

CHAPTER I

INTRODUCTION

1.1 Research Objective Overview

1.1.1 History of Telkom

PT Telkom Indonesia (Persero) Tbk (Telkom) is a state-owned information and communication technology enterprise and telecommunications network in Indonesia. The Indonesian government is the largest shareholder, owning 52.09% of the shares, and the remaining 47.91% of the shares belong to public shareholders. Telkom's stock is listed on the Indonesian Stock Exchange (IDX) under the ticker symbol "TLKM" and traded on the New York Stock Exchange (NYSE) under the ticker symbol "TLK" (PT. Telekomunikasi Indonesia, 2020)

In an effort to transform into a digital telecommunication company, Telkom Group implements a customer-oriented business strategy and company operations. This transformation will make the Telkom Group organization become lean and agile in adapting to changes in the telecommunications industry which are taking place very rapidly. The new organization is also expected to increase efficiency and effectiveness in creating a quality customer experience (PT. Telekomunikasi Indonesia, 2020)

Telkom Group's business activities grow and change in line with developments in technology, information, and digitization, but are still in the corridor of the telecommunications and information industry. This can be seen from the business line that continues to grow to complement the existing legacy

Vision:

1. To be the most preferred digital telco to empower the society (PT. Telkom Indonesia, 2020)

Mission:

1. Advance rapid buildout of sustainable intelligent digital infrastructure and platforms that is affordable and accessible to all.

2. Nature best-in-class digital talent that helps develop nation's digital capabilities and increase digital adoption.
3. Orchestrate digital ecosystem to deliver superior customer experience (PT. Telkom Indonesia, 2020).

1.1.2 company logo, company name, and company product and service



Figure 1.1

Logo PT. Telekomunikasi Indonesia Witel Solo

Source: www.telkom.co.id

PT Telkom products and services consist of five types, namely telecommunication, information, media & edutainment, and services (TIMES). The following is a definition of the TIMES service:

a. Telecommunication

Telecommunication is part of Telkom's legacy business. As an icon of the company's business, Telkom serves fixed wireline, fixed wireless, data communication services, satellite broadband, network and interconnection leasing, as well as cellular telephones served by its subsidiary, Telkomsel. Telkom's telecommunications services have reached various market segments ranging from individual customers to Small and Medium Enterprises (SMEs) and corporations.

b. Information

Information Services is a business model developed by Telkom in the New Economy Business (NEB) domain. This service has the characteristic of being an integrated service for ease of work processes and transactions Value Added Services (VAS) and Managed Application / IT Outsourcing (ITO), e-Payment and IT Enabler Services (ITeS).

c. Media

Media is one of Telkom's business models developed as part of the NEB. This media service offers Free to Air Services (FTA) and Pay TV for a modern digital lifestyle.

d. Edutainment

Edutainment is one of the mainstay services in Telkom's NEB business model targeting the youth market segment. Telkom offers a variety of services including Ring Back Tones (RBT), SMS content, and portals.

e. Services

Services are Telkom's customer-oriented business models. This is in line with Telkom's Customer Portfolio to personal, Customer / Home, SME, Enterprise, Wholesale and International customers.

1.1.3 Organization Structure

The following is the organizational structure of the PT. Telekomunikasi Indonesia Witel Solo and a description of its duties.

1. Organizational Structure

Telkom WITEL solo is under the operational area of Telkom Regional IV Central Java with the following organizational structure:

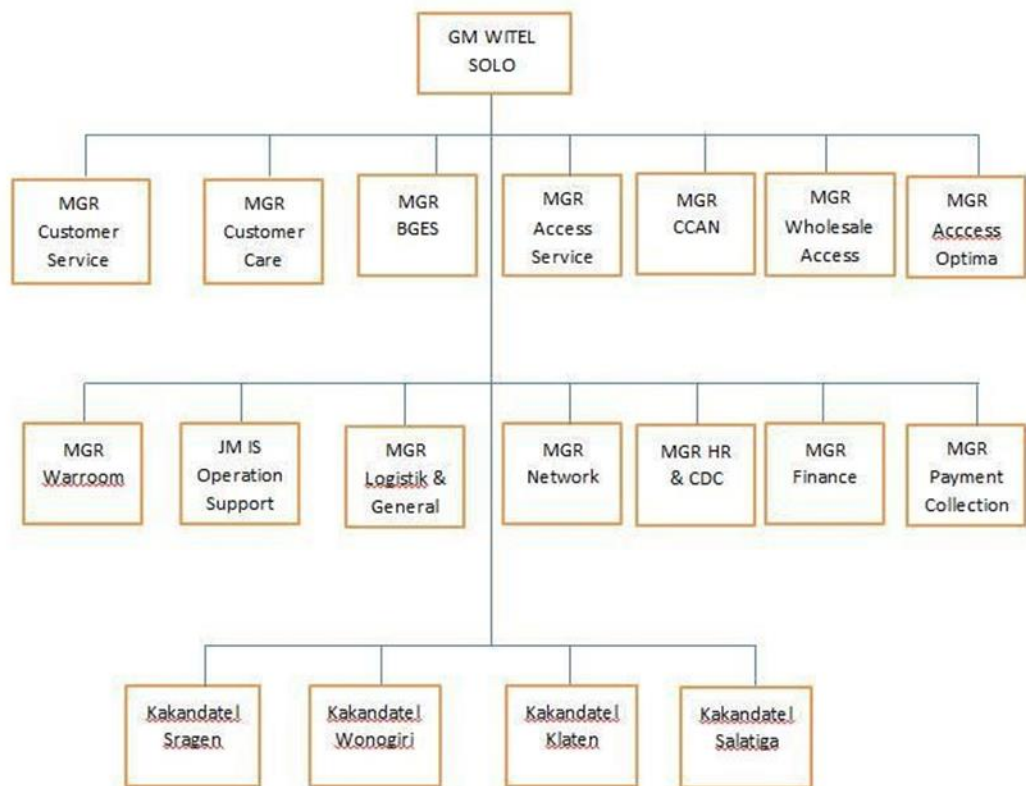


Figure 1.2

Organizational Structure PT. Telkom Witel Solo

Source: Internal PT. Telekomunikasi Indonesia, Tbk Witel Solo

Development.

f. Job Description

Based on the Organizational Structure of PT Telkom WITEL Solo in Figure 1.2 above, there are job descriptions of each division, namely:

- 1) GM WITEL Solo: Responsible directly for operational activities Kandatel in general and responsible for the head of the Regional division Kadivre.
- 2) MGR Customer Service: Responsible for building relationships with customers and conveying customer desires to other parts of the company.
- 3) MGR Customer Care: Responsible for taking care of customers, accommodating complaints and aspirations, answering consumer complaints.
- 4) MGR BGES (Business Government Enterprise Service): Responsible for

improving communication and interaction by AM (Account Manager) with customers.

- 5) MGR Access Service: Responsible for maintaining Telkom's equipment, both active and passive, as well as handling disturbances or troubleshooting experienced by retail, business and corporate customers.
- 6) MGR CCAN (Corporate Customer Access Network): Responsible for data channel and Internet maintenance, cluster customer channel repair, LC channel maintenance (Led Central).
- 7) MGR Wholesale Access: Responsible for managing delivery lines and customer service for the corporate and wholesale business including various units such as Enterprise Service Division (“ESC”) and Carrier Division and Interconnection Service (“CISC”).
- 8) MGR Access Optima:
 - a. Evaluate the performance of Copper & DSLI Access Networks systems and provide system optimization solutions;
 - b. Evaluating the performance of the CPE system and providing system optimization solutions;
 - c. Evaluating the performance of Optical Access Network (OAN) systems and providing system optimization solutions.
 - d. Allocating resources and predicting the utility of each resource to achieve targets optimally.
- 9) MGR War Room: Responsible for meeting the needs of the company in the context of business strategy efforts to increase the number of customers and revenue.
- 10) JM IS Operation Support: In charge of planning goals and project scope and detailing project activities and schedules. Able to monitor and report project implementation.
- 11) MGR Logistic & General: Manage non-CAPEX (Capital Expenditure) and warehousing.
- 12) MGR Network: In charge of integrating the implementation of infrastructure and service management, which is managed in one

management in a focused and integrated manner.

13) MGR HR & CDC: In charge of fostering small business and community development programs.

14) MGR Finance: Responsible for managing and controlling company finances.

15) MGR Payment Collection: Responsible for collecting all Telkom customer payments, including project financing

1.2 Research Background.

Human resources are the dominant factor in running an effective and efficient company in order to achieve company goals. Human resources play an important role in the implementation of the company's operational activities. Abundant natural resources, sophisticated technology means nothing if no one runs them. Human resources in this case act as workers who process raw materials into finished goods by using sophisticated technology to carry out company operations, namely producing a product. The main objective of a company is to obtain maximum profits, company profits will be achieved if the performance and productivity of human resources or employees is high (Sari & Astuti, 2018)

Improved employee performance will bring progress for the company to be able to survive in an unstable business environment competition. Therefore, efforts to improve employee performance are the most serious management challenges because success in achieving the goals and survival of the company depends on the quality of the performance of the human resources in it (Sari & Astuti, 2018).

Every organization, whether big or small, needs quality human resources. This is because human resources are one of the key factors for the success of an organization. Therefore, good and adaptable personnel management is needed to overcome existing human resource challenges. Nowadays, the competition that occurs between companies is getting tougher, thus demanding companies to develop and adapt. One way that can be done is by providing training programs and increasing compensations. It aims to improve and improve the quality of the company's workforce so that it can overcome existing problems and can improve

the company's performance in today's competitive competition (Widijanto, 2017)

According to (Bolung, Moniharapon, & Lumintang, 2018) performance is a work achieved by a person in carrying out the tasks assigned to him based on skills, experience and sincerity and time, in most organizations, the performance of individual employees is the main factor that determines the success of the organization. The opening discussion about type of work and being a prominent employer explained that how well employees do their jobs significantly affects productivity and organizational performance. According to (Bolung, Moniharapon, & Lumintang, 2018) organizational goals will be achieved because of the efforts of the actors within the organization. Based on this understanding, there is actually a close relationship between individual performance and institutional performance, or in other words, if the individual performance is good, then the institution's performance is likely to be good as long as the institution concerned meets the needs of its members

Table 1.1

Recapitulation of Individual Performance Value Telkom Witel Solo 2018-2020

Year	Total employees	P1 > 110	P2 103 – 110	P3 96 – 103	P4 90 – 96	P5 < 90
2018	56	0%	12,5%	87,5%	0%	0%
2019	60	1,67%	10%	78,3%	10%	0%
2020	65	1,54%	9,23%	81,53%	7,69%	0%

Source: Result of interview with

As based on the result above of employee performance at PT. Telkom Witel Solo there were 0) zero performance in P1> 110 in 2018 followed 1.67% and 1/54% in 2020. This kind of situation in also happen for category P2 103-110 in PT Telkom Witel Solo with 12.5% employee performance in 2018, 10% in 2019 and 92.3% in 2020 and further in P3 96-103 employee performance 87.5% in 2018, 78.3% in 2019 and 81.5% in 2020. Category P4 90 -96 employee performance 0% in 2018, 10% in 2019 and 7.69% in 2020. Last category P5< 90 were all 0% employee

performance from 2018 to 2020. The overall performance was facing decreasing number based on the data collected from PT Telkom Witel Solo due to pandemic situation that here the company it made some employee hard to achieved employee full potential with affect overall performance, this due to some factor that employee believes affect their performance. PT Telkom Witel Solo wish there will be better for the following years ahead as the company do its best to maintain performance of employee. Furthermore, the author can explain the category based on the from Hr from PT. Telkom Witel Solo as below:

Employee Performance Category

Range Value %	The Value of Achievement	Description
>110	P1	Very Good
103 –110	P2	Good
96 –103	P3	Quite
90 –96	P4	Poor
< 90	P5	Very poor

Source: PT. Telkom Witel Solo Internal Data

Managing employees is quite complex, this is because employees have different thoughts, feelings, desires, and backgrounds that are brought into the organization. Job training or training is an activity of a company that intends to

improve and develop the attitudes, behavior, skills and knowledge of its employees, according to the wishes of the company concerned (Widijanto, 2017)

Employee performance can simply be defined as the results or achievements obtained by employees during a certain period of time on a job performed. Employees who have good performance can support the company in achieving the goals or objectives the company wants to achieve. To get good performance, an employee must have the ability and knowledge of the field of work carried out in accordance with the job he has.

Employee performance is influenced by several factors. According to (Akbar, 2018) there are various factors of employee performance, namely the amount and composition of the compensation given, proper job placement, training, security in the future, relationships with colleagues, and relationships with leaders.

The factors that affect the performance of Telkom Witel Solo employees are shown in the figure below:

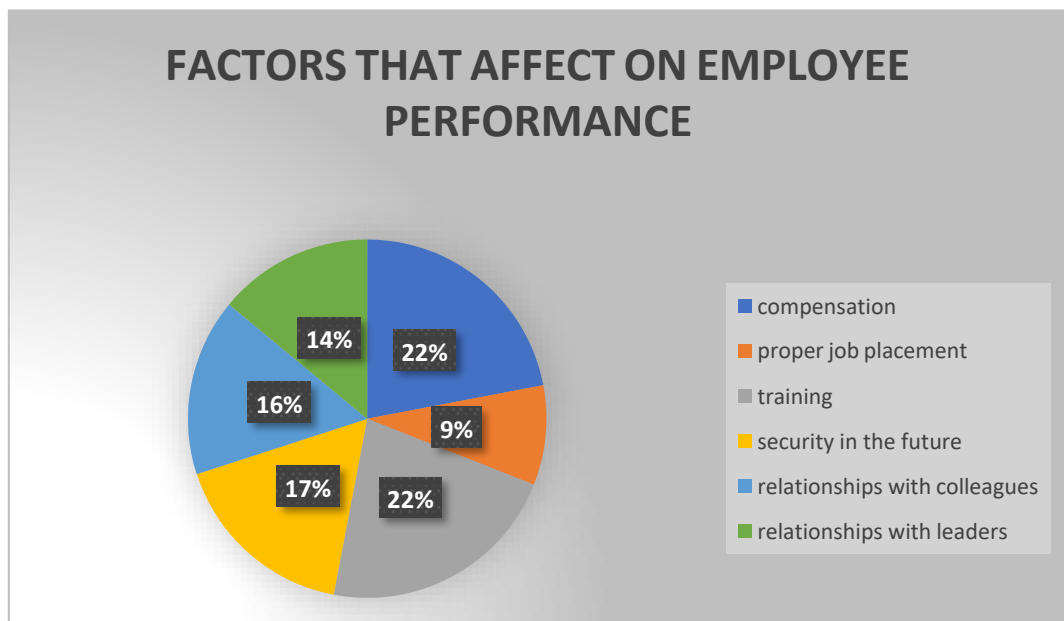


Figure 1.3 Factors that Effect on Employee Performance

Source: Interview Results, 2020.

From the figure 1.3 it can be seen there are 19 employees who answer the questionnaire. From the data, the questionnaire is using Likert Scale with 1-5 scale. 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, 5 for strongly agree. From the table, the research requirement is only calculated agree (4) and strongly agree (5) to find which problem that should be on research problem. From the calculation, the highest point is training and compensation that has the same point 22%. So, it can be concluded that training and compensation is the research problem.

From the survey conducted on employees of PT Telkom Witel Solo, the value obtained from Training and Human Resource Development and Compensation received the highest score as those that affect employee performance. From the table of performance assessment criteria above, it can be seen in Table 1.1 Recapitulation of Individual Performance Values Telkom Witel Solo 2018-2020.

(Noe, 2018) reveals that training is a business venture planned to facilitate employee learning about competencies related to their work. This competency includes knowledge, skills or behaviors that are very important to support employee performance. There are some training programs that is conducted by Telkom Witel Solo at the last 3 years

Table 1.2 Telkom Witel Training Program at the last 3 years

No	Type of Training	Characteristic	
		Mandatory	Optional
1	Employee Information Security Awareness	-	<input type="checkbox"/>

2	Basic Access Network	-	<input type="checkbox"/>
3	Employee Discipline Regulations	<input type="checkbox"/>	-
4	Exam Transformation TCUC-ITDRI Certification	-	<input type="checkbox"/>
5	C&Q Account Management	-	<input type="checkbox"/>
6	AKHLAK and Telkom CODES	<input type="checkbox"/>	-
7	Consultative Selling New	-	<input type="checkbox"/>
8	Implementasi New Normal	-	<input type="checkbox"/>
9	National Insight	-	<input type="checkbox"/>
10	The Telkom Way in Digital Era	<input type="checkbox"/>	-
11	Digital Capability Readiness	-	<input type="checkbox"/>
12	Sales Management	-	<input type="checkbox"/>
13	Interpersonal Communication Skill	-	<input type="checkbox"/>
14	Industry Value Chain Analysis	-	<input type="checkbox"/>
15	The Telkom Way	<input type="checkbox"/>	-
16	Basic K3	-	<input type="checkbox"/>
17	Quick Guide Instalation	-	<input type="checkbox"/>

Source: Result of interview, 2021

Based on the data contained in Table 1.2, it can be seen that from several types of training held at Telkom Witel Solo, there are 4 (four) types of training that are mandatory for employees. This training must be followed by all employees. While the other 13 (thirteen) types of training are optional or what is meant by choice here is that all employees can choose the type of training according to their needs. Mandatory training must be attended by employees once a year. While optional training must be attended by employees at least twice a year but if employees take more training, then the employee will get more points. Prior to the Covid-19 pandemic, several trainings were conducted online and offline. However, since the Covid-19 pandemic, all training has been conducted online, and according

to Mr Bambang Armadhi through short interview from phone, they were some employees that happened to not attending the training as there are some trainings in optional category. He is worried it was the source that affect employee knowledge which was should be learnt through training, and it affect employee performance (Rahmadhi, 2020).

(Kumara & Utama, 2016) confirmed the proposition that training has a positive and significant impact on employee performance. (Kumara & Utama, 2016) stated that training has a positive and significant relationship to employee performance. Sultana et al. in (Kumara & Utama, 2016) said that training is a key element to improve performance because training is positively and significantly related to employee performance. Triasmoko, et al. in (Kumara & Utama, 2016) also said that training has a positive and significant effect on employee performance. based on (Ameliawati & Nugraheni, 2015) showed that there was a positive and significant relationship between the training component and worker performance. (Kumara & Utama, 2016) proved that training is positively and significantly related to employee performance. (Tanujaya, 2015)) Shows that job training has a positive and significant effect on employee performance. (Kumara & Utama, 2016) employee training has a significant and positive effect on employee performance. (Kumara & Utama, 2016) said that there is a positive and significant influence between job training on employee performance. (Kumara & Utama, 2016) training has a positive and significant effect on the dependent variable, namely employee performance. (Kumara & Utama, 2016) research results show that there is a positive and significant effect between training and employee performance.

Employees who are loyal to the company are a valuable asset that will be very useful for the company's success. Telkom Witel Solo has tried to provide training that suits the needs of employees. Based on an interview with Bambang Rahmadi as the HRD of Telkom Witel Solo (Rahmadhi, 2020) however there are still problems related to training at Telkom Witel Solo, including that there are still employees who have not attended training in accordance with their main duties and functions, so that there are differences in employee performance between those who

attend training and those who do not attend training and employees who have not attended training. According to the main tasks and functions can hinder work because they are not competent in their part or work. And the next problem is that there are some employees who have attended training but do not apply the training knowledge that has been given. This should be avoided by employees at Telkom Witel Solo, because it can hamper existing work.

Based on interview with Bambang Rahmadi as the HRD of Telkom Witel Solo (2020) the compensation that Telkom give to the employee is divided by two, direct and indirect compensation. In direct compensation there are main salary, basic allowance, position allowance, tax allowance and BPJS allowance. And for the indirect compensation there are life and health insurance, share allocation, vacation, education allowance, flexibility of attendance, pension fund, special off work, provision of vehicle, provision of parking facilities, meal allowance, membership in professional organizations or in sports/cultural activities and extra time off. Actually, the problem is not occurred yet, until Mr Bambang Rahmadi (2020) further told the problem were because the compensations that has been set according to each level of employees like P1 will get higher compensation as it is position level and P4 will get lower as where it is, there is a generalization in PT Telkom Witel Solo due to last year condition for employees compensation, it runed out make some employee at higher position felt the compensation was not as good as before for them and as well for P4 a bit lower than previous year in 2019, further it was caused to make no gap or discrimination among employees due to the condition that the company facing.

Compensation of course can be a motivation for other employees to continue to provide the best performance in order to get promotions and facilities so that the compensation given is greater than before, and perhaps the company will find a other way to minimalize the thing that employee think about the compensation..

The issue of employee Training and Compensation is not an easy task, because the wants, needs and expectations of employees differ from person to person. Leaders play an important role in motivating employees to do a good job

and create outstanding performance for company development. If the company can understand employee training problems and solve them, the company will get the best employee performance according to the company's performance standards. As well as compensation provided by the company. Like Telkom WitelSolo, it must provide good training and appropriate compensation for the best performance of the company's employees. Based on the description, the writer is interested in examining how much influence training has on employee performance in a company by titles

“THE EFFECT OF TRAINING AND COMPENSATION TOWARDS EMPLOYEES’ PERFORMANCE AT PT. TELKOM WITEL SOLO”

1.2 Problem Formulation

Based on the Research Background above, the following problems can be formulated:

1. How is the training of employees at Telkom Wilayah Telekomunikasi Solo?
2. How is the compensation given to the employees at Telkom Wilayah Telekomunikasi Solo?
3. How is the performance of employees at Telkom Wilayah Telekomunikasi Solo?
4. How much is the influence of training and compensation on the performance of employees at Telkom Wilayah Telekomunikasi Solo simultaneously and partially

1.3 Research Objective

A study conducted certainly has several objectives. The research is done:

1. To discover and analyze employee training in Telkom Wilayah Telekomunikasi Solo Region.
2. To discover and analyze compensation provided to the employees in Telkom Wilayah Telekomunikasi Solo.

3. To discover and analyze the performance of employees in Telkom Wilayah Telekomunikasi Solo Region.
4. To discover and analyze how much is the influence of training and compensation on employee performance in Telkom Wilayah Telekomunikasi Solo simultaneously and partially.

1.4 Research Benefit

1.4.1 Theoretical Aspect

1. To increase understanding, knowledge, and insight into Human Resource Management relating to employee training and performance.
2. To be a reference material for researchers as well as the general public regarding employee training and performance within the company.

1.4.2 Practical Aspect

Can be a suggestion for companies in understanding the conditions of their employees so that the company can arrange training programs to improve employee performance. It can be taken into consideration by the company regarding how much influence training has on the performance of its employees.

1.5 Systematically Writing

a. CHAPTER I INTRODUCCTION

This chapter serves as a general and concise description of the research, which includes research objective, research background, problem statement, research questions, research benefits and writing structure.

b. CHAPTER II LITERATURE REVIEW

In this chapter contains descriptions of literature review theories underlie and support problem-solving, the frame of thought, research hypotheses, and scope of research.

c. CHAPTER III RESEARCH METHODOLOGY

In this chapter contains a description of research methods, namely the type of research, operational variables, population, and samples. Types and techniques of data collection, measurement scale, validity, and reliability test, and data analysis.

d. CHAPTER IV RESEARCH RESULTS AND DISCUSSION

In This chapter is about research result according to what has been discussed in chapter III and how data attained and gathered is being analysed.

e. CHAPTER V CONCLUSIONS AND SUGGESTION

In this chapter is explained about the conclusions of the results of research that is accompanied by recommendations/suggestions for the companies studied.