



## A Proposed Measurement Model for Enhancing Strategic Business Transformation Performance

Arif Fajaruddin<sup>1</sup>, Dermawan Wibisono<sup>2</sup>, Jemy Vestius Confido<sup>3</sup>

<sup>1,2,3</sup> School of Business and Management, Institut Teknologi Bandung, Indonesia

**ABSTRACT:** This research was conducted at PT XYZ, an Indonesian digital telecommunications leader, to address declining profits and increasing competition which threaten its mission to provide reliable and innovative business services. The study aimed to develop a strategic measurement model to enhance business transformation performance. A mixed-methods approach was utilized, collecting qualitative data through in-depth interviews with 7 key individuals and focus group discussions with 6 participants, along with quantitative data from surveys involving 100 internal employees and 100 external stakeholders. This comprehensive approach helped identify several key factors affecting transformation success. Key findings included the necessity of a progress-driven approach with regular strategic alignment checkpoints, a significant gap in organizational capabilities due to insufficient training, lack of stakeholder engagement resulting in minimal buy-in, and the absence of clear Key Performance Indicators (KPIs) complicating progress tracking and decision-making. To overcome these challenges, the study proposes optimizing resource allocation via a robust management system, investing in ongoing training programs to enhance organizational capabilities, improving stakeholder engagement through continuous communication, and establishing definitive performance metrics and regular evaluation mechanisms. Implementing these strategies could significantly boost PT XYZ's financial profits, customer satisfaction, and competitive standing in the telecommunications sector.

**KEYWORDS:** Change management, Leadership, Performance measurement, Strategic transformation, Stakeholder engagement, Telecommunications.

### INTRODUCTION

The telecommunications industry is currently undergoing rapid and profound changes driven by digitalization and evolving consumer preferences. According to McKinsey & Company, telecommunications companies are prioritizing operational and infrastructure excellence to optimize the total cost of ownership of their networks and deliver high-quality, reliable connectivity services. This strategic shift involves major investments in advanced network capabilities, such as 5G technology, to gain a long-term competitive advantage. The financial dynamics of the top 25 global telecoms operators from 2010 to 2019, as depicted in Figure I.1, highlights this industry shift. The first graph depicts a significant decline in the spread between Return on Invested Capital Including Goodwill (ROIIC) and Weighted Average Cost of Capital (WACC), approaching zero in 2019, indicating a decline in investment efficiency or profitability. The following graph compares the profit share and market capitalization between telecom operators and internet companies in fiscal years 2014 and 2019, showing a dramatic increase in market share for internet companies.

The disruption caused by digital-native companies such as Uber and Netflix have prompted established telecoms companies to rethink their interaction models. Cutting-edge technologies such as AI, big data, and the Internet of Things have revolutionized the way services are delivered and value is created. Li and Chen (2021) emphasize the important role of political influence in shaping the regulatory framework governing telecommunications activities, with government rules on spectrum allocation and foreign investment regulations impacting strategic initiatives and market entry barriers. Additionally, Malik and Khan (2020) discuss how economic issues, including currency exchange rate volatility, inflation rates and overall economic growth, affect consumer purchasing power and investment choices in the telecoms industry. Deloitte's 2023 telecom market study highlights the importance of 5G monetization, leading-edge computing and sustainability in enhancing customer value and managing the dual objectives of infrastructure expansion and resource optimization.

In Indonesia, PT XYZ, a state-owned company engaged in telecommunications and network services in the Indonesian region faces the challenges of a rapidly evolving telecommunications landscape characterized by intense competition, regulatory hurdles and shifting consumer demands. The company is investing heavily in digital transformation, focusing on developing a digital ecosystem



and improving operational efficiency. Despite these efforts, PT XYZ faced significant challenges in aligning its transformation initiatives with its strategic objectives. There is a clear need for better reporting and governance systems to monitor progress and ensure accountability, as well as a need for comprehensive guidelines to effectively manage this transformation program.

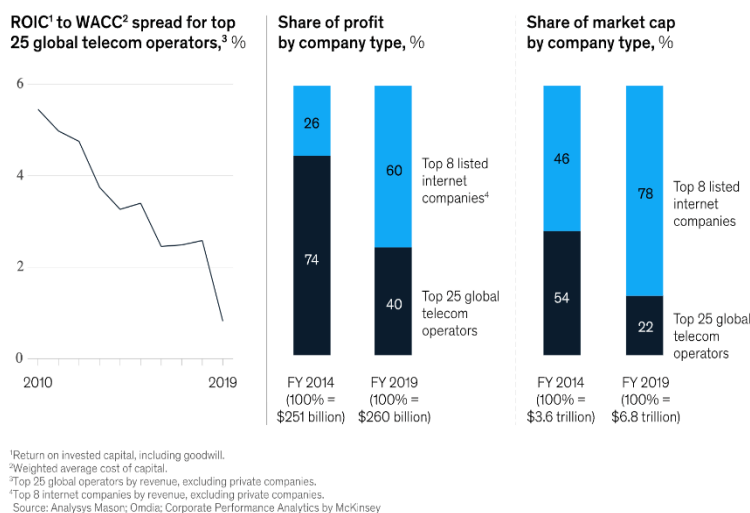


Figure I.1 Economic Value in Telecom Industry

The main objective of this research is to develop a strategic framework that supports the effective management of PT XYZ's transformation initiatives, ensuring alignment with corporate objectives and optimizing operational performance. This research aims to address critical issues such as strategic misalignment, inadequate performance measurement mechanisms, and lack of clear guidelines by focusing on a framework-based approach to reporting and governance. By identifying the critical success factors in managing the transformation program and improving the capabilities of the Transformation Office, this research aims to provide actionable strategies that can significantly improve the efficiency and effectiveness of PT XYZ's transformation efforts. Meanwhile, the research question guiding this study is how can an organization like PT XYZ effectively implement all its transformation program using a framework-based approach to reporting and governance? What are the critical success factors in transformation program management using a progress-based approach that ensures performance metrics requirements are met? How should Transformation Office units measure the performance of transformation initiatives and drive continuous improvement? These questions aim to uncover insights that will enable PT XYZ to navigate its transformation journey successfully, ensuring long-term sustainability and growth in the competitive telecoms market.

In addition, this study also explores the strategic business transformation that Indonesian telecoms companies need to remain competitive. Technology convergence, changing consumer preferences, and regulatory developments require a proactive approach to transformation. Digital transformation enables telecommunications companies to streamline operations, optimize resource allocation, and unlock new revenue streams through innovative services and solutions. PT XYZ's commitment to becoming a leading digital telecommunications company is in line with its mission to enhance digital business proficiency by emphasizing on digital connectivity, platforms, and services. The company's strategic initiatives, such as its Fixed & Mobile Convergence (FMC) strategy and Infra Co strategy, reflect its efforts to consolidate infrastructure assets and improve customer satisfaction and operational effectiveness. By focusing on a framework-based approach to reporting and governance, this research seeks to identify the critical success factors required to achieve the desired results and drive sustainable transformation performance improvement. The findings are expected to provide valuable insights not only for PT XYZ but also for other organizations facing similar challenges in the rapidly evolving telecommunications industry. The ultimate goal is to ensure that PT XYZ can navigate its transformation journey successfully, achieving sustainability and long-term growth while maintaining its competitive advantage in the market.



**LITERATURE REVIEW**

*A. Change Management Theories*

Parry et al. (1997) distinguished between processual and descriptive change management models. Processual models, such as Lewin's 3-step model (Lewin, 1947), Kotter's 8-step model (Kotter, 1996), Kanter's wheel of change (Kanter, 1983), IMA's 10-step (Institute of Management Accountants, 1999), and Luecke's 7-step model (Luecke, 2003), outline the steps in conducting and managing change. Descriptive models, such as Parry et al.'s change tracking model, Cummings and Worley's change management model, Burke and Litwin's organizational change model, and Nadler and Tushman's fit model (Cummings & Worley, 2009; Burke & Litwin, 1992; Nadler & Tushman, 1980), identify key variables that influence organizational performance and change success. These models provide a framework and steps to manage change, helping organizations achieve their desired goals by considering critical factors.

**Table II.1 Table of Underlying Theories**

Kotter's 8-Step Model	Kanter's Change Wheel	IMA's 10 Steps	Luecke's 7-Step Model
1. Create a sense of urgency	1. Change strategically	1. Recognize the change imperative	1. Mobilize energy and commitment
2. Build a guiding coalition	2. Create a shared vision	2. Develop a shared vision	2. Develop a shared vision
3. Develop a vision and strategy	3. Separate from the past	3. Identify the leadership	3. Identify the leadership
4. Communicate the change vision	4. Create a sense of urgency	4. Focus on results	4. Focus on results, not activities
5. Empower broad-based action	5. Support a strong leader role	5. Start change at the periphery, then move in	5. Start change at the periphery, then move
6. Generate short-term wins	6. Line up political sponsorship	6. Institutionalize success through policies	6. Institutionalize success
7. Consolidate gains and produce more change	7. Craft an implementation plan	7. Align formal structures and formal structures	7. Monitor and adjust strategies in response
8. Anchor new approaches in the culture	8. Develop enabling structures	8. Communicate, involve people, and be honest	

*1. Kotter's 8-Step Process*

For Leading Change offers a systematic method for effectively implementing change by emphasizing the importance of creating a sense of urgency, forming influential alliances, and integrating new strategies into the existing corporate culture. Kotter (1996) highlights the importance of establishing a sense of urgency, forming alliances, and incorporating new tactics into the current business culture to guarantee the victory of change efforts.

*2. Lewin's Change Management Model*

Presents a three-stage approach (Unfreeze-Change-Refreeze) to effectively handle change and facilitate the movement of employees towards new working methodologies by analyzing how new digital products are adopted and integrated into the market. According to Lewin (1951), change occurs in three stages: unfreeze, change, and refreeze. The initial stage involves preparing the organization for change by overcoming resistance and establishing an environment conducive to transformation. The second stage involves implementing the desired changes in the organization. The final stage, refreezing, is about solidifying the changes and integrating them into the cultural and operating structures of the organization.

*3. IMA's 10-Step Model*

A comprehensive approach to change management that guides an organization through the process of implementing and sustaining change. The steps include recognizing the imperative for change, developing a shared vision, identifying leadership, focusing on results, initiating change from the periphery, institutionalizing success through policy, aligning formal structures, communicating and engaging people, reinforcing change, and monitoring and adjusting strategies. This model ensures that change is effectively embedded into organizational systems and processes.

The development of change management theory has evolved significantly over the years, incorporating various foundational theories and perspectives. Foundational theories include life cycle, teleology, dialectics, and evolution (A. Ven et al., 1995). Recent advances have focused on integrating learning theories and practical applications to enhance organizational change processes. Hendry et al. (1996) proposed a learning theory-centered approach to organizational change, emphasizing the importance of fostering a learning environment. Zand et al. (1975) highlighted the importance of supportive forces such as recognition, openness, confidence, participation, reinforcement, and top management involvement in successful change projects.

In higher education, change management theory guides institutions through complex transformations, emphasizing planned approaches, psychological and behavioral theories, and organizational development principles. Complex Adaptive Systems (CAS) and Appreciative Inquiry (AI) are particularly relevant in fostering an enabling environment for change (Pundyke et al., 2020). In business organizations, change management research focuses on leadership, organizational change, development, culture, performance, innovation, frameworks, technology and transformation. Effective change management in business requires a deep understanding of these elements and their interrelationships (Abu Orabi et al., 2023).

**B. Knowledge-Based Performance Management System (KBPMS)**

This research uses existing frameworks such as the Balanced Scorecard (Kaplan and Norton, 1996), Performance Prism (Neely et al., 2002), and various models for global manufacturing, incorporating critiques and recommendations from Medori and Steepel (2000), Zairi and Letza (1994), and Neely and Bourne (2000). KBPMS was built based on feedback from practitioners in large organizations in Indonesia, to ensure its relevance and applicability. KBPMS integrates knowledge-based systems with GAP and AHP analysis to address the gaps left by previous frameworks, facilitating a comprehensive benchmarking of performance management systems in Indonesian organizations. This approach helps identify and prioritize key decisions to address shortcomings. The system assists in evaluating and improving performance in the context of organizational transformation, providing a structured method to assess current performance, identify areas of improvement, and prioritize improvement actions. The structured and knowledge-based approach of the KBPMS model is aligned with program management output requirements, as illustrated in Figure II.1.

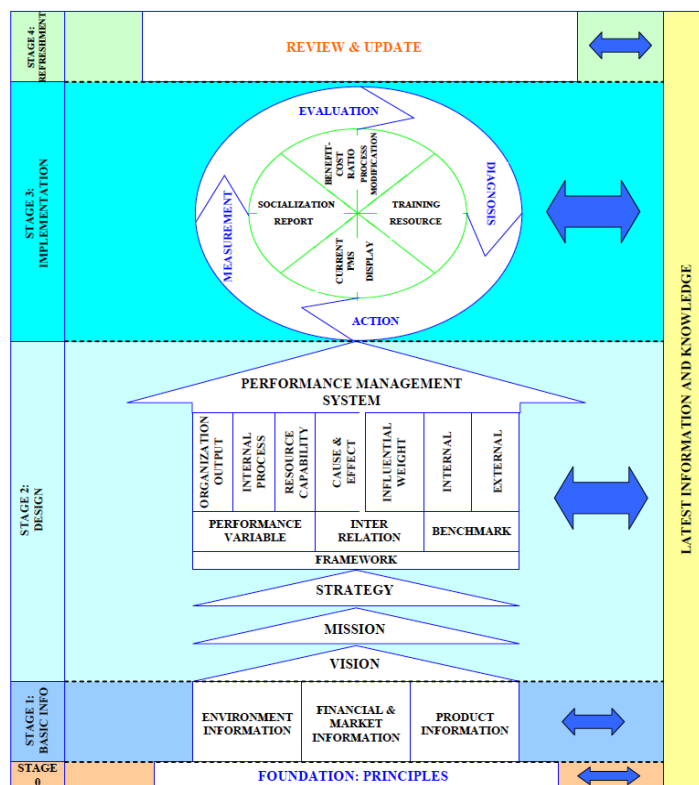


Figure II.1 KBPMS Framework (Wibisono, 2006)

At the Basic Information stage, there are three main sets of information considered: Corporate Environment Information, Financial and Market Information, and Product or Service Information. Corporate Environmental Information positions the company in its competitive environment. Financial and Market Information reflects financial performance and customer satisfaction. Market Share indicates product and service competitiveness and customer satisfaction. Product and Service Information is critical to competitiveness, representing what customers receive.

The core of Performance Management involves company statements, performance variables, interrelationships between variables, variable weights to performance, and performance standards. The company statement should be communicated at all levels, with performance variables aligned with the company's strategy, vision, mission, and goals. The performance variables fall into three groups: Business Results, Internal Processes, and Resource Capabilities. Choosing the right performance variables is critical to success. The AHP embedded in the system determines the pattern of quantitative and qualitative relationships among the performance variables. Benchmarking promotes continuous learning and improves competitiveness through systematic and ethical comparisons with industry standards and competitors. Performance management involves four main steps includes measurement, evaluation, diagnosis, and action. Measurement identifies areas where actual performance is lacking, but does not suggest areas for improvement. Evaluation compares actual performance with targets or standards. Diagnosis finds the causes of performance deviations and explains the performance achieved, taking into account the interrelationships between performance variables and potential new factors. Action plans outline the steps if performance is satisfactory or unsatisfactory, with strategic improvements addressing high-level decision-making and long-term policies.

C. ADKAR Model

The ADKAR model is a thinking tool used to effectively implement change in an organization, which consists of five sequential stages: Awareness, Desire, Knowledge, Ability, and Reinforcement. Each stage must be completed to ensure all members understand and support the change. The model helps organizations track the progress of change and ensure the change is well received, resulting in successful and sustainable organizational change. The ADKAR model is particularly effective for large-scale changes that affect many members. The model provides a systematic framework to ensure readiness and adaptability. The Awareness stage involves a clear understanding of why change is needed. Desire is fostered by influencing the individual's motivation and view of the organization. Knowledge equips individuals with the necessary information to implement the change, followed by developing the Ability to carry it out. The final stage, Reinforcement, ensures sustainable change through mechanisms such as rewards and recognition. The main advantage of the ADKAR Model is its ability to reduce resistance to change and increase the likelihood of successful implementation. By completing each stage sequentially, organizations can minimize the risk of change failure and maximize positive impact. The ADKAR Model also assists in monitoring and evaluating the progress of the change, allowing for any necessary adjustments to be made to achieve the desired results. As a change management tool, the ADKAR Model offers a structured and comprehensive approach, ensuring individuals are prepared and supportive of the change process.

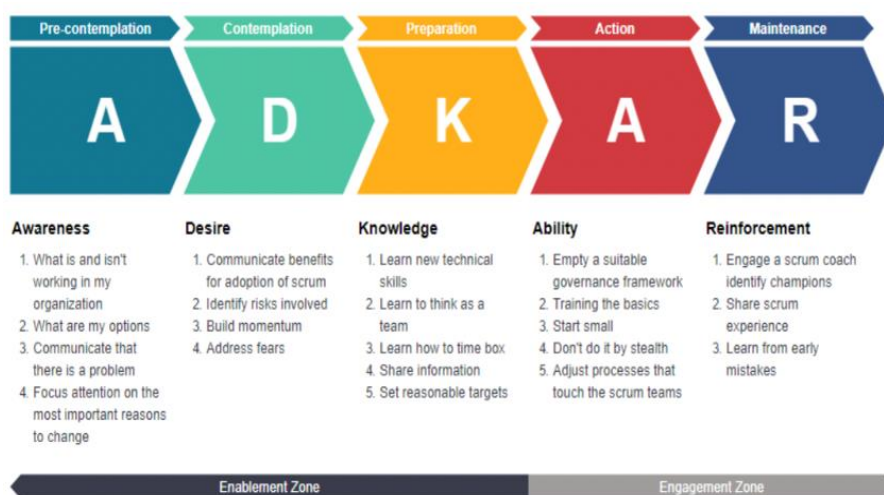


Figure II.2 ADKAR Framework (Prosci, 2024)



## *D. Strategic Management Theories*

This section focuses on strategic management theories that are critical to guiding an organization through a successful transformation program. Porter's Five Forces framework is essential for examining the competitive dynamics and industry structure relevant to XYZ Group's transformation program. Founded by Michael E. Porter in 1979, the theory outlines five elements that determine the level of competition and impact profitability: potential new competitors, bargaining power of buyers, bargaining power of suppliers, threat of substitute products, and competitive rivalry. By analyzing these forces, XYZ can gain insight into industry pressures and make informed strategic decisions (Porter, 1979). The Resource-Based View (RBV) emphasizes the strategic utilization of a firm's internal resources to achieve competitive advantage. RBV highlights the importance of leveraging unique resources and capabilities, such as technological infrastructure, human resources, and organizational capabilities, to drive innovation and navigate industry challenges. RBV also underlines the dynamic nature of resources, encouraging firms to adapt and develop their resources to remain competitive (Barney, 1991).

The Market-Based View (MBV) offers a significant framework for understanding competitive dynamics and market position, emphasizing external market forces and consumer dynamics. This involves analyzing industry structure, market dynamics, and competitive pressures using tools such as Porter's Five Forces. In addition, MBV highlights the importance of consumer preferences and behavior, advocating the use of market research, feedback mechanisms, and data analysis to align transformation projects with market demand (Porter, 1980; Kotler and Keller, 2016). MBV also emphasizes strategic positioning and differentiation. By using market segmentation, targeting, and positioning methods, XYZ can identify unique market niches and provide value to clients, address specific market gaps, and leverage opportunities (Hooley et al., 2008). Integrating MBV principles into strategic planning helped XYZ understand market dynamics, set strategic priorities, and improve its competitive position in the telecoms industry.

## *E. Principles of Program Management*

The Project Management Institute (PMI) defines program management as the administration of a collection of interconnected projects in a synchronized way to achieve benefits that cannot be achieved through individual management. The Organizational Project Management Maturity Model (OPM3) was used to evaluate the level of development of the project management methodology and identify areas for improvement. This methodical approach aligned with the objective to oversee and evaluate the transformation program, emphasizing the importance of well-coordinated project management in achieving strategic objectives. Using OPM3, XYZ Group was able to assess the maturity of its project management practices, identify areas for improvement, and ensure alignment with strategic objectives. This structured evaluation drives continuous improvement in managing transformation program (PMI, 2024).

## *F. Conceptual Framework*

The conceptual framework provides the theoretical foundation for this research by describing the relationships between key variables. The framework systematically examines the research problem, offering a comprehensive analysis of the concepts and expected relationships (Miles & Huberman, 1994). The framework addresses the overarching business issue and its implications for XYZ Group's transformation program. Aligned with the organization's vision, mission, corporate values and goals, the framework ensures that key performance indicators (KPIs) directly influence strategic direction. Inspired by the Balanced Scorecard framework by Kaplan and Norton (1996), this strategy map covers four important perspectives: financial, customer, internal processes, and learning and growth. Figure II.3 illustrates the relationship between the corporate environment and various internal aspects. The framework is divided into two main parts: Strategic Section and Operational Section. At level 0, the "Corporate Environment" component includes the entire operational environment, which affects and is affected by overall performance. The Strategic Section at level 1 covers the "Business Results", which include the financial and non-financial performance results of various activities and processes.

At level 2, the Operational Section represents critical internal processes: "Innovation" (developing new products, services, or processes), "Operations" (covering all operational activities from production to distribution), "Marketing" (marketing activities to reach customers and increase sales), and "After-Sales Service" (after-sales service to maintain customer satisfaction and loyalty). At level 3, the components representing Resource Capability are "Human Resources" (managing employee recruitment, training, and development), "Technology and Infrastructure" (use of technology and infrastructure that support operations), and "Organization" (organizational structure, corporate culture, and governance that support objectives). These components are key

factors that support internal processes and achieve desired business outcomes. The framework comprehensively shows how the corporate environment, business outcomes, internal processes, and resource capabilities are interconnected and influence overall performance.

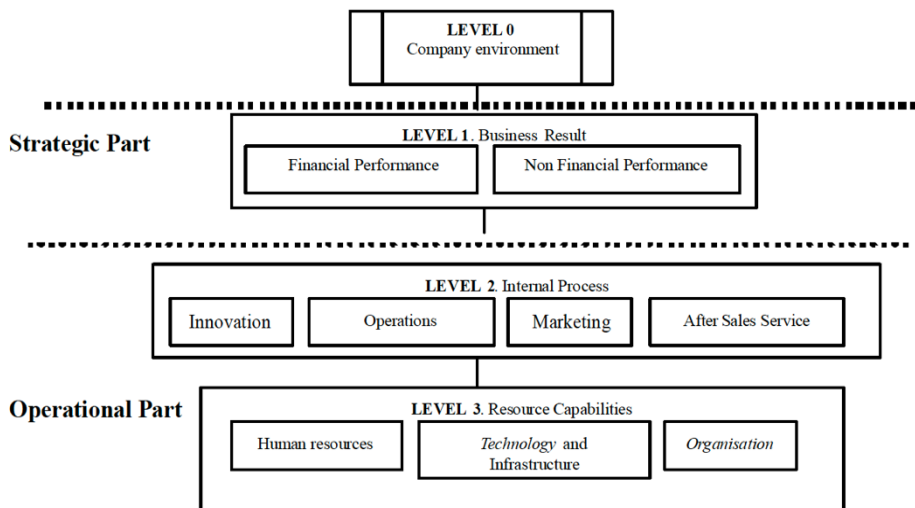


Figure II.3 Hybrid KBPMS Model Framework

**RESEARCH METHOD**

**Research Design**

Research frameworks are essential for guiding research endeavors, providing a structured roadmap for enquiry. As highlighted by Akanbi et al. (2015), frameworks act as a guide, describing the essential components and methodologies needed to conduct research appropriately. By clearly defining the objectives, variables and relationships of the research, the framework helps the researcher to stay focused and maintain clarity throughout the research process. This research used a mixed methods approach to analyze the implementation of the transformation program at XYZ Group. Qualitative research involved in-depth interviews with stakeholders and focus group discussions, while quantitative research used surveys and questionnaires to collect data on market trends and customer preferences. Combining qualitative and quantitative data provides a comprehensive view of the strategy and results, allowing for more reliable conclusions. The research design is organized into five main components, as illustrated in the following graphic.

**Data Collection**

Data collection in this study was conducted using a mixed methods approach, which combines quantitative and qualitative data collection methods (Creswell & Plano Clark, 2017). This approach allows researchers to gain a more comprehensive and holistic understanding of the topic under study (Johnson et al., 2007). There are two categories of data collection in this study: primary and secondary data sources. Primary data was collected through questionnaires, interviews, and focus group discussions (FGDs), while secondary data was obtained from document analysis. This combination of data sources ensured a robust and comprehensive data set for analysis. The research began by identifying an important business problem, namely the need for enterprise transformation. The first step focused on finding misalignment between organizational goals and performance indicators. Based on the identified problem, research questions were formulated to measure the extent of the problem and understand the management processes that needed to be improved. Research objectives were then set, defining the theoretical framework, concepts, models, processes and controls to be researched.

Next, a comprehensive literature review is conducted to assess current knowledge in the field of enterprise transformation and identify gaps in existing research. The research proceeded to the data collection stage, which involved collecting primary and secondary data. Primary data was collected through questionnaires distributed to 100 internal and 100 external respondents, interviews with various organizational roles (including seven individuals), and focus group discussions with key participants (six individuals). Secondary data was collected through document analysis. Data analysis was then conducted in the context of the



organization, focusing on performance variables. Analysis of the findings identified key insights and patterns. Based on the findings, a business solution was developed, including a detailed framework report and performance metrics. An implementation plan was created, outlining the steps to implement the solution at XYZ Transformation Group. The research concluded with a summary of the findings, solutions, and implementation plan, which provided a comprehensive overview of the company's transformation process.

Primary data, as defined by Sumarwan (2018), is information collected directly by the researcher specifically for the purpose of his or her research. This data is collected directly from the source through methods such as surveys, interviews, observations, or experiments (Hox & Boeije, 2005). In this study, primary data is both qualitative (obtained through interviews and FGDs) and quantitative (through surveys). Interviews involved semi-structured questions with top management, functional unit teams, or subsidiaries of XYZ Group to gain insights into experiences, thoughts, plans, problems, and new ideas about monitoring the transformation program. FGDs engaged XYZ Group teams from the transformation department in detailed discussions to understand team collaboration, interactions, and perceptions of methods and challenges in monitoring transformation program. For quantitative data, it was collected through a structured questionnaire that measured XYZ's strategic position in the telecoms digital industry using a Likert Scale. This data was analyzed using descriptive and inferential statistics to provide quantifiable information to identify patterns and trends. The set of questions was designed to align with the ADKAR model, which assesses aspects such as awareness, desire, knowledge, ability, and reinforcement in organizational transformation.

Secondary data was collected from various sources, including textbooks, academic journals, articles, company websites, internal data, and government websites, to understand the external environment, industry environment, and competitive environment. This combination of primary and secondary data sources ensured a robust and comprehensive data set for analysis, enabling a detailed understanding of the corporate transformation process at XYZ Group.

## Data Analysis

### *Quantitative Data Analysis*

This research uses statistical techniques to analyze numerical data from surveys and questionnaires, using descriptive and inferential statistics to test hypotheses and understand relationships between variables. Descriptive statistics are used to summarize and present data, providing insight into patterns, trends and distributions. Key statistics such as mean, median, and standard deviation are calculated to assess central tendency and variability. Frequency analyses and visual representations such as bar charts and pie charts illustrate the effectiveness and acceptability of the transformation framework. This approach allows for a quantitative foundation that highlights the current status, identifies gaps, and suggests focus areas to improve the transformation program. Additionally, inferential statistics help in predicting and drawing conclusions about the larger population based on sample data, aiding in the identification of trends and potential outcomes.

### *Qualitative Data Analysis*

Qualitative data analysis includes content and thematic analysis, utilizing interviews and focus groups to categorize and identify patterns. Case studies were used to identify key themes and insights relevant to program management strategies. Thematic analysis, as described by Braun and Clarke (2006), involves familiarization with the data, initial coding, searching for themes, reviewing themes, defining and naming themes, and producing a report. This methodological framework, known for its flexibility and adaptability, allows researchers to explore in-depth textual data to uncover deeper patterns, themes and significance. Tools such as NVivo facilitate data coding and theme identification, ensuring a comprehensive understanding of qualitative data. The analysis aimed to provide detailed insights into the experiences, thoughts and challenges associated with the transformation program, which helped in forming actionable strategies for improvement. This structured approach enabled a thorough examination of the qualitative data, revealing meaningful patterns and insights that contributed to the overall research findings.

## Data Triangulation

In the XYZ Group transformation study, data triangulation was used to ensure strong validation of the qualitative research. This method involved collecting data from multiple sources, including employees, management and external experts, and using a variety of qualitative methods such as interviews, focus groups and document analysis. Multiple analysts interpreted the data to minimize individual bias, and different theoretical frameworks, such as change management and organizational behavior theory, were applied to deepen the analysis. Data were collected at different stages of the transformation process to observe changes over time, and





findings were cross-validated with quantitative data to verify the prevalence and significance of qualitative themes. Techniques such as member checking, providing rich and in-depth descriptions, and maintaining an audit trail enhance credibility and enable detailed examination of the impact of transformation. This integrated approach provides a comprehensive and reliable picture of the factors influencing transformation success at XYZ Group, guiding strategic decisions and highlighting future research directions.

## RESULT AND DISCUSSION

### A. Qualitative Analysis

During the Focus Group Discussions (FGD) at XYZ, both groups highlighted the challenges of managing frequent change requests and the necessity of simplifying reporting processes due to these constant adjustments. The transformation team emphasized their active involvement in key initiatives like the establishment of Digico and improving customer experiences, despite facing obstacles such as the lack of a comprehensive playbook and pressure for immediate results from management. These insights were reinforced during interviews, where stakeholders stressed the importance of aligning transformation efforts with strategic goals, the need for effective stakeholder engagement, and the challenges of implementing change within the organization. Both the FGDs and interviews underscored the critical need for monitoring key achievements, refining processes, and distinguishing between controllable and uncontrollable factors to successfully drive the transformation agenda at XYZ.

#### a. Results of FGD 1

The transformation team at XYZ highlighted their active role in leading, organizing, and providing strategic direction for key transformation program such as the establishment of Digico, customer experience improvement, and digitalization. One participant emphasized, *"We actively lead the stakeholders towards the establishment of Digico. We lead and monitor, by controlling and evaluating from a single cycle."* However, they faced significant challenges, including frequent change requests and in-flight program modifications. *"The challenge is frequent change requests. Change requests mean program changes,"* said another team member. These challenges necessitated a shift towards simplified reporting that focused on progress and milestones rather than detailed digital tracking. As one participant put it, *"We used to make it very digital. But because there are a lot of changes, we just simplified it."* In addition, the team noted the lack of a comprehensive playbook, with only standard operating procedures available. They also faced management demands for instant results and aggressive revenue targets, especially for initiatives like Infracore. *"Often these transformations, maybe because of management demands, management demands. That it has to look instant. You have to see the change immediately, so the targets go up immediately and so on,"* said one team member. To overcome these challenges, the team emphasized the need to monitor critical points of achievement, identify processes that impact improvement, encourage linkage of program to corporate targets, and distinguish between controllable and non-controllable factors.

#### b. Results of FGD 2

The second focus group echoed many of the themes from the first focus group, including the importance of monitoring program alignment with overall transformation goals and addressing challenges such as frequent change requests and program shifts. One participant highlighted, *"We monitor whether the program or project is aligned with the transformation program."* The team noted that the reporting process has been simplified due to frequent changes, and the availability of comprehensive guidance is still limited. *"The playbook, so far, is only the CSS. Transformer SOPs at most,"* said a participant. Management's demand for instant results and aggressive targets, such as those at Infracore, remains a significant challenge. Participants highlighted the importance of monitoring critical points of achievement and identifying processes that have a significant impact on the core business. *"If I were the director and had this program, I would ask the operations team what processes need to be improved to impact the core business,"* suggested one participant. They also emphasized the need to link transformation program to corporate targets and distinguish between controllable and uncontrollable factors. *"For data centers, consolidation is under my control, but migration is beyond my control as it involves many external factors,"* said another team member. The team suggested that management review meetings focus on financial performance, process improvement, and program progress, and that there should be internal assessments to evaluate the impact of simplification and automation initiatives.

Qualitative analysis of FGD 1 and FGD 2 revealed that the transformation team at XYZ was highly engaged in organizing and leading transformation initiatives, yet they faced considerable challenges. Frequent change requests and the lack of comprehensive guidelines complicate their efforts, while management's demand for quick results adds to the pressure. To overcome these challenges, teams must focus on monitoring key milestones, improving impactful processes, ensuring program alignment with



corporate targets, and distinguishing controllable factors from those that depend on external variables. Utilizing a structured methodology, consistent reporting, and comprehensive guidelines can provide the support needed to effectively manage transformation and align it with strategic objectives.

## Interview Analysis

Interviews conducted with XYZ's internal and external stakeholders revealed important insights into the implementation, challenges and outcomes of the transformation program. Key themes that emerged included the importance of strategic planning, stakeholder engagement, performance metrics, and change management. These insights are critical to understanding the transformation process and identifying areas for improvement. One important theme was Program and Goal Planning, where interviewees highlighted the challenges of aligning transformation initiatives with the organization's strategic goals. As one interviewee mentioned, *"In XYZ company, the program is slowed down because it combines strategic initiatives into contributing and supporting units and divides them into several strategic initiative programs"* (P1). *This lack of alignment often results in initiatives that, while individually successful, do not effectively contribute to the organization's overall goals.* (P1). Another interviewee emphasized, *"Every quarter, they validate the targets, mainly because external industry factors such as winter technology, make some venture capital hold back their investments"* (P3).

The theme of Progress Reports and Tools underscored concerns regarding the establishment and use of performance metrics. *"There were instances where the metrics used did not accurately reflect the actual progress made against our strategic objectives,"* said one interviewee (P4). The dynamic nature of the transformation program often led to simplified reporting processes, as another interviewee put it, *"We used to make it very digital. But because of many changes, we simplified it"* (P2). This simplification sometimes results in a mismatch between reported metrics and actual results. In addition, interviews also highlighted challenges in data management and coordination. One interviewee explained, *"The lack of integrated systems leads to significant manual data collection, which often results in inaccuracies and inefficiencies"* (P6). The need for better system integration and data management was recurrent, with calls for more dynamic systems to reduce manual data input and increase real-time data availability.

Stakeholder Engagement and Collaboration was another important theme. The need for effective collaboration among various stakeholders, both internal and external, was emphasized. One interviewee stated, *"Our job is to actively organize. With a certain framework, we will choose which will be the object of orchestration"* (P2). Active orchestration and stakeholder engagement are seen as critical to the success of transformation initiatives. The Change Management theme highlighted the importance of implementing a robust strategy to navigate the transition phase successfully. *"Effective leadership is required to drive transformation and define KPIs that are aligned with business objectives,"* said one of the interviewees (P5). The importance of creating a culture that encourages continuous learning and adaptation was also emphasized, with a focus on people management and employee engagement. Performance Measurement and Continuous Improvement emerged as an important theme, emphasizing the need for well-defined metrics and consistent reporting systems. One interviewee mentioned, *"We have to make sure that the processes implemented can simplify and accelerate existing business processes"* (P5). This approach drives accountability and ensures that the transformation process is aligned with the desired outcomes. The interviews provide a comprehensive view of the complex organizational transformation process at XYZ. The importance of an adaptive framework, strategic planning, effective change management, continuous stakeholder engagement and rigorous performance measurement cannot be overstated. These elements are interconnected, each playing a critical role in ensuring that transformation efforts are successful and enduring. The insights gained from these interviews are critical to guiding strategic decisions and highlighting areas for future research and improvement. Table

## IV.1 summarizes the key themes, codes, and descriptions derived from the interviews.

Table IV.1 Themes, Codes and Description

Theme	Codes	Description
Framework Implementation and Adaptability	Implementation details, Updating data, Controlling processes	Focuses on how transformation frameworks are adjusted to align with dynamic organizational needs.
Strategic Initiatives and Planning	Strategy planning, Goals, Implementation	Discusses the planning and execution of strategic initiatives integral to the transformation process.



Theme	Codes	Description
Operational Effectiveness and Efficiency	Process optimization, Efficiency improvements	Relates to actions taken to enhance operational processes and improve overall efficiency.
Change Management	Adapting to change, Managing transitions	Covers strategies and challenges associated with managing organizational change during transformation.
Human Resources and Talent Development	Talent management, Employee engagement	Focuses on the strategies to develop and engage employees to support organizational goals.
Stakeholder Engagement and Collaboration	Collaboration efforts, External stakeholders	Details the importance of engaging various internal and external stakeholders in the transformation process.
Performance Measurement and Continuous Improvement	Metrics, Reporting, Accountability	Emphasizes the need for well-defined metrics and consistent reporting systems to monitor progress and ensure alignment with strategic objectives.

*B. Quantitative Analysis*

This study uses a survey questionnaire method to collect comprehensive data on the performance metrics and management of transformation program within companies. This method aims to gain more detailed insights into the effectiveness and challenges of these initiatives. The study involved two groups: 100 employees from PT XYZ, who provided internal insights based on their experiences, and 100 external participants, including industry experts and stakeholders, who offered objective viewpoints and comparative analyses.

a. Internal Participant Feedback

1) Demographic Data of Internal Survey Respondents

The demographic distribution of respondents reveals a diverse background. The majority of respondents are male (75%), with the largest age group being 25-34 years (46%). Most hold a Diploma or Bachelor's degree (81%) and work in state-owned companies (71%). Work experience varies, with the majority having 6-10 years (45%), and respondents are primarily from specific divisions (32%). Detailed demographics are provided in Table IV.2.

**Table IV. 2 Demographics of Internal Survey Participants**

Category	Value	Count	Percentage
Gender	Male	75	75.0%
	Female	25	25.0%
Age	25-34 years	46	46.0%
	35-44 years	18	18.0%
	45-54 years	30	30.0%
	55-64 years	5	5.0%
	65 or above	1	1.0%
Education	Diploma/Bachelor's	81	81.0%
	Master's	19	19.0%
Occupation	State-Owned Company Employee	71	71.0%
	Private Company Employee	23	23.0%
	Retiree/Pensioner	4	4.0%
	Educator/Academic	2	2.0%
Work Experience	1-5 years	11	11.0%
	6-10 years	45	45.0%
	11-15 years	16	16.0%
	More than 15 years	28	28.0%
Work Location	Division	32	32.0%



Category	Value	Count	Percentage
	HQ/Directorate	23	23.0%
	Subsidiary/Child Company	20	20.0%
	Regional	11	11.0%
	Retail	8	8.0%
	TCUC	1	1.0%
	Retired/Pensioner	3	3.0%
	Ex-Directorate	2	2.0%

2) Driving Factors of Organizational Transformation

Figure IV.1 illustrates the driving factors behind organizational transformation as perceived by the respondents. A significant majority (96.3%) indicated having experience or knowledge about transformation programs. The primary factor cited was Market Change and Customer Needs (58.8%), followed by Technology and Industry Innovation (21.3%). Other factors included Increased Market Competition (12.5%), Operational Efficiency and Productivity (15.0%), and Government Regulations and Policies (5.0%).

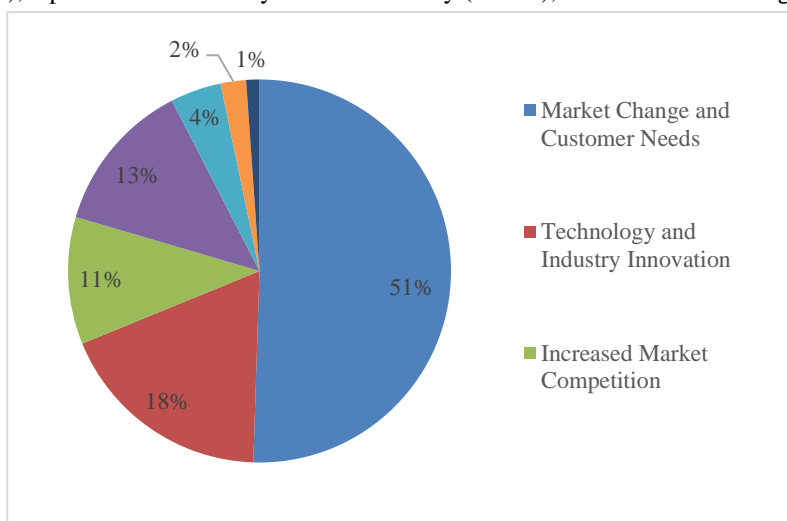


Figure IV.1 Participants opinions on factor for transformation

3) Employee Perception of Organizational Transformation

The survey results highlight the importance and satisfaction levels associated with various aspects of transformation programs. The data indicates that while aspects like socialization of guidelines, effective progress measurement tools, and alignment with strategic objectives are highly valued, satisfaction with their implementation varies. This is detailed in Table IV.3.

Table IV.3 Survey Results of Aspect Importance

Aspect	High Rating (10)	Rating 8 or above	Low Rating (1-7)
Importance of Socialization of Guidelines and Work Plans	68%	93%	1%
Importance of Effective Progress Measurement Tools	63%	85%	2%
Importance of Alignment with Strategic Objectives	67%	87%	2%
Satisfaction with Socialization of Guidelines and Plans	7%	-	14%
Satisfaction with Program Execution	7%	-	11%
Satisfaction with Progress Measurement Tools	4%	-	22%
Satisfaction with Alignment with Strategic Objectives	4%	-	13%



4) Challenges of Transformation

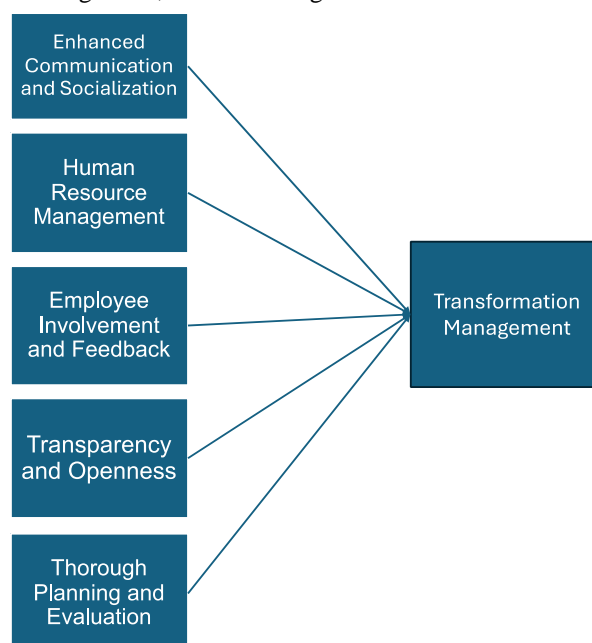
Managing XYZ Group's transformation presents several challenges. These include ineffective communication, differences in mindset, HR readiness, coordination across units, and change management. Table IV.4 summarizes these challenges, supported by direct quotes from the respondents.

**Table IV.4 Summary of Challenges of XYZ Group Transformation**

Challenge	Description	Example Quotes
Ineffective Communication and Socialization	Lack of effective communication and socialization regarding transformation programs	"XYZ Group is very large but the transformation socialization has not been evenly distributed, so the urgency has not been felt by all parties."
Differences in Mindset and Employee Resistance	Employee resistance to change, old habits, comfort zones	"Because previously XYZ was in good condition, the willingness to change from employees to get out of their comfort zones is the biggest challenge."
Human Resource (HR) Readiness	Competence, skills, and ability of employees to adapt to changes	"HR management whose utilization is still not in line with the needs of the transformation."
Coordination and Alignment Across Units	Coordination and alignment of transformation programs across all units and subsidiaries	"Alignment of transformation programs in all units within XYZ, including subsidiaries, has not been strictly enforced."
Change Management and Execution	Managing complex organizational changes and ensuring effective execution	"Change management and execution. Problems at the technical level are sometimes not well mitigated when the blueprint is drawn up, impacting the expected purpose."
Uncertainty and Risk	Threats to data privacy, government regulatory changes, competitive business environment	"Threat of customer data hacking and data leakage that could damage the company's reputation."

5) Key Points for Improving Transformation Management

To address these challenges, key strategies include enhancing communication and socialization, improving transparency, thorough planning and evaluation, effective HR management, and better alignment and coordination. This is visualized in Figure IV.2.



**Figure IV.2 Key Points for Improving Transformation**



Improving communication and socialization is critical to successful transformation. Respondents emphasized comprehensive and widespread communication to ensure all employees understand and support the change. Suggestions included more aggressive socialization through head office meetings and easily accessible communication media. Transparency in managing the transformation, including informing employees about plans, risks and progress, was also highlighted. This will foster trust and engagement among employees. Thorough planning and evaluation are essential, with respondents suggesting more structured planning and regular evaluation to measure success. Clear strategies, risk mitigation, and measurable success criteria were also recommended. Effective human resource management (HRM) is also crucial, with better practices in terms of training, competency development, and proper employee placement. Overall, suggested improvements include more effective communication, increased transparency, thorough planning, better people management, greater employee engagement, and strong management and leadership support in managing the transformation at XYZ Group.

b. External Survey Participants

1) Demographics of External Participants

The external survey participants come from various industries, providing a broader perspective. The majority are male (62.9%) and aged 25-34 years (53.6%). Most hold a Diploma/Bachelor's degree (81.4%) and work in private companies (59.8%). Detailed demographics are shown in Table IV.5.

**Table IV.5 Demographic Data on External Survey Participants**

Category	Value	Count	Percentage
Gender	Male	61	62.9%
	Female	36	37.1%
Age	18-24 years	4	4.1%
	25-34 years	52	53.6%
	35-44 years	35	36.1%
	45-54 years	6	6.2%
Education	Diploma/Bachelor's	79	81.4%
	Master's	17	17.5%
	Doctoral	1	1.0%
Occupation	Private Company Employee	58	59.8%
	State-Owned Company Employee	22	22.7%
	Entrepreneur/Self-Employed	8	8.2%
	Student	5	5.2%
	Government/Civil Service	2	2.1%
	Doctor	1	1.0%
	Teacher/Academic	1	1.0%
Work Experience	Less than 1 year	4	4.1%
	1-5 years	16	16.5%
	6-10 years	40	41.2%
	11-15 years	19	19.6%
	More than 15 years	18	18.6%
Industry	Finance and Banking	23	23.7%
	Manufacturing and Infrastructure	13	13.4%
	Energy and Natural Resources	13	13.4%
	Information and Communication Technology	8	8.2%
	Trade and Retail	5	5.2%
	Transportation and Logistics	5	5.2%
	Healthcare and Pharmaceuticals	4	4.1%



Category	Value	Count	Percentage
	Construction and Property	2	2.1%
	Education and Training	4	4.1%
	Media and Entertainment	2	2.1%
	Others*	18	18.6%

2) Participation on Company Transformation Programs

Figure IV.3 shows that 73% of external respondents have experience or knowledge about transformation programs. This indicates widespread awareness and involvement in such initiatives.

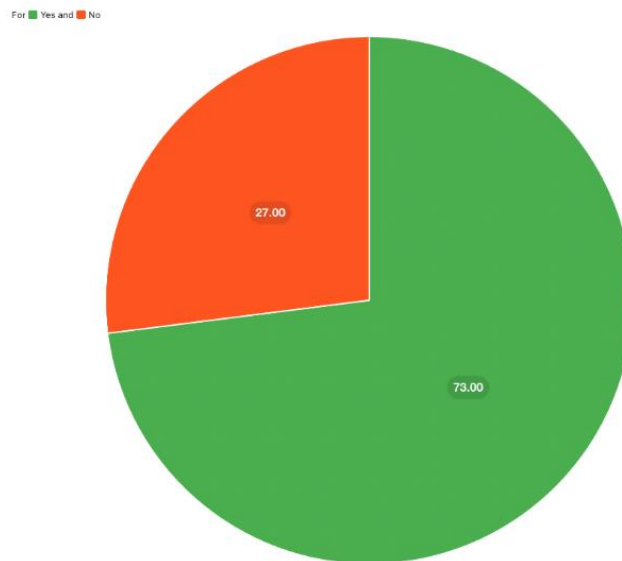


Figure IV.3 Participants with Experience or Knowledge on Transformation

3) External Participant Perception of Organizational Transformation

Figure IV.4 highlights the primary factors driving transformation programs, with Market Change and Customer Needs (30%) being the most cited, followed by Technology and Industry Innovation (25%). The importance and satisfaction levels associated with various aspects of transformation programs are detailed in Table IV.6.

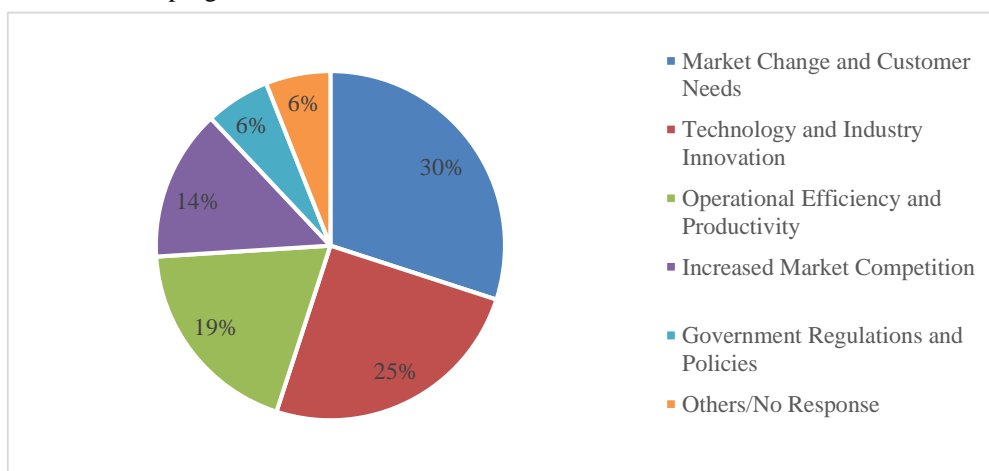


Figure IV.6 External Participants' Opinions on Factors for Transformation



Socialization of guidelines and work plans was considered very important by most respondents, with 60% rating the importance of guidelines and work plans as 10 and 90% rating them as 7 or higher. Effective progress measurement tools were also considered very important, with 54.6% rating their importance as 10 and 89.7% rating them as 7 or higher. Alignment between implementation and strategic objectives followed a similar trend, with 54.6% rating it as very important and 92.8% rating it as 7 or higher. However, satisfaction levels were more varied. Satisfaction with the socialization of the guidelines and work plan showed a wide range, with only 4.1% giving it a score of 10 and 18.6% giving it a score below 5. The same pattern was seen in satisfaction with the implementation of the transformation program, with only 3.1% giving it a score of 10 and 14.4% giving it a score below 5. Satisfaction with the progress measurement tool and alignment between implementation and strategic objectives also showed variability, indicating areas for improvement in the transformation process.

**Table IV.6 Survey results of aspect importance**

Question	Details
Importance of Socialization of Guidelines and Work Plans	Majority (60%) rated it as very important with a score of 10. Total 90% gave a score of 7 or above, only 4% rated it below 5.
Importance of Effective Progress Measurement Tools	54.6% rated it as very important with a score of 10. Total 89.7% gave a score of 7 or above, only 1% rated it 6.
Importance of Alignment between Implementation and Strategic Objectives	54.6% rated it as very important with a score of 10. Total 92.8% gave a score of 7 or above, only 1% rated it 6.
Satisfaction with Socialization of Guidelines and Work Plans	Satisfaction varied, 26.8% gave a score of 7, 25.8% gave a score of 8. Only 4.1% gave the highest satisfaction score (10), 18.6% rated below 5.
Satisfaction with Execution of Transformation Program	Satisfaction varied, 29.9% gave a score of 8, 24.7% gave a score of 7. Only 3.1% gave the highest satisfaction score (10), 14.4% rated below 5.
Satisfaction with Progress Measurement Tools	Satisfaction varied, 28.9% gave a score of 8, 20.6% gave a score of 7. Only 6.2% gave the highest satisfaction score (10), 15.5% rated below 5.
Satisfaction with Alignment between Implementation and Strategic Objectives	Satisfaction varied, 37.1% gave a score of 8, 19.6% gave a score of 6. Only 5.2% gave the highest satisfaction score (10), 8.2% rated below 5.

4) Challenges of Transformation According to External Stakeholders

Table IV.7 summarizes the challenges identified by external stakeholders, including HR challenges, organizational culture, immature planning, resource constraints, regulations, change management, and resistance to change.

**Table IV.7 Summary of Challenges of XYZ Group Transformation**

Challenge	Description	Example Quotes
Human Resource (HR) Challenges	Employee resistance to change, old habits, comfort zones, difficulty in adapting to transformation	"Resistance from employees related to transformation due to comfort in the existing work process and insecurity of employees towards the impact of change."
Organizational Culture and Communication	Unsupportive culture, lack of effective communication, misunderstandings, differing perceptions	"Lack of understanding of the transformation program across all levels of company employees."
Immature Planning and Execution	Inadequate planning, lack of clear vision, lack of monitoring and evaluation	"There is a mismatch between top management and the working level."
Resource Constraints	Financial, technological, and infrastructure constraints	"Navigating the impact of these changes to a complex company. Hard to identify the extent of these changes."
Regulations and Policies	Challenges with government regulations and policies	"Rapid changes in regulations often require rapid adaptation if the company does not have operational flexibility."





Challenge	Description	Example Quotes
Change Management and Coordination	Difficulty in managing change and coordinating across departments	"Miscommunication between Management and working level."
Resistance and Uncertainty	Internal resistance to change, uncertainty about the impact of transformation	"The challenge is how to make this transformation culture immediately accepted by all employees, not only at the top level but also at the bottom level."

Employee resistance to change, rooted in old habits, comfort zones, and lack of necessary skills, is a significant barrier to transformation. Factors such as age compound this issue, with older employees facing difficulties in understanding digitalization, highlighting the need for strong leadership and effective change management. In addition, an unsupportive organizational culture and inadequate communication also lead to misunderstandings and a lack of commitment from both management and employees, emphasizing the need for a cultural shift to embrace transformation. Immature planning and execution, characterized by inadequate planning, lack of a clear vision, and insufficient monitoring, resulted in misalignment between transformation goals and implementation, underscoring the importance of thorough planning and continuous evaluation. In addition, resource constraints such as financial, technological, and infrastructural limitations hinder the necessary changes, requiring adequate resources and investments to support transformation. Regulatory and policy challenges increasingly demand flexibility and good navigation. Effective change management and coordination are critical in complex organizational structures, as miscommunication and inconsistencies in implementation highlight the need for strong coordination mechanisms and clear communication channels. Ultimately, overcoming internal resistance and fostering a culture of change acceptance is critical to successful transformation.

8) Key Points for Improving Transformation Management

External stakeholders suggest several strategies to improve transformation management, such as enhancing communication, thorough planning, effective change management, employee training, monitoring and evaluation, and strong management support. This is detailed in Table IV.8.

**Table IV.8 Survey Results of Aspect Importance**

Challenge	Description	Example Quotes
Improved Communication and Socialization	Enhancing communication, comprehensive socialization, increased employee involvement	"Make an absolute change with comprehensive socialization to stakeholders about what is being changed, why, and the purpose and benefits of the change."
Thorough Planning and Goal Setting	Importance of thorough planning, setting clear goals, proper mapping before carrying out the transformation	"Proper planning, minimizing impromptu stages that arise when transformation is carried out."
Change Management and Employee Involvement	Effective change management, involving employees in the transformation process, providing rewards or incentives for supportive employees	"Emphasize the importance of transformation and the benefits that will be obtained for the company and employees, and also provide individual rewards for employees who support and carry out the transformation."
Employee Training and Development	Need for employee training and development to prepare them for transformation	"Conduct regular training and not in one close period of time."
Monitoring and Evaluation	Better monitoring and evaluation of the transformation process	"Having monitoring and evaluation carried out to measure the extent to which transformation has taken place."
Management Support and Leadership	Importance of strong support from management and good leadership	"Strong support from leadership."
Improvement of Organizational Culture and Mindset	Improvements in organizational culture and changing employee mindsets to support transformation	"Adjustment of organizational culture."



Improved communication and socialization are critical in managing corporate transformation. Improving communication, comprehensive socialization and increased employee engagement can significantly improve understanding, commitment and buy-in from all employees. For example, one suggestion is to "conduct absolute change with comprehensive socialization to stakeholders about what is changing, why, and the purpose and benefits of the change." Careful planning and goal setting are essential for a smooth transformation process. Respondents emphasized the importance of setting clear objectives and proper mapping prior to transformation. As one quote highlighted, "setting the right goals from the start, and commitment from all company members" is vital. Effective change management, involving employees in the transformation process, and rewarding or incentivizing employees who support the change are also very important. One respondent emphasized, "Change management that is really well prepared and involves all company stakeholders from the top to the bottom." Training and development of employees is necessary to prepare them for transformation and adoption of change. Regular and continuous training sessions are highly recommended. One respondent suggested, "conduct training periodically and not in close proximity." In addition, better monitoring and evaluation of the transformation process, including regular progress reports and continuous improvement, is essential for successful implementation. As one respondent put it, "conducting monitoring and evaluation to measure the extent to which the transformation has taken place" is essential for tracking progress and making necessary adjustments.

9) Stakeholder Preferences on Program/Outcome Driven Approaches

Figure IV.7 shows that 74% of external respondents prefer a progress-driven approach, emphasizing the significance of ongoing milestones and regular feedback, while 26% favor an outcome-driven approach. This suggests a preference for a process-focused approach to managing transformation programs.

For ■ Progress Driven Approach (Proses) and ■ Outcome Driven Approach (Hasil)

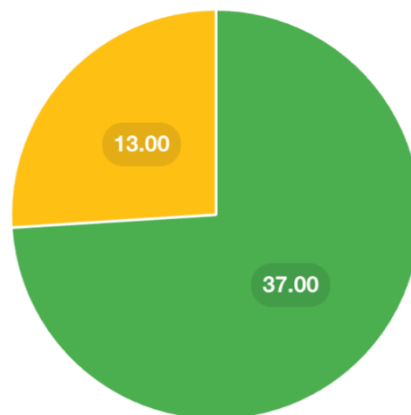


Figure IV.7 External Participants' Preferences on Measurement Approach

In conclusion, the quantitative analysis provides a comprehensive understanding of the factors influencing transformation at XYZ Group and highlights the areas requiring attention for successful implementation and management.

C. Secondary Data Analysis

The secondary data analysis of PT XYZ's strategic business transformation, based on the 2023 Annual Report, aims to generate alternative solutions to the research questions, identify effective strategies, and provide detailed justification in the context of existing conceptual frameworks and literature. The report highlights the importance of aligning transformation program with strategic objectives through the Five Bold Moves (5BM) framework, including initiatives such as Fixed Mobile Convergence (FMC), InfraCo, Data Centre Co, B2B Digital IT Service Co, and DigiCo. This structured approach ensures each initiative contributes to the company's overarching goals. Clear and measurable Key Performance Indicators (KPIs) are essential for tracking progress, with comprehensive KPIs covering financial performance, customer satisfaction, operational efficiency, and innovation. A governance framework, involving clear roles and responsibilities, as well as regular reviews, is essential to ensure accountability and timely decision-making, in line with Kaplan and Norton's Balanced Scorecard framework.



Strategic alignment, effective resource allocation and continuous improvement were identified as critical success factors. PT XYZ's initiatives were strongly aligned with its strategic objectives, prioritized efforts and gained support from stakeholders. Effective resource allocation, evidenced by significant investments in network infrastructure and data center capabilities, has resulted in higher network utilization rates and increased revenue. Continuous improvement practices, such as regular performance reviews and adjustments, aligned with Total Quality Management (TQM) and Lean methodologies, ensure continuous evaluation and optimization of transformation efforts.

The Company utilizes a robust performance measurement system that tracks KPIs aligned with strategic objectives, covering various aspects including financial performance, customer satisfaction, operational efficiency, and innovation. Sophisticated data analysis tools are leveraged to gain insights into customer behavior, market trends and operational performance, thereby aiding informed decision-making. Regular performance reviews to assess progress, evaluate key milestones, analyze performance data and identify areas for improvement, maintain alignment with strategic objectives and respond to changing conditions. Stakeholder engagement through regular updates and feedback mechanisms promotes transparency and builds trust, which is critical for successful transformation implementation. The 2023 Annual Report highlights significant performance results from PT XYZ's strategic business transformation initiatives, demonstrating how the implementation of a framework-based approach has delivered positive results. The use of performance measurement systems, data analysis, regular performance reviews, and stakeholder engagement ensure that transformation initiatives remain aligned with strategic objectives, drive continuous improvement, and build stakeholder trust.

#### *D. Business Solution*

The business solution for the transformation of PT XYZ into a digital telecommunications company involves several strategies based on primary and secondary data. The main concern is the monitoring of transformation progress, emphasizing that an effective performance management system (PMS) should drive improvement rather than just monitoring performance. The proposed solution suggests a progress-based approach using checkpoints to improve transformation management in the telecoms industry. The method involves defining specific checkpoints, setting clear milestones and KPIs, conducting regular reviews, and maintaining comprehensive documentation. Checkpoints ensure alignment with strategic objectives, increase accountability, and facilitate continuous improvement. The proposed method aligns transformation initiatives with strategic objectives by continuously evaluating progress and making real-time adjustments based on performance indicators and feedback. The concept of checkpoints involves pre-defined milestones where progress is assessed, adjustments are made, and decisions are taken to ensure the project stays on track. Key elements include milestones and KPIs, regular reviews and adjustments, documentation and reporting, and feedback. This approach ensures that transformation efforts remain aligned with strategic objectives and responsive to changing conditions. The correlation between the proposed checkpoint concept and PMI's program management framework highlights improved oversight, strategic alignment, and performance monitoring.

Implementation includes setting clear objectives and KPIs, introducing a tiered reporting system, implementing feedback, conducting consistent evaluation and adaptation processes, applying change management practices, embracing technology for real-time monitoring, and prioritizing continuous improvement. Effective communication, especially through persuasive narratives and engaging frontline staff, is critical to a successful transformation. This structured approach can significantly improve project alignment, accountability and adaptability, leading to successful transformation outcomes.

#### *E. Implementation Plan & Justification*

The implementation of the checkpoint approach in transformation management for PT XYZ involved transitioning from a performance-based monitoring and reporting system to a more dynamic checkpoint-based approach. Initially, the performance-based system tracked various programs, listing metrics such as actual progress and target achievement. Subsequently, the checkpoint-based system integrated data from multiple sources, automatically updating progress and reducing manual input. The new system includes features such as checkpoint management, milestone dependency management, and Gantt charts to visualize project schedules and status. The proposed solution aligns with Kotter's 8-Step Change Model to guide the transformation process. The model emphasizes on creating a sense of urgency, building a guiding coalition, developing and communicating a clear vision and strategy, empowering employees, generating short-term wins, consolidating gains, and anchoring the new approach into the organization's culture. The implementation plan includes detailed steps, from developing system requirements to socializing the



new concept, designing and developing new features, testing, training, and finally, running the checkpoint system. Continuous monitoring and improvement are essential, with regular reviews and adjustments to ensure the transformation stays on track and achieves strategic objectives.

This structured approach ensures that transformation projects remain aligned with strategic goals, increases accountability, and facilitates continuous improvement. By following Kotter's model and implementing checkpoints, PT XYZ was able to effectively manage its transformation into a digital telecoms company, ensuring technical, operational and cultural aspects were addressed for continued success.

## CONCLUSION

Research into a proposed measurement model for improving strategic business transformation performance has provided some important insights, particularly for organizations in the telecommunications sector. The main objective was to propose a framework that can effectively manage and measure transformation initiatives. The findings show that the adoption of a progress-based approach, characterized by regular checks and continuous assessment, significantly improves the management of transformation program. This approach ensures that program and projects remain aligned with strategic objectives, increases accountability, and facilitates continuous improvement. Key elements include setting clear and measurable Key Performance Indicators (KPIs) aligned with strategic objectives, investing in leadership development and change management training, implementing robust reporting mechanisms, and engaging internal and external stakeholders through continuous communication and collaboration.

Critical success factors in transformation program management using a progress-based approach include ensuring that transformation initiatives are aligned with the organization's strategic objectives, effective resource allocation, and development of organizational capabilities. Adopting a continuous improvement mindset and implementing effective change management practices are also critical. The Transformation Office Unit plays a critical role in measuring the performance of transformation initiatives and driving continuous improvement. Recommendations include developing and implementing a performance measurement system, utilizing data analysis to gain insights, driving a culture of continuous improvement, and ensuring effective collaboration and communication among stakeholders.

Based on the conclusion, PT XYZ is recommended to develop SMART KPIs that are aligned with their strategic goals to ensure each transformation initiative contributes to the overarching objectives. Investing in leadership development program and change management training will equip leaders with the necessary skills to drive transformation, with a focus on continuous improvement and adaptability. Adequate resources, including financial, human and technological, should be allocated to support transformation initiatives and develop the necessary capabilities. Implementing a performance measurement and evaluation system, regularly monitoring and evaluating transformation initiatives using established KPIs, and making data-driven decisions to optimize performance are also important steps.

For future research, examining the long-term impact of strategic business transformation initiatives on organizational performance through longitudinal studies will provide valuable insights into the sustainability and effectiveness of these efforts. Conducting comparative analyses across industries can provide insights and lessons that can be applied to the telecoms sector. Exploring the impact of cutting-edge technologies such as artificial intelligence and blockchain on transformation initiatives has the potential to unlock breakthrough solutions and drive performance to new heights. In addition, investigating the impact of employee engagement and participation in transformation initiatives can provide valuable insights for developing more effective change management strategies. By implementing these recommendations and conducting further research, PT XYZ can improve its performance in strategic business transformation, successfully achieve its goals, and stay ahead in the ever-changing telecoms industry.

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