually focuses on providing employees with special skills or helping them correct weaknesses in their performance. Therefore, to support the need for skilled employees and professional companies, they prefer to provide training to all employees to achieve optimal work results. Hence, in this research, the author wants to focus on the Training in PT Telekomunikasi Indonesia Witel Jabar which as per some past examinations, those two aspects are having relationship to the Employee Engagement and Organizational Commitment.

#### 1.4 Research Question

1. How high are the score of each variable such as training, employee engagement, and organizational commitment at PT Telekomunikasi Indonesia Witel Jabar?
2. How is the influence of employee engagement towards organizational commitment through employee engagement at PT Telekomunikasi Indonesia Witel Jabar?

#### 1.5 Research Purposes

The purpose is to be achieved in research is to determine the factors that significantly influence the employee engagement and organizational commitment at PT. Telekomunikasi Indonesia, Tbk. The following description of the purpose of this study:

1. To know how high the score of each variable are, such as training, employee engagement, and organizational commitment at PT Telekomunikasi Indonesia Witel Jabar.
2. To know how the influence of employee engagement towards organizational commitment through employee engagement at PT Telekomunikasi Indonesia Witel Jabar is.

#### 1.6 Research scope

The author expects this research to provide benefits, including:

a. Theoretical benefits

This research is expected to be useful as input for the development of scientific repertoire. Companies to better know the factors that can influence the employee engagement and organizational commitment.

b. Practical Benefits

Helping companies to achieve benefit to improve the training program and from the existing so that the target and objectives of the company can be achieved.

## 1.7 Writing systematics

To simplify the discussion and subsequent preparation, then the following is the researcher plan to divide the discussion points consisting of:

### CHAPTER I INTRODUCTION.

Contains an overview of research objects, research backgrounds, problem statement and research question(s), research purposes, research scope, and systematics of writing.

### CHAPTER II STUDY OF LITERATURE, FRAMEWORK FOR THINKING, HYPOTHESES.

Contains the concepts of theoretical background, previous research, research framework, research hypothesis.

### CHAPTER III RESEARCH METHODS

Describe the approaches, methods, and techniques used to collect and analyze data that can answer or explain research problems which include an explanation of: types of research, stages of research, population and samples, data collection, validity testing, reliability testing, and data analysis techniques.

### CHAPTER IV RESEARCH RESULTS AND DISCUSSION

This chapter explains the results of research which are then discussed by researchers chronologically and systematically in accordance with the formulation of the problem and the purpose of the study. This chapter describes in detail several things, namely: respondent characteristics, research results, and discussion of research results.

### CHAPTER V CONCLUSIONS AND RECOMMENDATIONS

In this last chapter, the interpretation and interpretation of the results of the analysis of research findings will be explained, which are presented in the form of conclusions. This chapter will also formulate concrete suggestions that are problem solving aimed at objects related to the problems taken and suggestions to the readers of the study and to the next research.