

ABSTRACT

Telkomsel's digital transformation has run across several challenges along the way. As a market leader in the telecommunication provider industry in Indonesia, the enormous number of employees, customers, and assets distributed across numerous Indonesian islands can be a challenge in Telkomsel's ongoing digital transformation process.

This study aims at analyzing the most significant challenges in Telkomsel's transformation process, especially in the Network Services Management Group (NSM Group) unit. By understanding the challenges of digital transformation, it is expected that the NSM Group unit can prepare the right strategy to help accelerate and optimize the current transformation process.

By knowing the dominant digital transformation challenges that arise, it is hoped that the Network Services Management Group unit can prepare the right strategy to help accelerate and optimize the transformation process that is currently underway.

In this study, the population used is all Telkomsel employees for the Network Service Management Group unit with a total of 987 employees. Based on the calculation results, the number of samples used is 284.64 rounded up to 285 respondents.

The research method used is research with a quantitative method. This study uses an exploratory factor analysis method to explore all the factors that become challenges of digital transformation in general and specify them in the Network Services Management Group unit. In this study, 43 (forty-three) indicators were obtained which were used as inputs in the factor analysis process based on literature studies and Telkomsel's internal documents. Furthermore, rotation and factorization are carried out, determining the number of factors, checking the relationship between factors, interpreting factors, and finally naming factors.

From the results of factorization, several factors were obtained that became challenges in Telkomsel's digital transformation at NSM Group, including first, Digital Technology. Digital Technology is expected to be able to accelerate the digital transformation process that is currently underway, but this is in line with the need for huge investment costs. Second, Objectif Key Result (OKR). Assessments that are less objective also have the potential to cause performance scores to not be used as an appropriate reference in the digital transformation process, causing employee dissatisfaction and ultimately having an impact on non-achievement of the company's targets and goals in the transformation process. Third, Digital Culture. Culture is an important part of the transformation process but to change habits is not easy because Culture is a process that is formed for a long time. Fourth, Agile. With many employees spread throughout Indonesia, NSM Group is expected to be adaptive, responsive, and flexible in its work process, and this is not easy because this can clash with the processes in the organization that are currently running. Fifth, Innovation. In innovating, especially in large companies, it is not easy. Moral support from leaders is

needed to be able to maximize the use of innovations measured by their needs and economic value. The products and services used by customers today make the customer experience better and become a top priority in the digital transformation process is the sixth challenge factor, namely Customer Centric. Seventh, Digitalization. Changing business processes to be more efficient, productive, and profitable by digitizing also needs to pay attention to legality and securities aspects because everything is already in digital form and can be accessed together. Eighth, Open Mindset. The lowest challenge from the results of the factor analysis in this study shows that NSM Group employees have been quite open to new things or ideas that are different from understanding internal and external conditions when Telkomsel is carrying out digital transformation.

This factor analysis is expected to be able to provide an overview of the challenges posed by Telkomsel's NSM Group in the digital transformation process to help NSM Group in developing the right strategy in accelerating and optimizing transformation digital that is currently running.

The upcoming research is expected to conduct a more in-depth study of the right strategies in the digital transformation process at NSM Group by paying attention to the factors of challenges that exist starting from the most dominant to submissive.

Keywords: Digital transformation challenges, factor analysis, Network Services Management Group, factorization