

REINFORCING WORKFORCE PILLAR IN BUSINESS EXCELLENCE

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Abstract

Over the past decades, the pursuit of business life has been extended to excel in every way as a competitive advantage. Since its inception, Malcolm Baldrige National Quality Awards (MBNQA) has assisted organizations in managing as well as reviewing seven dimensions which are leadership, planning, information, customer, people, process and results that are related to business sustainability. The objective of this study is to explore the literature on business excellence (BE) in various industries. Based on cases related to the experiences of three Indonesian companies that involve with BE, this study discussed their journeys which concern is focused on human sustainability in work environment. There was evidence that MBNQA has been a great tool for these voluntary companies. In fact, Indonesian State-Owned Enterprises (BUMN) which act as the government representative in managing the wealth of the country and monitoring the performance of the government enterprises has strongly encouraged enterprises and its subsidiaries to implement BE. The success of the implementation could be seen in their past year performances at the international level.

Keywords: *Business excellence, workforce, case, Indonesia*

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MENINGKATKAN PELAKSANAAN TENAGA KERJA DALAM KECEMERLANGAN PERNIAGAAN

Abstrak

Sepanjang dekad yang lalu, usaha mengembangkan perniagaan telah diperluaskan untuk mencapai kecemerlangan dalam setiap aspek sebagai kelebihan daya saing. Sejak penubuhannya, Anugerah Kualiti Kebangsaan Malcolm Baldrige (MBNQA) telah membantu organisasi dalam mengurus serta mengkaji semula tujuh dimensi yang merupakan kepimpinan, perancangan, maklumat, pelanggan, masyarakat umum, proses dan hasil yang berkaitan dengan kelestarian perniagaan. Objektif kajian ini adalah untuk menerokai kajian literatur mengenai kecemerlangan perniagaan (BE) dalam pelbagai industri. Berdasarkan kes-kes yang berkaitan dengan pengalaman tiga syarikat Indonesia yang melibatkan BE, kajian ini membahas perjalanan mereka yang menumpukan kepada kelestarian manusia dalam persekitaran kerja. Terdapat bukti bahawa MBNQA telah menjadi kaedah yang hebat untuk syarikat-syarikat sukarela ini. Malah, Badan Usaha Milik Negara (BUMN) yang berperanan sebagai wakil kerajaan dalam mengurus kekayaan negara dan memantau prestasi perusahaan kerajaan telah menggalakkan perusahaan dan anak-anak syarikatnya melaksanakan BE. Kejayaan pelaksanaannya dapat dilihat pada tahun-tahun kebelakangan ini di peringkat antarabangsa.

Kata Kunci: *Kecemerlangan perniagaan, tenaga kerja, kes, Indonesia*

INTRODUCTION

Business excellence (BE) is much more than having a quality system in place. It is about achieving excellence in everything including leadership, strategy, customer focus, information management, people and processes and most importantly achieving superior business results. BE models were first called Total Quality Management Model. This model is now used in countries across the globe as a key mechanism to help businesses to assess their strengths, areas for improvement and guide them on what to do further. It also has the potential to provide management with a holistic method in managing businesses and getting buy-in to key decisions which will lead to sustainable and measurable successes aligned with the organization's objectives as well as taking current thought on best practices into account.

LITERATURE REVIEW

The effective and efficient human resource management for business excellence in various organizations was discussed by many scholars (Talwar 2011; Politis et al., 2009, Dahlgard-Park, 2009, Mele and Colurcia, 2006, Zhao, 2004). Vouzas and Gotzamani (2005) drew attention in utilizing human resources among the highest rated motives for the recipient of European Quality Award. Talwar (2011) mentioned that organizations have to strategize in utilizing their workforce to the maximum potential. In fact, it is important to focus on human resource issues for quality strategy formulation and implementations (Vouzas and Gotzamani, 2005).

BE meant "excellence" in strategies, business practices, and stakeholder-related performance results that have been validated by assessments based on specific models proven to support the challenging journey towards excellence (Ionica et al., 2010). In addition, BE is a comprehensive management practices standard developed to assist companies assesses readiness and compliance to excellence practices in their quest to enhance business performance. BE had been used by many international organizations to evaluate and as a benchmark of excellent practices and has been recognised for the attainment of this standard.

The first BE Model was developed in the mid-1980s and came about as a result of the quality movement in the West, which in turn was a response to the advancements of quality and competitiveness in Japan (Ionica et al., 2010). Over time, the term "Business Excellence" started to replace the terms "Quality" and "TQM". Today, many countries, such as EFQM Model, The Australian Model and TQM employ BEs as a key mechanism to improve the performance of organizations, as well as national competitiveness. The most popular and influential model is called the Malcolm Baldrige Award Model (commonly known as the Baldrige model, the Baldrige criteria, or the Malcolm Baldrige Criteria for Performance Excellence). More than 60 nation and state awards based their frameworks upon the Baldrige criteria's.

The Baldrige Model provides a system perspective to understand performance management and reflects validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as referential model for performance excellence, the Baldrige criteria represent a common language for communication among organizations for sharing best practices and designed to help organizations improve their competitiveness by focusing on two goals: continually delivering value to customers, and improving overall organizational performance. Three important roles of the Baldrige Model are to help improving organizational performance practices, capabilities and results, to facilitate communication and sharing of best-practices information among and within organization of all types, to serve as a working tool for understanding and managing performance, and for planning and learning opportunities learning.

Figure 1 showed The Baldrige criteria framework. There are seven categories stated such as leadership; strategic planning; customer and market focus; measurement, analysis and knowledge management, human resources focus; process management; and business results. The Baldrige framework ensures continuous improvement in delivering products and/or services, demonstrates efficient and effective operations, and provides a way of engaging and responding to customers and other stakeholders. These continuous improvements help the company to receive the awards not due of specific products or services.

Previous scholars stated that BE Models are still evolving from measurable perspective due to the changing demands of today's business landscape (Enquist et al., 2015; Ringrose, 2013; Bolboli and Reiche, 2013; Talwar, 2011; Talwar, 2011b; Antony and Bhattacharyya, 2010; Angell and Corbett, 2009; Saunders et al., 2008; Klefsjo et al., 2008; Harrington, 2005; Garvare and Isaksson, 2001). Moreover, there are higher ignorance among organizations of their national excellence framework (Grigg and Mann, 2008), but the concern from governments are increasing as the value besides being sustainable is significant (Zhao, 2004). By promoting benchmarking among BE practitioners, it provides operational insights concerning problematic areas in businesses (Antony and Bhattacharyya, 2010b; Bilalis et al., 2007).

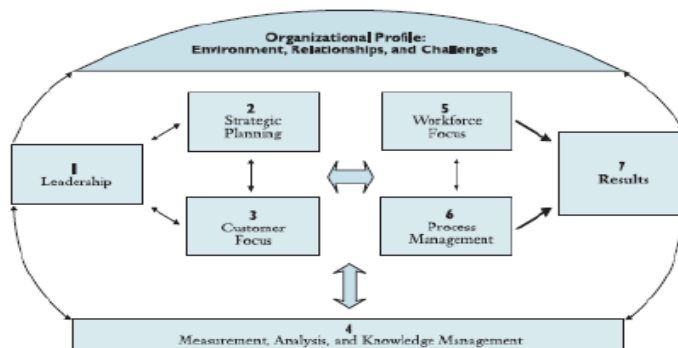


Figure 1: Malcolm Baldrige Criteria for Performance Excellence

The link of BE initiatives and its variance in outcomes is understudied (Meers and Samson, 2003). In addition, there are internal and external issues as barriers to long-term commitment towards business excellence. However, it can be overcome by a greater promotion of identified enablers including better education, training and involvement of higher senior management (Mann et al., 2011). Furthermore, BE also supports other quality initiatives but it should be well understood (Boys et al., 2005; Adebanjo, 2001).

Realizing the importance of businesses to the nation, it is best if it has a structured program which encompasses important core values. Therefore, the authors aimed to achieve these objectives through this paper by: comparing the practices among organizations; and exploring the importance of workforce pillar to businesses in Indonesia.

METHODOLOGY

The authors required different types of information that qualitative studies can provide which is rich in detail. Thus, the information was gathered through in-depth interviews as an interpretative approach with three businesses that were listed under Indonesian State-Owned Enterprises (BUMN). These businesses existed nearly two decades. Interviews were conducted at its own premises that lasted for an average of one hour. The results of each interview were transcribed immediately after each session. Initially, to crystallize the responses, further analysis using NVivo software mainly involved the data with the aim of identifying and classifying feedbacks regarding the above-mentioned objectives is used. The results of interviews and its discussion will be elaborated in the following sections.

PT. Krakatau Steel

It started when President Soekarno launched Trikora Iron Steel Project as a foundation of firm national industries in 1960. Later, on 31 August 1970, PT Krakatau Steel was established by utilizing materials of Trikora Iron Steel Project such as steel wire mill, steel bar mill and steel section mill plants. In 1977, President Suharto initiated the operation of the largest steel production in Indonesia. Within ten years, it has shown significant development when the company added its production facilities such as Sponge Iron Plant, Steel Billet Plant, and Wire Rod Plant. Besides, the company also added infrastructure facilities of electricity power, Water Treatment Plant, Cigading Special Port and telecommunication system to their rank. This leads PT Krakatau Steel in becoming the only integrated steel company in Indonesia.

The company continues to develop the production of various steel products for various uses, such as hot and cold rolled coils as well as wire rods. Through its ten subsidiaries, PT Krakatau Steel is able to diversify business to support its operation, such as high-added-value steel production, utility industry, port and

industrial estate, Engineering Procurement and Construction services, information technology and hospitals.

PT. Wijaya Karya

It was born from the nationalization process of a Dutch company bearing the name Naamloze Vennotschap Technische Handel Maatschappijen Bouwbedrijf Vis en Co. or NV Vis en Co. Pursuant to Government Regulation No. 2 / 1960 and Minister of Public Works and Electric Power (PUTL) Decree No. 5 dated 11 March 1960. PT Wijaya Karya (WIKA) was established with the name of Perusahaan Negara Bangunan Widjaja Karja. WIKA's line of business at that time was electrical and water pipe installation works. In the early 1960s, WIKA took part in the construction project of Gelanggang Olah Raga Bung Karno on the occasion of the Games of the New Emerging Forces (GANEFU) and the 4th Asian Games in Jakarta. With the passing of time, various improvements were made in order to continue growing as well as contributing to nation-building by providing construction services throughout the country. The first significant growth occurred in 1972, when the name Perusahaan Negara Widjaja Karja was changed to PT Wijaya Karya. WIKA then developed into a construction contractor by handling various important projects such as the installation of electricity grids at Asahan and the Jatiluhur irrigation project.

A decade later, in 1982, WIKA underwent an expansion with the establishment of several new divisions, namely the Construction Civil Division, Building Division, Housing Facilities Division, Concrete and Metal Products Division, Industrial Construction Division, Energy Division, and Commerce Division. Moreover, with the progressive growth of its subsidiaries in the industrial sector, WIKA was transformed into an integrated and synergetic infrastructure company. The skills of WIKA personnel in the construction industry have pushed the company to further explore the various areas in business by establishing a number of subsidiaries in order to become an independent business ventures specialized in creating their own respective products. In 1997, WIKA founded its first subsidiary company, namely PT Wijaya Karya Beton, a reflection of how fast the Concrete Division was growing in WIKA at that time.

PT Wijaya Karya Beton's activity at that time, among others, was the provision of rail tracks for the construction of the Manggarai double-track lane in Jakarta, the construction of the Grati Steam-powered Power Station (PLTGU) and the Bareleng Bridge in Batam. The PT Wijaya Karya Beton measure was then followed by the establishment of PT Wijaya Karya Realty in 2000 as a natural progression of the Realty Division. Subsequently in the same year, PT Wijaya Karya Intrade was also established as the progression of the Industrial and Commercial Division. Meanwhile, the measure of developing divisions into self-sufficient subsidiary companies continued to be taken. In 2008, WIKA established subsidiary company, PT Wijaya Karya Gedung specialized in the development of high-rise buildings. WIKA also acquired 70.08 percent shares of PT Catur Insan

Pertiwi specializing in the field of mechanical-electrical. Soon after, PT Catur Insan Pertiwi was renamed into PT Wijaya Karya Insan Pertiwi. In 2009, together with PT Jasa Sarana and RMI, PT Wijaya Karya Jabar Power specialized in the development of geothermal power station (PLTP) projects was established. In the mid of 2009, WIKA, together with other companies have succeeded in completing the Suramadu Bridge, a prestigious project that connects Java and Madura islands. Currently, the project is being enjoyed by the community at large.

In 2012, WIKA has successfully completed its power plant projects with total powers consist as follows: Turbine Gas Power Plant Borang, 60 MW, Engine Gas Power Plant Rengat Ambon, 21 MW, Diesel Engine Power Plant Ambon, 34 MW.

PT. Telkom Indonesia

It is Indonesian state-owned enterprise which is currently the largest telecommunication service and network provider in Indonesia. TELKOM served millions of customers throughout Indonesia with a complete range of telecommunications services, including fixed line and fixed wireless telephone connections, mobile cellular communications, network and interconnection services, as well as internet and data communication services. TELKOM also provided services in information, media and edutainment, including cloud-based and server-based managed services, e-Payment and IT enabler services. The following are the descriptions of TELKOM's business portfolio. To run its business portfolio, TELKOM Group has four subsidiaries, namely PT. Telekomunikasi Indonesia Selular (Telkomsel), PT. Telekomunikasi Indonesia International (Telin), PT. Telkom Metra and PT. Daya Mitra Telekomunikasi (Mitratel).

Telecommunications is TELKOM's legacy business. As an icon of the company's business, Telkom serves Plain Ordinary Telephone Service (POTS) wireline connections, fixed wireless, data communication services, broadband, satellite, network and interconnection rental, as well as cell phone services through its subsidiary, Telkomsel. Telkom's telecommunications services reach all market segments ranging from individual customers to small and medium enterprises (SMEs) as well as corporations. Secondly, information service is the business model developed by TELKOM in the New Economy Business (NEB). This service has characteristics of integrated services in facilitating business processes and transactions which include Value Added Services and Managed Application / IT Outsourcing, e-Payment and IT enabler Services. Thirdly, media is one of TELKOM's business models which was developed as a part of the NEB. The media service offers Free to Air and Pay TV for modern digital lifestyle. Lastly, Edutainment is one of the main services targeting the youth market. TELKOM offers a variety of services including Ring Back Tone, SMS contents, portals and many more.

FINDINGS AND DISCUSSION

Case 1: PT Krakatau Steel

With continuous commitment, the company has developed and improved employee's capacity in giving their maximum contribution towards the company performance. The main approach of the Human Capital Management is positioning its employees as the key capitals who are not merely given added value, but create value, instead. The objectives are to support the achievement of the company's vision to create values of designing capability for the future; to drive and accelerate business strategy; to utilize the benefit and opportunity; and to provide the best solution. In order to create high-qualified human resources, PT Krakatau Steel (PTKS) utilizes human capital management approach supported by the (blue) pillars in Figure 2. These pillars are translated in the Human Capital Management procedure which is part of the company's Management System.

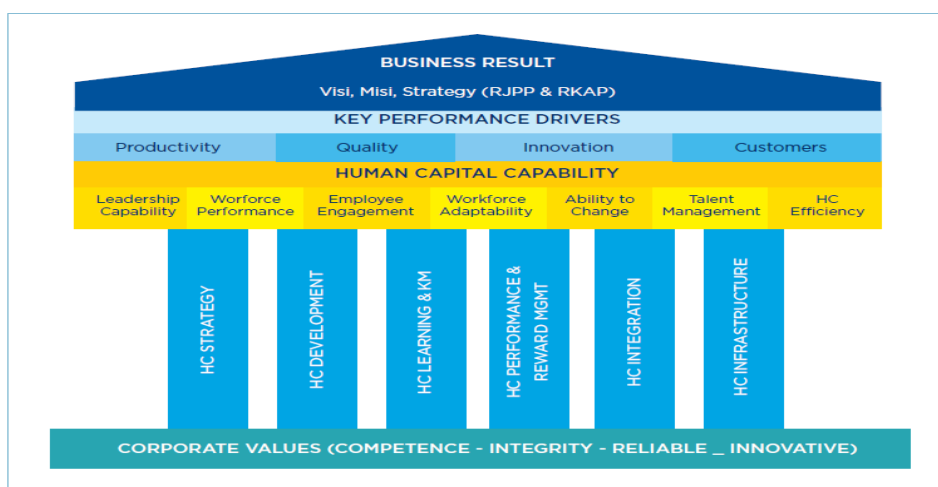


Figure 2: Structure of Human Capital Management

The vision of Human Capital Management is creating sustainable competitive advantage through excellence in human capital and organizational capabilities. Policies that focus on human capital management to improve performance in areas that play a key role for the success of the Company are set to achieve the vision. As stipulated in the Human Capital Management strategy, the key holders' roles of the company are as follows:

- a) to provide effective executive team.
- b) to train high performance team leaders/excellent leadership performance.
- c) to maintain key positioning of excellence.
- d) to establish structure, system, and culture innovation in building high performance and high engaged workforce.

- e) execution, alignment and integration of all human capital programs at all levels.

At the same time, PTKS also identifies some organizational capabilities that can lead to excellent performance. From those capabilities, it determines the Human Capital capabilities that need to be focused as in the Table 1.

Table 1: Organizational Capabilities and Human Capital Capabilities

Organizational Capabilities to Achieve Excellent Performance	Human Capital Capabilities to Achieve Organizational Capabilities
Leadership	Leadership capability
Speed	Ability to change, Human capital efficiency, Workforce adaptability
Customer responsiveness	Workforce performance, Workforce adaptability
Productivity improvement	Human capital efficiency, Workforce performance
Efficiency	Human capital efficiency, Workforce performance
Accountability	Workforce performance
Talent Management	Talent management, Employee engagement

In developing human capital, PTKS has developed Human Capital Development Model that includes related elements covering competency management, recruitment, succession planning and career development. The company's competency management is defined as a determining process of requirements to meet the objectives/goals of the organization, defining potential owned by the organization, as well as developing strategies for recruitment or internal development based on the competency of requirement level. The level and competency gaps for the currently occupied position of each employee will be identified through these programs. Development program either through education, training, assignment, rotation, transfer or other development programs are developed and implemented for each employee according to the needs of the PT Krakatau Steel and employees in determining competency gaps.

In preparing the needs to fill the current and future leader positions, PTKS implements Talent Management Programs. One of the programs is Individual Development Plan Mentoring Program which was conducted within the framework of the preparation and regeneration of employees at the Executive Team and Team Leader Levels. In 2011, the company in cooperation with Bandung Technology Institute administered an MBA program for 40 employees at the managerial level. In term of benefits and appraisals, PTKS has Human Capital Performance and Reward Management System. The system is established to improve employees' motivation in achieving excellent performance. The basis of performance measurement and reward for employee is KPI achievement/ performance. Employee Target is prepared based on the translation of corporate strategies.

Employee performances appraisal is based on two aspects, namely performance and behavior. The implementation of behavior code of conduct reflects the implementation of organization culture.

The performance appraisal system at the managerial level has been implemented in order to obtain more objective results and inputs. Other awards granted to the employees are based on their success in improvement and innovation activities, years of service award, as well as Best Employee and Division Units award. In order to maintain efficient and effective work in the company, a structure for good industrial relations with unions has been established. Work contract as a mutual agreement to personify harmonious, dynamic and fair industrial relation has been made by the company and PTKS Union. Besides, Bipartite Cooperation Forum as a forum of communication, consultation and discussion on manpower problem between company and the union has been formed. Its functions are to improve work productivity and employee's welfare as a warranty for business sustainability and to create a conducive work environment. Employees' satisfaction is an important element in Business Excellence.

A successful and continuously growing organization is an organization which employees are able to learn to face the challenge of volatile business nowadays and in the future. Therefore, PTKS continuously improves its employees' capacities through education and training, by conducting it internally and externally. To support those activities, the company has provided training center, namely Human Capital Development Centre Building, where classrooms, computer, language laboratories and workshops are available.

In addition to provide education and training, the company also encourages the employees to perform learning process by knowledge sharing activity through a specific system called Human Resources Information System (HRIS). Employees can get a lot of information regarding the operation, experiences and mistakes from the system as an operational supportive infrastructure of Human Capital Management. This system also consists of Personnel Administration, Travel and Expenses, Benefit Administration, Time Management, Incentive Management, Payroll, Organizational Management, Personnel Development, Training & Event Management sub-modules; and is integrated with ERP Corporate. In 2011, the company refined Human Capital Management business process by reducing the cycle time process. HRIS has improved the efficiency of Human Capital Management. All information is accessible and available online. The good Human Capital Management must be supported by certain supportive infrastructure. It is worthy for the management to invest in building the supportive system as it will result in employees' satisfaction.

PTKS is one of the serious companies in adopting Malcolm Baldrige Criteria for Performance Excellence (MBCfPE). The company has been conducting series of trainings and workshops for its managers in order to make them understand the concept and put it into action. The MBCfPE Model is a part of learning model to improve PT Krakatu Steel's performance.

Case 2: PT Wijaya Karya

The company's continuous growth has brought positive consequences to PT Wijaya Karya (WIKA) in implementing its management of human resources as human capital. The human capital management supports achievements of vision to become the best company in EPC and Investment in Southeast Asia. In its execution, it always goes along with meeting the well-being of employees, holding development programs which includes conducting training and education activities. Rating an individual as a complete human being is believed to foster appreciation, happiness, working spirit and corporate sense of belonging. Thus, it will push for the creation of excellent performance. One of the important aspects in the human capital management is to maintain the sustainability of the availability of workforce. Therefore, WIKA keeps on recruiting new employees, which is carried out using the "MAKE" and "BUY" patterns. The "MAKE" pattern recruits the employees through scholarship programs which they will receive special education through the Prospective Employee Training Program. The "BUY" pattern recruits experienced employees by assigning special tasks matching with their competencies. Figure 3 presents the comparison of permanent and contract employees for the past years in WIKA. The number of newly-recruited employees is adjusted to the corporate needs.

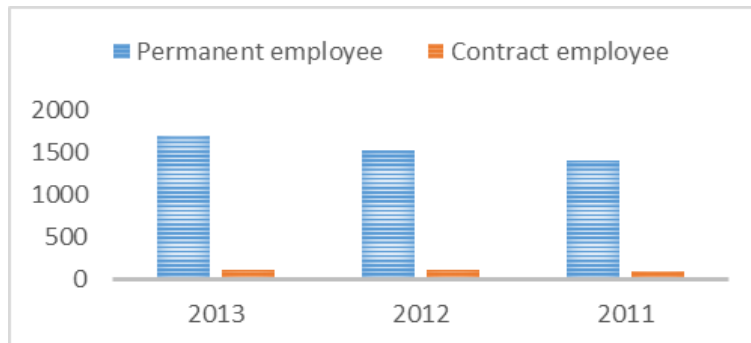


Figure 3: Total Workforce Based on Position and Gender

One of the components in the economic value that is distributed to stakeholders is the employees' salary and other benefits including the pension funding program. When employees join the retirement period, the company has a mechanism in providing some sort of appreciation based on his/her working period. Until the end of 2013, some retirement programs were held for WIKA employees, such as follows:

- a) employees who joined before January 1, 2007 had been enrolled to the Fixed Benefit Retirement Program managed by WIKA's Pension Fund Foundation.

- b) employees who joined the company from 1 January 2007 and on had been enrolled in the Fixed Levy Retirement Program, managed by Manulife's Financial Institution Pension Fund.
- c) skilled employees were enrolled in the Fixed Levy Pension Program.

In order to improve the company's performance, WIKA conducted a study to encourage key factors which give great contribution to the organization's performance. The result of the study showed the leadership factor took the biggest role in determining performance of WIKA. Therefore, it is important to make sure the leaders in the work environment are those who have proper competencies. For such purpose, a leader shall be intentionally created not "incidentally". Certainly, a competent leader has to be created through a series of appropriate development program, either in the form of systematic trainings or job assignments. To deal with it, WIKA has arranged a special program for preparing leader candidates through Advance Leadership Program (ALP) gradually ranging from the Head up to the General Manager/Subsidiary Manager. This leadership development program is part of the WIKA's talent management system.

ALP provides all aspect of competencies, hard and soft competencies required by a leader candidate in WIKA. Training for hard competency is provided in Wika Pratama Learning Centre in Cibubur. Relevant modules for each leader level have been arranged in the form of trainings in class, practices, site visits and job assignments. Additionally, training for soft competency is provided in Wikasatrian Leadership Centre located at West Java. WIKA believes that a leader does not only required technical ability (hard competency) but also soft competency as a part of the personnel quality which is important for a leader to perform his role. WIKA conducted various studies under cooperation with the academicians, sociologists, as well as the humanists to figure out the good characters of successful Indonesian leaders in the royal golden era, colonialism era, and independence era. WIKA absorbed those precedents and learned from the local wisdom of Indonesia personality. From the result of studies, WIKA was able to arrange a leadership module. In addition to the good qualities of the national leaders, the values of each nationalities' culture in Indonesia were also adopted and applied in the Company's good governance. The essence of these values is virtuous attitude. Training in Wikasatrian was expected to create a virtuous leader with Indonesian personality. In addition, WIKA has held 1,785 hours of training with 1,749 employees as participants, so the average of training hours for each employee is 67 hours throughout the year 2013. It has improved from year 2012 which 1,334 participating employees had 1,101 training hours with an average of 59 training hours for each employee.

A batch of training programs are prepared to sharpen and accelerate the ability of employees, such as Advance Leadership, Training for Trainers, Financial Manager for Non-finance Manager and several other programs. In 2012, WIKA started to develop WIKA Leadership Center as GiriWijaya. In 2013, employee development program for competence improvement was conducted periodically

and generates WIKASATRIAN, namely the leaders who have the values of knights. The center is expected to create strong individual behavior, strengthen teamwork, and able to generate excellent performance. WIKA will achieve its vision in 2020 to be the "One of The Best Company in EPC and Investment sector that Integrated in Southeast Asia".

During 2013, WIKA has continued its Wellbeing activities, which balance the employee's eating habits, way of thinking and way of life. This activity has been popularized since 2011, which initially focused on eating patterns that refer to the Balanced Nutritional General Guide. The activity was designated for all employees during lunch and within WIKA's working unit. The following program of Wellbeing is the Health Talk on awareness of illnesses, such as cancer. To support the Wellbeing program, WIKA accommodated it through WIKA's wellbeing website which can be accessed by the entire employees from any location at wellbeing.wika.co.id and mail-list: wellbeing@wika.co.id

Competency Based – Human Capital Management System (CB-HAMS) was an option the company has taken to achieve the need of the organization as well as individual called "win-win solution". The activities performed by Human Capital Department comprised of organization development, recruitment and placement, learning and development, employee relations, performance management, total reward, talent and succession, and retirement. Other concept applied excellent service under a motto of Speed and Care, meaning that all matters and all services are provided immediately to the employees, and that the employees' need should reach the company's attention. Furthermore, this concept was measured through engagement survey by independent institution, Aon Hewitt, covering Say, Stay and Strive aspects. Say is to measure how the employee defines the company positively, Stay is to measure how the employee wants to stay or join the company, and Strive is to measure the employee willingness to strive for the company.

Employees are invaluable assets who help to achieve company's success. Therefore, WIKA has been giving great efforts to the development of their employees' competency by training, coaching, regular mentoring and counseling, providing national and international certification program, and preparing for education overseas. WIKA demands/ encourages all of its employees to be competent, innovative, and highly committed. With this, WIKA's employees can support WIKA in being a competitive global company. The sustainability activities carried out by WIKA have made steady favorable results on employee perceptions of leadership's ethical behavior. WIKA has also received few awards; BUMN & CEO BUMN Award - 3rd Best CEO 2005, Top 1 CEO Category 2006, The Best CEO 2008 by Swa Leadership Forum, Aon Hewitt Consulting - The Best Employer 2011, The Best Employer 2011 by BUMN, Aon Hewitt – Best Employer Indonesia 2013, Performing Construction CEO 2013 by Warta Ekonomi, and Indonesian Most Admired CEO 2014.

Case 3: PT Telkom Indonesia

TELKOM has divided three main inputs which put BEST as drivers and IMAGINE for their targets through three strategic goals: Fortune 500, Blue Chip Company, and then, become a Role Model Corporate. TELKOM has also identified 'Becoming Industry Leader' as a challenge to them and 'Tone at the top commitment' is their strength. TELKOM also takes notice on what have been advised by Indonesian State-Owned Enterprises (BUMN).

TELKOM identified 72 strategies of multi requirement fulfillment in maintaining market share and achieving its goals. The implemented strategies have shown positive increment in TELKOM's financial standing which shows increment of 8 % of revenue, 5 % on EBITDA and 10 % for net income for financial year in 2013. These results coupled with the fact of TELKOM's market share which is about 60 % and has been categorized by industry watchers as 'rapid growth' in telecommunication industry. The company outlined five key success factors; focus on result, integrated and embedded, start mapping from strategic planning, strengthen performance measurement and benchmark, and innovation. To come out with innovative outputs, TELKOM needs to do continuous assessment on current product feedback from customers, suppliers and respondents. Improvements will be made by mapping new strategy with the previous strategy in the original plan. This is to ensure in maintaining TELKOM as a benchmark brand in telecommunication industry. Everyone in the company is involved in achieving the KPI target and company's result at the end of their project, monthly or annual financial. While benchmark and best practices are focused on Telkom Corporate University (TCU) and Corporate Strategy Planning (CSP), the company will make consideration on strategic alignment and performance scorecard. Upon all these completions, the items or results will be measured as a holistic performance measurement by the auditors or special appointments. At the end, the innovation will be subjected to scrutiny of CSP, Research and Development Centre (RDC), Innovation Strategy & Solution (ISS), Directorate and Human Capital Centre (HDC).

TELKOM's leadership had clearly mentioned about their vision, mission, values and strategic initiatives. Besides, there are policies on Corporate Governance, known as GCG Framework and Performance. This framework integrates certain management systems as a requirement or integral part of GCG implementation, aiming to provide assurance for an effective implementation of GCG up to operational level, ensuring that every transaction, whether internal or external, is conducted in an ethical manner and in accordance with good corporate governance practices. The various systems involved include business ethics, policies and procedures, risk management, internal control and supervision, leadership, management of duties and responsibilities, empowerment of management and employees' competences, performance evaluation, and also award and recognition.

Referring to Figure 4, TELKOM has proposed a map for leadership, strategic planning including all departments, staffs and subsidiaries. While for consumer, it focuses on 10 strategies since consumer is a “king” for them. Besides focusing on consumer, TELKOM also gives full attention to its employees by preparing strategies of workforce to ensure the best quality person is ready to serve in all events, reducing gaps between upper line management and bottom line by comprehending them about the whole company strategic. TELKOM has set human capital development strategy and competency in Human Capital Master Plan to always synchronize with business strategy on Corporate Strategy Scenario (CSS), Master Plan for Human Capital (MPHC), Human Capital Development Plan (HCD Plan), organizational transformation and financial situation. Telkom adopts the approach of CBHRM Model for employees’ competency assessment. This model consists of a Core Competency (value), Generic Competency (personal Quality) and Specific Competency (skills & knowledge). All three models are used to assess the competency of officers in a fair and transparent manner. TELKOM focuses on training and providing education programs for its employees in the areas of technology, marketing and management of telecommunications and business information to support TELKOM's vision to become the market leader in maintenance of TIMES. Training sessions are conducted at TELKOM Learning Center with certified trainers from both local and abroad. As part of company entity level controls, TELKOM implemented a whistleblower program since 2006 which is designed to receive, examine, and follow up complaints from employees and third party’s confidentiality. TELKOM has also established a working mechanism between the Audit Committee and both the Internal Audit and Investigations Committee, including protocols with Telkomsel were assigned to do a follow up on the complaints received. In addition, the whistleblower program has also been socialized to and comprehended by majority employees.



Figure 4: TELKOM's Strategies in Striving for BE

CONCLUSION

Enforcement of BE by Indonesian State-Owned Enterprises (BUMN) is a good practice to ensure business continuity. BE provides healthy competition to achieve these companies' vision and become a role model to other businesses. These companies have been implementing BE as a guidance in enhancing its competitiveness and excellences in all of their operations. Through the implementation of BE based on MBNQA, they were able to manage and measure the performances of their businesses based on the company objectives and also towards their business processes. Based on aforementioned of the three cases, the companies are not only able to meet the challenges but actually excel in it and continuously improve their businesses by utilizing the processes and tools from BE.

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