



## Evaluating Change Management Implementation in Business Transformation of Pelita Air

Ivan Yusri Mahardika<sup>1\*</sup>, Jann Hidajat Tjakraatmadja<sup>2</sup>, John Welly<sup>3</sup>

<sup>1,2,3</sup> Bandung Institute of Technology, 40116 Bandung, Indonesia

**ABSTRACT:** Indonesia as the archipelago country with 17,000 islands creates an air transportation system that becomes the most effective and suitable transportation to transport people and goods domestically among other transportation. Indonesia, also known as the world's fourth most populous country which generates air transportation serve large market for society needs across Indonesia. In order to maximize these opportunities, Pelita Air as the airline company developing action and innovation to serve society needs by transporting people and goods in the unique geography and accessibility challenges of Indonesia. Pelita Air as one of the subsidiary companies of Pertamina Group which established in 1963 start to support internal air transportation for Pertamina oil and gas exploration business. In order to develop its business portfolio and thrive, Pelita Air expanded business and took some opportunities by creating several change managements of business transformation into a commercial air charter operator, regular flight business, aircraft maintenance, airport operator and also training center. In order to achieve a continuous improvement in change management execution especially for the recent regular flight implementation in 2022, the evaluation of change management of regular flight implementation should be conducted in Pelita Air.

The method of this research form uses qualitative research with analytical technique using the John Kotter 8 step change model and DICE score framework to analyze and evaluate the change management strategy that was implemented by Pelita Air. John Kotter 8 step change model used as a comparative strategic framework in the process of change management implemented which could evaluate and optimize the change management process. The DICE score framework used as a formulation to assess the possibility of success of the change management based on objective measures and track the projection of change management that is implemented through four main factors which are duration, integrity, commitment and effort.

The result based on the John Kotter 8 step change model showed Pelita Air still has a space for the improvement during change management execution. The first step of change management in establishing a sense of urgency, there are several supporting factors such as financial condition, market opportunities, operation development and government instruction which lead the change initiatives. It is also important for Pelita Air to identify especially the threat factor during the regular flight implementation such as human resource's capability in managing and operating the regular flight operation as Pelita Air has a failure in maintaining and competing the regular flight operation in 2005. The second step of change management in creating the guiding coalition, there are several main factors such as appoint critical key leader, coalition member, team objectives and stakeholder collaboration. It is important for Pelita Air to conduct a double check the weak area of the team include the appointment of key person with a good track record as Pelita Air experienced several times change leader to reduce the risk or major impact during the change management execution. The third step of change management in developing a vision and strategy, there are several main factors such as value of change, implementation strategy and capture company's future condition. It is important for Pelita Air to improve a clear vision and strategy as it will reduce ambiguity or blurred direction to improve employee's direction on how they have to perform for the success of the change goal. The fourth step of change management in communicating the change vision, there are several main factors such as attain employee's motivation, clarify strategy, organizational development, new corporate culture and employee's benefit. It is also important for Pelita Air to develop a regular employee's feedback check to know any anxiety or negative thought to counter and reduce the number of rejection and neutral perception from the employee regarding the change initiatives.

The fifth step of change management in empowering broad-based actions, there are several main factors such as competency enhancement, technological support, training and workshop. The evaluation recommends for Pelita Air to conduct a team builder workshop in enhance team engagement, sense of belonging for company's project and make the change implementation move faster. The sixth step of change management in generating short-term wins, there are several main factors such as operation



development, customer growth and stakeholder confidence enhancement. It recommends for Pelita Air to conduct a recognition and reward system for every part who take a part for the change success by provide a tangible incentives or professional growth which show the appreciation for hard work and dedication during the change implementation. The seventh step of change management in consolidating gains and produce more change, there are several main factors such as the target goal and change performance evaluation. As the change implementation show a deviated result according to the total aircraft fleets acquisition and route of flight provided, the tools such as feedback surveys and regular workload check should be conducted through regular review meetings to providing a mitigation action and keep the change implementation on track. The last step of change management in anchoring new approach in culture, there are several important factors such as new behavior, culture legacy, change ideals and values. The highlighted culture required during the change implementation are adaptability, competency, collaboration and loyalty as these cultures become a crucial part to provide a strong foundation for navigating and embracing the change. It recommends for Pelita Air to keep the momentum for about eight years and incorporate the change ideals or values within current and future staff to make the change stick as a new behavior legacy.

While the result for the DICE score framework is 13.33 which the total score indicated in the win zone even Pelita Air still face several risks during the change execution. There are three highest score which are the Commitment of Senior Management (C1) factor with 3.72 score, Integrity of the team (I) factor with 3.44 score and Effort from the employee (E) factor with 2.23 score. These concern factors indicate the regular flight implementation in Pelita Air still need for an improvement to reduce the DICE score below 13 for better change execution result.

The recommendation based on the change management evaluation in regular flight business transformation in Pelita Air can be used to keep on track of the execution of change management plan activities in line with company strategy as a primary strategic goal being pursued by the management of the company.

**KEYWORDS:** Business Transformation, Change Management Evaluation, DICE Framework, John Kotter 8 Step Change Model.

## I. INTRODUCTION

This chapter introduces the background, company profile, and business issues that will be discussed in the research. This research presents research questions, objectives, scope, and limitations as the fundamental part of research.

### A. Background

The Republic of Indonesia is the world's largest archipelago country with more than 17,000 islands. The characteristic of Indonesia's unique geography and accessibility challenges recognized the value of air transportation in driving Indonesia's economy and made the air transportation as a main mode of transport which is more suitable for business and tourist travelers as well as perishable goods (Titik Anas & Findlay, 2017). Indonesia is also known as the world's fourth most populous country with a total of 270,203,917 according to the 2020 census by Statistics Indonesia. This emergence of air transportation plays a critical role in transporting people and goods to preserve supply chain society needs across the nation.

The aviation industry of Indonesia has been developed during the 2015-2018 period and experienced consistent growth. In this period, Indonesia's air transportation economic growth has continued to increase by an average of 5.03 percent. In 2019, Indonesia's air transportation economy is slightly lower than 2018 by 5.02 percent (Statistics Indonesia, 2019). The air operator in Indonesia takes these opportunities to develop and expand business portfolio in order to thrive and generate more profit in flight business operation. The total number of domestic routes has increased by the average of 12% per year. The international flight routes have also continued to expand with the average increase of 10%. The number of connected cities is also increasing by the average of 7% per year and reaching out for 145 connected cities network in the flight domestic routes (INACA, 2021). Several strategies taken by the air operator to maximize the variety of air transportation market need in Indonesia. Throughout the history of commercial competition, companies have to adapt their operations continuously to changing business climates (Christian, Govande, Staehle & Zimmers, 1999).

The global pandemic of COVID-19 suddenly occurred in 2020, including Indonesia. The growth period of the aviation industry changed direction decline into the lowest point in history. In the year of 2020, the total number of domestic air passengers



declined 55% and international passengers declined by 95% compared to 2019 due to several people movement restrictions to control the spread of the virus (INACA, 2021). However, goods movement transportation at the middle of pandemic became essential to maintain and support supply chain society needs. The potential and progress of the air cargo operation in Indonesia is also currently seen in the growing air cargo business market, where air cargo operation became the main flight operation for the airline company in the middle of COVID-19 pandemic. In the second year of COVID-19 pandemic, aviation market conditions in Indonesia increased since Indonesia's Government opened several travel restrictions both for domestic and also international passengers. The aviation industry of Indonesia has recovered in the year of 2021 after the global pandemic of COVID-19. The air transportation industry sector increased by 3.2 percent compared to 2020 which experienced a contraction of 15 percent due to the impact of COVID-19 pandemic (INACA, 2021). According to the continuous growth and fast recovery phenomena of the aviation industry in Indonesia, the air operator experienced several change managements of business transformation in order to thrive and survive to maximize every market need in variety of air transportation services and follow the aviation business cycle trend. The continuous monitor and evaluation are needed by the air operator to keep the change management process on track.

Pelita Air is one of the subsidiary companies of Pertamina Group. It was established in 1963 as a supporting internal air transportation for Pertamina oil and gas exploration business. In order to develop its business portfolio and thrive in the air transportation business sector, Pelita Air expanded business and took some opportunities by creating several business transformations into a commercial charter air service operator, regular flight business airline, aircraft maintenance, airport operator and also training center. Pelita Air takes business transformation and change management strategy in order to provide and maximize various air transportation market needs. The main objective of this paper is to evaluate change management implementation in business transformation of Pelita Air using John Kotter's 8 Step Change Model and predict its success using Boston Consulting Group (BCG)'s DICE framework and provide improvement recommendations based on both evaluation and prediction result.

## B. Company Profile

Pelita Air is one of the subsidiary companies of Pertamina Group, which is engaged in the aviation industry. Pelita Air expanded business and took some opportunities by creating several business transformations to thrive and survive. This company started its history in 1963 when Pertamina established an air transportation service division which was named as Pertamina Air Service to support employee air transportation mobility. In 1970, the division was officially separated into a private company under the name of Pelita Air Service limited liability company. The company also provide a commercial air transportation service for the oil and gas industry across Indonesia on a charter system. In 1987, the company established a subsidiary company named Indopelita Aircraft Services (IAS) which provide an aircraft maintenance services for rotating components, like turbines, compressors, pumps and also general as well as field mechanical services. IAS also offers a digital control system to monitor equipment performance. In 2000, this airline entered scheduled flight business under the name of "Pelita AirVenture", but then it closed in 2005, due to low profitability in tight competition of the scheduled flight sector. Then in 2016, this airline had provided transportation services for fuel oil cargo focus in Eastern of Indonesia for the business operation. In the same year, the company formed a business unit called as Airport Strategic Business Unit (SBU) to managed Pertamina's airports. In 2019, SBU Airport started managing three airports owned by Pertamina, namely Pondok Cabe Airport, Pinang Kampai Airport and Warukin Airport. In the middle of COVID-19, the company started to provide commercial cargo service by 2020. Currently on April 28, 2022, the company again started scheduled flights business, served several flight routes which connects cities such as Jakarta, Denpasar, Yogyakarta, Surabaya, Balikpapan, Palembang, Padang, Pekanbaru and Pontianak using the Airbus A320-214 series.

The scope of the Company's business activity is in the field of aviation services and other activities related or supporting the aviation services activities. The company's business activities are categorized into four main activities called the Four Pelita Business Pillars such as Air Operator, Maintenance, Airport and Aero Services.

## C. Business Issue

Pelita Air as a part of the aviation industry in Indonesia with a dynamic challenging business environment continuously improves its capability and maximizes their resources to be able to survive as well as striving to chase for opportunities. Since its founding in 1970 until present time, Pelita Air has continued to move, finding a way out to thrive and develop business portfolio. Pelita Air



experienced several business transformations, starting the company to support internal air transportation for Pertamina oil and gas exploration into a commercial charter air service operator, aircraft maintenance, airport operator and also training center. Pelita Air's strategic plan focuses on business diversification, especially to increase the proportion of income from businesses other than aircraft charters, in order to improve the company's long-term sustainability. Pelita Air succeeded in increasing the proportion of revenue from the maintenance business, without reducing the focus on developing the air charter business as the company's main business pillar.

During its journey, the company also established several business development policies, such as the initiation to expand its regular aviation business in 2000. However, the Company decided to close the regular aviation business and return to focus on the aircraft charter service business as their core competencies. The low competencies of Pelita Air in entering regular flight business led to a low profitability in tight competitiveness of the regular flight business in Indonesia. In 2022, Pelita Air restarted to enter the commercial regular flight business operation to take the advantage by taking over the market after global COVID-19 pandemic. Based on the company's past experiences, it is important for Pelita Air to make a better business transformation in order to maintain regular flight business operation continuity in the future by monitor and evaluate company change management process. The change management strategy in executing company business transformation of Pelita Air also should be adaptive to winning the current uncertain aviation market business competition environment. This also requires an agile organizational behavior as well as adaptability of business operations to be fit in current market interest and continuously predict future market needs. Some adjustments in business operation in the ambiguity era became essential which linked with new innovative business strategies which are more favorable for market or customers. In order to succeed, the company should maximize current internal competitive advantages and also look for external opportunities to support business operation continuity for Pelita Air.

Further issues occurred in Pelita Air when the company restarted the regular flight business operations in 2022. The business issues happened when the company executed change management in regular flight business transformation and created strategic plan in order to expand the business portfolio by improving the company's air operator business pillar. Pelita Air concerned to form a Project Management Officer (PMO) to prepare and operate regular flight operation under the coordination of the Board of Directors within the organization. The PMO of regular flight's tasks include managing regular flight operations from scratch until Regular Flight Division established. Several business issues were experienced by Pelita Air during the business transformation which led in regular flight business operations problems related in change management process. Several issues in change management related to the business transformation of regular flight in Pelita Air experienced by the PMO during the implementation. Based on the change management projects realization shows a deviated result of regular flight operations from the initial plan. The deviated project realization plan happened because of the issue in managing the Air Operator Certificate (AOC) of Pelita Air to be able to operate regular flight in which previously Pelita Air only operate charter flight. The AOC of Pelita Air approval and established by the Ministry of Transportation of the Republic of Indonesia. It is a lengthy and complex procedure as the aviation industry is highly regulated by the Directorate of General Civil Aviation (DGCA) as the regulator of civil aviation in Indonesia. The problem of the AOC of Pelita Air also triggered by the lateness in establishing aircraft to support regular flight. In 2022, Pelita Air projected to have 5 aircrafts to operate regular flight and offer several domestic routes. But in practice, Pelita Air only operate 3 (three) aircrafts of Airbus A320 and connecting 4 (four) cities in Indonesia such as Jakarta, Bali, Yogyakarta and Surabaya. The complex implementation plan and coordination result in deviated project realization from the initial plan. Another deviated project realization plan also caused by 3 (three) times the President Director of Pelita Air changed. Pelita Air appointed President Director position from outside of the company and prefer to choose the President Director which have more experiences in operate and manage regular flight. In the beginning of October 2021, Pelita Air elected the former of Chief Executive Officer (CEO) of Citilink to prepared regular flight in this company. Throughout the running period, the President Director of Pelita Air caught in corruption case when the suspects still employed in Garuda Indonesia group. In March 2022, Pelita Air deactivated the suspects in President Director position and appointed Director of Finance acting as President Director in temporary period. In the next month of April 2022, Pelita Air elected a former of the CEO of Indonesia AirAsia as the new President Director of Pelita Air. During the journey of regular flight implementation plan of Pelita Air, several President Director changed and it impacted to different direction from one leader to another. It also leads to an unclear direction and responsible designation within the organization which result of the several tasks left behind.





The major change management problem also contributed by the human resource management issues. The lack of human resources both in corporate and operational function are the main problem in leading the change of implementing regular flight in Pelita Air. The lack of human resources in corporate to support additional task to prepare and operate regular flight felt difficult by the PMO. The condition of traditional corporate infrastructure also became an additional factor in decrease the phase of the change for implementing the regular flight in Pelita Air. Another problem of the lack operational function human resources in hiring experienced flight crew to support regular flight became an additional issue which obstructs regular flight operations initial plan. The difficult in implementing regular flight of Pelita Air indicate the operational outcome only reach 60% from target 80% of initial plan. Based on the explanation above, it is known that Pelita Air organization still has a space for improvement in change management of executing a business transformation of regular flight. For that, identifying the factors that can accelerate it by defining and evaluating the business issue related to the change management evaluation is one of the ways for filling the space.

## D. Research Question and Research Objective

### 1) Research Question

This research highlights the following questions for further investigation and further recommendation for change management strategy of Pelita Air on how appropriate and effective is the change management approach effort delivered on Pelita Air in executing the regular flight implementation?

### 2) Research Objective

This research also aims to provide a recommendation of change management strategy to meet the change objectives based on the evaluation of change management process in executing the regular flight implementation using John Kotter's 8 Step Change Model and predict the success of change management implementation in Pelita Air using DICE Framework. To predict the success of business transformation implementation in Pelita Air using DICE Framework.

## II. LITERATURE REVIEW

### II.1 Theoretical Foundation

The Change Management and/or Organizational Change can be traced back to a 1968 phrase used by Peter Drucker. The Age of Discontinuity term was used to describe the way change forces disruptions into the routine of our lives (Brown, 2011). Significant ideas and models have been established on Transformation Management, including John Kotter's 8-Step Change Model for guiding the change. As a professor of leadership at Harvard Business School and the author of several books on leadership and change management, Dr. John Kotter provides a powerful tool for organizations to implement successful change management efforts: the 8-Step Change Model. Skipping steps creates the illusion of speed but never a satisfying result (John Kotter, 1995).

In today's rapidly changing business environment, the capacity to successfully implement change is becoming an increasingly important factor in determining competitive advantage. Yet, executing successful change within the organization is one of the most difficult issues faced by businesses, especially when the change is vast, complex, high-stakes, and/or revolutionary. Studies indicate that, depending on complexity, 50-70 percent of big change initiatives fail to produce the desired outcomes. Boston Consulting Group (BCG) analyzed hundreds of global organizations' big change programs in an effort to design a more effective approach - one that would reduce risk and nearly guarantee a successful conclusion. In 1992, BCG partners Perry Keenan, Kathleen Conlon, and Alan Jackson set out to identify which criteria may be utilized to predict the success or failure of change management programs in general. As a result, they were able to determine that there are four "hard criteria" that were highly predictive of the change management program's performance. This framework is known as the DICE framework. The DICE framework was originally published in the Harvard Business Review (HBR) article of The Hard Side of Change in 2005 by Perry Keenan, Kathleen Conlon and Alan Jackson. It has been reprinted in HBR's "Leading Change-Successfully" and became the HBR's 10 Must-Reads on Change Management publication. In 2014, the DICE framework was granted a patent.

### II.2 John Kotter's 8 Step Change Model for Leading Change

Dr. John Kotter asserts that major change will not occur easily for a variety of reasons and provides organizations with a powerful instrument for implementing successful change management initiatives. Dr. John Kotter formalized the eight (eight) steps that produce successful change of any degree in organizations. Each of these phases is linked to one of the eight fundamental flaws that undermine organizational transformation initiatives.



The first four steps of John Kotter's transformation process assist in thawing a brittle status quo. These preliminary actions are crucial entrance points for a transformation process to occur. Establishing a feeling of urgency, forming a steering coalition, crafting a vision and plan, and communicating the change vision are the first four steps. The fifth to seventh steps then introduce numerous new techniques. They are empowering a large number of individuals to take action, gaining short-term victories, consolidating gains, and driving additional change. The final phase, embedding a new approach in the culture, is essential to root the changes in the company's culture and ensure that they endure.

Dr. John Kotter emphasizes that all of the phases must be completed sequentially and thoroughly for a change to be successful. Problems nearly usually result from skipping a single step or moving too far ahead without a firm foundation in the preceding stage. People who are under pressure to produce results will frequently forego defrosting the status quo (the first four steps). In this instance, the transformation process rarely offers a sufficient foundation for further action. For instance, failure to reinforce earlier stages as the transformation process progresses may result in the loss of a sense of urgency or the dissolution of the governing coalition. Without the follow-up that occurs in the final stage of John Kotter's 8-Step Change Model, the transformation process will never reach its conclusion, and changes to the corporate culture will not be sustainable.

## II.2.1 Establishing a Sense of Urgency

Establishing a feeling of urgency inside the organization is the first step of John Kotter's eight-step model for driving change. For the change to be successful, it is essential that the entire organization desires the change. Developing a sense of urgency over the need for change may aid in generating initial motivation to initiate action. To promote urgency within the firm, the following activities may be implemented:

- a) Identifying potential threats and developing scenarios showing what could happen in the future.
- b) Examine opportunities that should be or could be exploited.
- c) Start honest discussion and give dynamic convincing reasons to get people thinking and talking.
- d) Get detailed data about customer dissatisfaction and poor financial performance in the company.
- e) Share information to more employees, especially information that shows weakness of the company compared to the competitors.

## II.2.2 Establishing a Sense of Urgency

The second phase of John Kotter's eight-step change model is to build a coalition group with sufficient authority to lead the change effort. It also implies that it is essential to promote teamwork within the organization. To persuade people within an organization that change is important, strong leadership and support from influential people within the organization are frequently required. Examples of steps to form an effective coalition group:

- a) Identify key leaders within the organization.<sup>3</sup>
- b) Discuss and obtain emotional commitment from identified key leaders.
- c) Work with identified key leaders to gather the rest of the coalition group members. The coalition group should consist of a good mix of people from different departments or organizational units and different levels of employment within the organization.
- d) Conduct team building activities within the coalition group.
- e) Check for weak areas within coalition groups and mitigate the risk.

## II.2.3 Developing a Vision and Strategy

The third phase in John Kotter's 8-Step Change Model for leading change is to generate a clear vision and devise tactics to achieve it. A clear vision will assist everyone comprehend why change initiatives are necessary. When considering change for the first time, there will typically be a plethora of excellent ideas and/or solutions. It is essential to connect these ideas and/or solutions to a larger vision so that individuals may comprehend and remember the change initiatives. The following steps could be followed to build vision and strategy:

- a) Identify and determine values that are central to the change.
- b) Develop a short summary that captures future condition of organization.
- c) Create a strategy to execute that vision.
- d) Ensure that all members of the change coalition group can describe the vision easily.
- e) Practice vision speech often as it will become an important part in most of the change effort.



## II.2.4 Communicating the Change Vision

The fourth phase of John Kotter's 8-Step Change Model for leading change is to ensure that the organization's members understand and accept the vision and strategies that have been established. During this step, Dr. John Kotter (2012) emphasizes the necessity of "walking the talk." In the principle of "walk the talk," actions are more essential and credible than words. The change coalition group should exemplify the type of behavior that other members of the organization must exhibit to support change initiatives. Examples of steps for conveying the change vision include:

- a) Talk about changing vision as often as possible.
- b) Openly and honestly address people's concerns and anxieties.
- c) Apply change vision to all aspects of operation and change efforts.
- d) Management walks around.
- e) Lead by example.

## II.2.5 Empowering Broad-Based Action

The fifth phase of John Kotter's 8-Step Change Model is to empower broad-based action. Removing obstacles to change is a model for guiding change. By removing the hurdles, the change coalition group may empower the necessary individuals to carry out the change's goal and facilitate its progression. Among the possible actions during this step are:

- a) Put in place the structure for change and continually check the barriers.
- b) Look at organizational structure, job description, performance management and compensation to ensure its in line with change vision.
- c) Create awards and recognition for people who make change happen.
- d) Identify people who resist the change and try to help them understand.
- e) Take immediate action to quickly remove barriers.

## II.2.6 Generating Short-Term Wins

Sixth phase of John Kotter's 8-Step Change Model Plan for accomplishments that are easily observable by others, then acknowledge and reward personnel who contributed to the success; this is the model for leading change. By providing the organization with a taste of success early on in the change process, it will inspire others to create additional successes in the change initiatives. Without short-term victories, detractors and negative thoughts may impede the change's growth. These include the following:

- a) Identify and find sure-fire projects that can be implemented without help from any strong critics of the change.
- b) Don't choose early targets that are expensive.
- c) Thoroughly analyses potential pros and cons on short-term targets.

## II.2.7 Consolidating Gains and Producing More Change

The seventh phase of John Kotter's 8-Step Change Model is to assess progress. The model for leading change is to utilize improved credibility to change systems, institutions, and policies that do not align with the vision, as well as to recruit, promote, and develop workers who can implement the vision. Finally, revitalize the procedure with fresh projects, topics, and agents of change. These are examples of the activities:

- a) Analyze what went right and what needs to be improved after every win.
- b) Set goals to continue building on the momentum that the change coalition group has achieved.
- c) Keep ideas fresh in the change coalition group by hiring in new change agents and leaders.

## II.2.8 Anchoring New Approaches in the Culture

The eighth and last phase of John Kotter's 8-Step Change Model is to evaluate the progress. The model for leading change is to articulate the links between the new behaviors and organizational success, and to provide the mechanisms to enable leadership growth and succession. Several final step actions include:

- a) Tell success stories about the change process.
- b) Incorporate change ideals and values within hiring and training new staff processes.
- c) Create plans to replace key leaders of change as they move on. Ensure that their legacy is not lost or forgotten.



## II.3. DICE Framework

In today's rapidly changing business environment, the capacity to successfully implement change is becoming an increasingly important factor in determining competitive advantage. Nonetheless, executing successful change within the organization or company is one of the most difficult problems companies confront, particularly when the change is enormous, complex, high-stakes, and/or revolutionary.

Project managers sometimes focus on developing leaders who communicate vision and walk the talk in order for change efforts to be successful (leadership and communication), sanctified the importance of changing organizational culture and employees' attitudes (corporate culture), teased out the tensions between top down transformation efforts and participatory approaches to change (approach and methodology), and/or exhorted companies to launch campaigns that appeal to people (approach and methodology, approach and methodology, and/or approach and methodology) (employee motivation). Nonetheless, research indicates that in the majority of organizations, two out of three transformation projects fail.

Change management is difficult, yet there is little consensus on the factors that have the greatest impact on transformation programs. In recent years, numerous ideas and publications on change management have concentrated on the soft components of change management that influence the success of a change project, such as communication, employee motivation, visionary leadership, and/or workforce culture. Despite the fact that these intangible factors have an effect on project outcomes, managing them alone is insufficient for implementing transformation programs. Many transformation efforts are not directly influenced by soft factors.

In 1992, a team from BCG set out to identify what factors could be used to indicate the success or failure of an overall change management program. The BCG team began with the counterintuitive premise that companies handle changes in very similar ways. They examined projects in a variety of businesses and nations to uncover these commonalities. The initial research of 225 firms demonstrated a correlation between the outcomes (success or failure) of the change program and the unfashionable components of change management: the hard issues. These difficult factors include duration, integrity, devotion, and exertion. The BCG team concluded its study in 1994 and in the eleven years afterwards, the BCG has utilized these four characteristics to forecast outcomes and guide the execution of more than 1,000 change management efforts around the world. The DICE formula contains four variables, each of which corresponds to a letter in the word DICE. These variables are described as follows. 3

### II.3.1 Duration

Numerous businesses commit errors by concentrating on reducing the time required to complete change projects. The longer the projects continue, the more likely they are to fail, because the initial change urgency will diminish, windows of opportunity will be missed, important objectives will be forgotten, key backers will lose interest, and issues will build. Contrary to these expectations, BCG research indicates that a project that is frequently evaluated is more likely to be successful than a short project that is not frequently reviewed. This interval between project evaluations is more crucial to a project's success than its entire duration.

The "D" in DICE is the duration it takes to complete a project, or the time interval between the major "learning milestone" for projects that lasts 6 months or more. The "learning milestone" is a formal evaluation of the project's strengths, weaknesses, and progress against key performance indicators. The outcome of the review should be actionable steps to address any problems and concerns, which will be reviewed at the subsequent learning milestone.

### II.3.2 Integrity

The extent to which a corporation can rely on a team of managers, supervisors, and employees to successfully implement change efforts. Senior executives are typically hesitant to allow star employees to participate in a change program since their day-to-day responsibilities may suffer. In spite of this, since the success of the change initiative program is contingent on the caliber of the team, the organization must release its most talented employees without compromising day-to-day operations.

The "I" in DICE is the integrity of the project team's performance. It addresses both the overall abilities and personality of the team, as well as its configuration for implementing change efforts.





### II.3.3 Commitment

Every company must increase the commitment of two different groups of people if they want the change initiatives to be successful. The company has to get visibility from the most influential executives (DICE framework calls them C1), who are not necessarily those with the top titles. The company also has to take into account the enthusiasm or often, the absence of the people who have to deal with the new system, process or way of work (DICE framework calls them C2).

Communication at the highest level is essential for increasing the commitment of those on the ground. If employees do not clearly perceive the support and backing of the company's leadership, they are unlikely to change. In addition to top-level commitment, organizations frequently overlook the role of managers and personnel in change programs. By speaking with them too late or too frequently, senior executives alienate the individuals most affected by the change. Additionally, businesses frequently misjudged their capacity to build staff support. Simple outreach activities can transform employees into champions of new ideas.

The "C" in DICE is the senior management's commitment to change (C1) and the people who are actually undergoing the change (C2). The C1 primarily concerns the visibility of the commitment, while C2 is about the willingness of people affected by change to embrace it and make it succeed.

### II.3.4 Effort

When a firm begins transformation or change projects, they frequently fail to recognize or understand how to accommodate the reality that their staff are already preoccupied with their everyday obligations. If line managers and workers must cope with changes to their work methods or the systems they utilize in addition to their current obligations, they will refuse or resist. The project management should determine how much additional work the staff will have to perform in order to transition to the new processes. In an ideal situation, no one's workload should grow by more than 10 percent; otherwise, the initiatives may encounter challenges along the way.

The "E" in DICE is an additional effort on top of the normal workload required during the implementation of change initiatives. It relates to the efforts of those who undergo the change initiatives (same as C2), as opposed to the factor of project team integrity of the change program (the I on DICE).

### II.3.5 Calculating DICE

BCG utilizes the equation containing all four variables to determine whether or not the change initiative will be successful. BCG can assess the relative relevance of each component in terms of its impact on the program's performance by doing a regression analysis on 225 change management efforts in a variety of organizations with whom they have worked. Firstly, each DICE factor should be scored as 1,2,3 or 4 with 1 is the best score (the most optimistic rating) and 4 is the worst (the most pessimistic rating). The DICE score calculated through this formula:

$$D + (2 \times I) + (2 \times C1) + C2 + E$$

Since each factor's value can be between 1 and 4, the best DICE score is 7 and the worst DICE score is 28. Each DICE Project's score will fall in one of the following three zones: projects with DICE scores between 7 and 14 were usually successful (Win Zone), project with DICE scores over 14 and under 17 were unpredictable (Worry Zone) and projects with score over 17 were usually unsuccessful (Woe Zone). The DICE framework equips senior executives and transformation or change leaders with the means to focus on the right concerns. Using the DICE framework, for instance, change leaders and ordinary employees will see that the typical workload may not be sufficient for a change to occur. A senior leader will also recognize that a project requires the same level of dedication from both senior leaders and regular employees.

## III. METHODOLOGY

In this chapter, the researcher will discuss the research framework for this paper, namely research design, and how to collect and analyze the data that have been gathered.

## A) Research Design

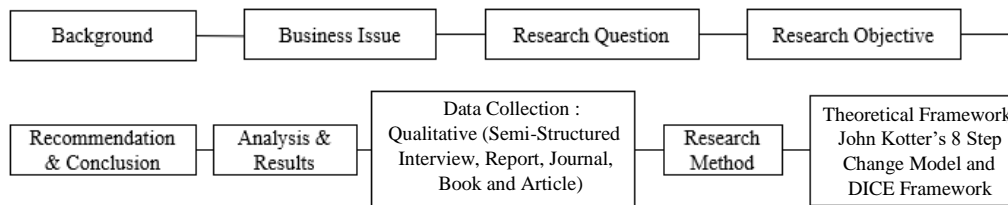


Figure III.1

This figure above will explain about research design of the research, which is part of the strategy for answering the research questions and solving a business issue. According to Sekaran (2016), research design is a plan for collecting, measuring, and analyzing data, based on research questions from studies.

## B) Data Collection Method

This research paper is using a qualitative research study. The qualitative research emphasizes the process of discovering how the social meaning is constructed and stresses the relationship between the investigator and the topic studied (Denzin & Lincoln, 1998). The key elements which distinguish the qualitative approach are interactive data collection methods, for example: observational methods, in-depth interviewing, group discussions, narratives and the analysis of documentary evidence (Spencer, 2003). There are several methods of doing research, often recommended studies are the field experiment, panel study, case study, focus group, interviews and survey (Yin, 2009). This research paper has used case study research to explore the change management in business transformation of Pelita Air. The case study enables the researcher to use multiple sources of data and a variety of research methods to explore the research questions, which in turn, foster the validation of data through triangulation (Denscombe, 1998). These findings or conclusions are likely to be more compelling and accurate (Yin, 2003). In order to support the research data analysis, this project research paper uses data collection by interview of the project team member for the main analysis and evaluation of the change management implemented in Pelita Air during the regular flight business transformation based on the best practices of the John Kotter's 8 Step Change Model. While the questionnaire tool used to support the prediction of the change management success for the project management team member population using the DICE framework model. The change management team which involved in change management process taken as purposive sampling to collect the research instrument. For the other support data in this project research paper are from the reports (internal or external), books, journals, articles, websites and other media.

## C) Data Analysis Method

This research uses qualitative study to fulfil one of the objectives of this research paper, which is to evaluate change management efforts delivered on business transformation of Pelita Air. The 8 (eight) step change management model or process leading to a change by John Kotter will be used to evaluate change management efforts. Change management is the discipline that guides how to prepare, equip and support individuals and/or organizations to successfully adopt change in order to drive organizational success and outcomes. Change management provides a structured approach for supporting the individuals in an organization to move from their own current states to their own future states. Change management will ensure that the organization is ready, willing and able to function in a new business environment. To predict the success of change management efforts delivered on business transformation of Pelita Air. This research paper leverages questionnaire statement analysis study by using the DICE framework which was originally developed by Perry Keenan, Kathleen Conlon and Alan Jackson as the former partners of BCG. DICE score indicates the likely success of a project based on objective measures. The DICE framework allows for consistency in evaluating various projects even if the inputs are subjective. The framework can be used to track projects, manage portfolios of projects and force the right conversations. This tool provides an efficient way to target potential issues before they cause a project to go off-course. Based on John Kotter's 8 Step Change Model evaluation and DICE framework prediction, this research paper



will analyse and provide improvement recommendations on business transformation of Pelita Air effort in order to manipulate project outcomes and allocate resources strategically to maximize delivery of an overall program or portfolio of initiatives.

## IV. RESULTS AND DISCUSSION

This chapter presents the findings of the research methodology in previous chapter. Alternative solutions will be explained based on data collection and analyzing data using appropriate methods to find the optimal solution. This chapter consists of subchapters, namely analysis, business solution, and implementation plan.

### A. Analysis

To examine the business transformation of regular flight in Pelita Air, several analyses of change management is conducted to evaluate its implementation compared to the John Kotter 8 Step Change Model. The major change will not happen easily for a long list of reasons and provide a strong tool for organizations to implement successful change management efforts (John Kotter, 2012). In order to predict the success of change management implementation in regular flight business transformation of Pelita Air, the DICE Framework analysis also conducted. Managing change is tough, but part of the problem is that there is little agreement on what factors most influence transformation initiatives (Sirkin, Keenan & Jackson, 2005). These analyses will evaluate and predict the success of change management program of regular flight in Pelita Air.

#### 1) Change Project's Analysis

Pertamina as the parent company of Pelita Air support for the success of change management implementation of the regular flight business transformation. By develop the business portfolio of the State-Owned Enterprise, this regular flight business expected could gain business opportunities for Pelita Air, Pertamina group and Indonesia. The Ministry of State-Owned Enterprise on behalf of The Government of the Republic of Indonesia carried out a Decree No. SK-227/MBU/07/2021 on July 2nd, 2021, about the acceleration of establishment of national regular flight airline. This action prepared by the government as the national airline of Garuda Indonesia experienced financial crisis in 2021. The establishment of regular flight of Pelita Air also supported by the government to reduce economic monopoly in aviation industry within Indonesia. As the State-Owned Enterprise under Pertamina group, Pelita Air has obligation to comply with the government instruction by accelerate the business transformation of regular flight. For this reason, Pelita Air conducted change management plan in prepare the business diversification.

To support the change management implementation of regular flight operations, Pelita Air created the Project Management Officer (PMO) which the objective is preparing the regular flight operation prior to the establishment of regular flight department. The PMO of Pelita Air prepared the change initiatives roadmap in July 2021 and predicted the regular flight operated in February 2022. The transformation initiatives will involving massive change management effort as it is changed from financial, asset, people and business process. The business transformation of regular flight in Pelita Air planned to overcome existing both challenges and opportunities within the human resources to operate the new business process operations:

- Deviated change implementation and delayed new regular flight operation establishment from initial plan with the result.
- Diversity of level both of knowledge and understanding within employees to prepare and operate the regular flight business operation in Pelita Air.
- Lack of competent human resources and uncleared designated person which in charge to directly managing the regular flight preparation and operation.
- In general, the regular flight business transformation has been defined but still lack of detail explanation, blurred responsibilities and work instruction.
- Business transformation implementation only achieved 70% from the initial target plan.

The change initiative of regular flight business transformation was established to start in April 2022 with several deviation and delayed during the implementation plan.

#### 2) Project's Objective

The main objectives of change initiative of the regular flight business transformation in Pelita Air are:

- To implement the regular flight business transformation for Pelita Air as stated in Decree of the Ministry of State-Owned Enterprise.
- To communicate and socialize the change management strategy by the Project Management Officer of Pelita Air.



- c) To conduct development performance support and monitor evaluation to help employees in implementation of regular flight business transformation of Pelita Air.
- 3) Project's Scope

As stated in the regular flight business transformation roadmap of Pelita Air, the scopes of the project are as below:

- a) Geographical Scope  
The regular flight implementation Project Management Officer.
- b) Duration of the Project  
The project expected to start prepared in July 2021 since the project kick-off meeting and the regular flight operation expected to be implemented in February 2022.
- c) Business Process  
The business process within the change management initiatives as instructed in accordance with the Decree of the Ministry of State-Owned Enterprise No. SK-227/MBU/07/2021 dated in July 2nd 2021 regard the regular flight business transformation of Pelita Air.
- d) Scope Activities  
The activities are included in the scope of the change project in which prepared by the Project Management Officer and guided by the Board of Directors of Pelita Air. The regular flight business prepared by the change project team until regular flight department established.
- 4) Project's Impact Statement

During project's implementation plan, several project's impact has been identified and estimated after the regular flight operation established. Pelita Air will have following capabilities and impacts as below:

- a) Socialization and communication for the regular flight business transformation guidelines and work instruction has been given for the change agent team member.
- b) The regular flight business operation and organization established and ready to operate the flight service.
- c) Front line employee's procedure on regular flight operation has been provided and delivered in accordance with the service standard.
- d) Performance monitoring and support regarding the regular flight business transformation implementation have been established from the management to the employees.
- e) Changes in business process of regular flight business transformation as well as supporting utilization to apply the Decree of the Ministry of State-Owned Enterprise No. SK-227/MBU/07/2021 dated on July 2nd, 2024.

## ***B. Business Solution***

The 8 (eight) steps change management model to leading a change by John Kotter (2012) will be used by this research to evaluate change management efforts in regular flight business transformation of Pelita Air. Dr. John Kotter emphasizes all of the steps must be worked through orderly manner and completely to be able to have a successful change. Therefore, this research tried to ensure and resolve emerged problem in current situation that indicates skipping a single step or jumping too far ahead without a solid base in the previous step.

### **1) Evaluate Change Management Efforts Using John Kotter 8 Step Model Change**

The business transformation of regular flight in Pelita Air was planned to be completed in 8 months, starting from the beginning of July 2021 until February 2022 as it is planned by the PMO as the team of change management implementation in the company. By the time this research paper finished and compiled, the regular flight of Pelita Air has been delayed and operated in April 2022 with several deviations from the initial plan. The business transformation execution itself is still found several issues particularly in human resources management. Based on several symptom problems occurred during the implementation of regular flight business transformation program, it indicated the change management program still have a space for improvement in completing the 8 (eight) processes of John Kotter's leading a change to ensure that the change successfully applied. In addition to change management effort's evaluation in implementing regular flight business transformation in Pelita Air, this research analyzed and recommends change management approach or activity of John Kotter's steps comprehensively to resolve several previous explained symptoms problem as below.





a) Establishing a Sense of Urgency

Developing a sense of urgency in need of change might help and create an initial motivation to get things moving from current situation into an intended goal. In order for a change to happen, it is important that the whole company really wants to change and the change initiation will be easier to achieved when it start from the initiator of the top level management within the company. The initiation of the change of business transformation within Pelita Air has been expressed through several internal top level management meetings through the year of 2019 and 2020 to operating the regular flight operation for the future company’s business strategic development. In 2021, the management of Pelita Air realized in early step of the change management and had conducted series of the business transformation of regular flight introduction by increase an awareness start from the senior management within Pelita Air.

Develop sense of urgency conducted in a limited meeting which started on May 28<sup>th</sup> 2021 and attended by the Board of Commissioner and Board of Director of Pelita Air. The representative of the parent company also attended by the Director of Strategy, Portfolio and Business Development of Pertamina as the shareholder of Pelita Air. The meeting was held in Jakarta at Pertamina Headquarter and targeted the top-level management have a same perception and build a support commitment of parent company regarding the regular flight business transformation within Pelita Air. The event attended on site by top level management and result in establishment of foundation for initial projection of regular flight in Pelita Air.

Pelita Air carried out the strategic plan in order to improve the financial and operational performance within the company in which focuses on business development by increasing the utilization of its existing resources. Pelita Air’s business development strategic plan focuses on business diversification especially to increase the proportion of income from several businesses which is not only focused on the aircraft charters to improve the company's long-term financial and business operation sustainability.

**Table IV.1 The Portion Income of Pelita Air’s Business Pillars**

Business Pillar	2019		2020		2021	
	Realization (USD)	Portion	Realization (USD)	Portion	Realization (USD)	Portion
Air Charter	49,231,113	83,20%	42,958,841	79,90%	32,492,337	79,82%
Maintenance	8,311,046	14,00%	9,608,104	17,80%	7,011,783	17,27%
Training Center	1,331,547	2,30%	954,367	1,80%	997,531	2,45%
Airport	288,163	0,50%	250,000	0,50%	200,500	0,49%
Total	59,161,869	100%	53,771,312	100%	40,702,151	100%

The proportion of income from each of the Pelita Air’s business pillars from the year of 2019 until 2021 in detail can be seen in the Table IV.2. Pelita Air has also increased internal performance monitoring to support the achievement and evaluation of the company targets. Based on the revenue achieved in several previous years of 2019 until 2021 it indicated a declined revenue achievement with the consideration of business stagnation experienced by Pelita Air with current business operation. As part of the Pertamina group, Pelita Air committed to making every effort to improve the business synergy that has been established for business growth and expansion with strong foundation and full supported by Pertamina.

After the global pandemic of COVID-19, the aviation service industry also experiences rebounded back with the new travel trend both in the international and domestic flight. Even some aviation service companies both international and national airlines are also collapsing during in the middle of COVID-19 such as Flybe, Avianca, Sriwijaya Air and NAM Air. As a result, the other survived aviation service companies are competing to be better among others and gain competitive advantage to take this opportunity to regrow their business condition.

Based on this market potential, Pelita Air utilized this opportunity to grow their flight business operations by entering the regular flight passenger market. The regular flight business is utilized by Pelita Air to support the strategies implemented

to accelerate business growth through diversification. This new business also prepared to break the business stagnation for the overall business pillar operation by introduce the new regular flight business operation which will be supporting the growth for other business pillars. By entering the regular flight business that full supported by the parent company of Pertamina, Pelita Air committed to enter a middle-class regular flight service.

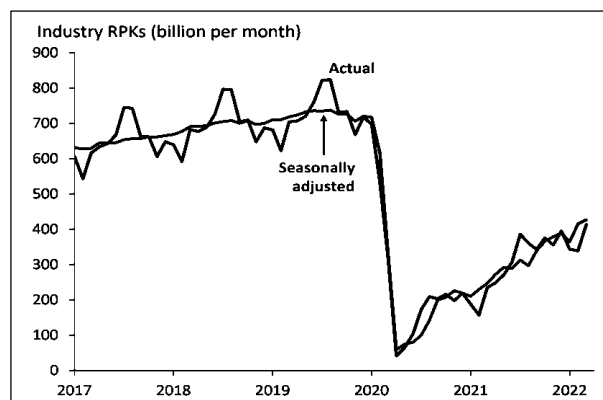


Figure IV.1

The Government of the Republic of Indonesia which represented by the Ministry of State-Owned Enterprise on July 2<sup>nd</sup> 2021 carried out a Decree No. SK-227/MBU/07/2021 about the acceleration of establishment of the backup of national air carrier as Garuda Indonesia experienced a financial crisis during global pandemic of COVID-19 especially in the year of 2021. This action also prepared by the government to reduce the economic monopoly in the national aviation industry and fulfil the air transportation needs within Indonesia. According on this direct instruction by the government, Pelita Air has obligation to comply the instruction to accelerate the regular flight implementation.

Based on several paragraphs above, Pelita Air conduct build the initial awareness and urgencies of change management of regular flight implementation within the company from the top-level management by indicated several important reasons or main factors which are financial, market, operation and government instruction factors as explained below:

- Financial Factor  
Pelita Air would like to enhance financial condition based on several years stagnation with current business pillars as the data accumulated from several data of Annual Report of Pelita Air from 2019 until 2021 as the data displayed in the Table IV.2.
- Market Factor  
The market factor trigger Pelita Air to maximize the existence of captive markets from the parent company of Pertamina which can support the development of new businesses operations for its subsidiary company in this case is for Pelita Air. Another market factor indicated as Pelita Air would like to take over the moment of market potential from several collapse domestic airlines during global COVID-19 pandemic and also golden moment to take opportunities trend from travel market need after global pandemic of COVID-19 as the data figured in the Figure IV.3.
- Operation Factor  
The development of regular flight operation in Pelita Air prepared to generate cumulative positive effect for the other business pillar such as aircraft maintenance, training center and airport operation.
- Government Instruction  
The acceleration of the change management implementation for regular flight operations as instructed by the government in accordance with the Decree of the Ministry of State-Owned Enterprise No. SK-227/MBU/07/2021 dated on July 2<sup>nd</sup> 2021 regarding the regular flight operation in Pelita Air.



Even the action in build awareness and sense of urgencies of the change management of regular flight implementation in Pelita Air conducted through several supporting factors for the change management implementation of regular flight operations such as financial, market, operation and government instruction factors. The additional concern should be aware from the top-level management as Pelita Air experienced a failure in maintaining the regular flight business operations which started in 2000 and closed in 2005 due to lose in the airline's tight market competition which lead to a low profitability and it required a better preparation on human resource's competency readiness in manage and operate the regular flight operation to be survive and sustainable. This human resource's readiness factor issue become a potential threat which the management of Pelita Air should be aware during the implementation of regular flight operations and this also required a further mitigation scenario to make a smooth transition of change management for regular flight operations and achieve a sustainable new business operation in the future. Based on this evaluation, it indicated an importance of identify both of potential opportunities and threat during the implementation of the regular flight as the management of Pelita Air will face both of positive and negative side during the execution of the change management. The synergy inside the management by hiring an expert or enhancing employee's capability in managing and operating the regular flight operation become an important factor in achievIng the success of change management. This also should be 5420isable5420ngg to be improved through collaboration and cooperation across divisions and department to run the new business segments by the company.

b) Creating the Guiding Coalition

To convince all part in organization that change necessary need strong leadership support from key influential people. The next step of change management of regular flight transformation based on the John Kotter 8 Step Change Model is to form powerful coalition with power to lead change. Creating the guiding coalition on business transformation of regular flight in Pelita Air was done by formulating the Project Management Officer (PMO) regular flight prepared by the Board of Commissioners and Directors to select new President Director act as the Chief Project and representatives across department within current company's organizational structure to support change project. The PMO is a group of change leaders to implement regular flight operations, committed to being a leading source of change management direction and efforts. The PMO brings together a representative cross function of the affected stakeholder segment and give them a valuable role in the change process. The PMO also established a new department of regular flight operation, regular flight maintenance and commercial division which support project implementation.

The forming process of the PMO of regular flight operations started when the top-level management tried to identify the PMO organizational structure, key persons, objectives and responsibilities for every role in implementing and leading the change on early discussion of the project. The PMO created as an accelerator team of change management implementation of regular flight in Pelita Air and it was established in June 14<sup>th</sup> 2021. The PMO organization prepared in early project in order to establish further strategic plan of regular flight implementation such as the business plan, capital budgeting and also human resource management as the essentials part of project execution which will be conducted by the PMO.

The Board of Commissioners and Directors appointed several experts in managing the regular flight operations to fill several critical operational positions during the project implementation such as the Chief Project, Chief Department of regular flight operations and regular flight maintenance to guiding the PMO in support and involve the project essentials to be success. They legitimize a change initiative through their show of support and allocate the essential resources, knowledges and expertise to ensure success of the change initiative. The Board of Commissioners and Directors as the top-level management are in a position of supervise, influence or have a decision-making role for critical elements of the project, they are typically leaders which highly impacted for the company.

The President Directors act as the chief for the whole process of regular flight business transformation project, while the Board of Commissioners closely supervision along the business transformation process of regular flight of Pelita Air. The PMO structure represent highly impacted areas in the change implementation. They are typically extensively involved in program execution activities. The PMO member elected by the Board of Commissioners and Directors of Pelita Air from the internal staff from each head division and also department within the company. While the other emerging position such as the Commercial Division, Regular Flight Operations Department and Engineering

Maintenance Regular Flight Department for regular flight filled by external hire which expert in operating the regular flight business based on the Board of Commissioners and Directors recommendation.

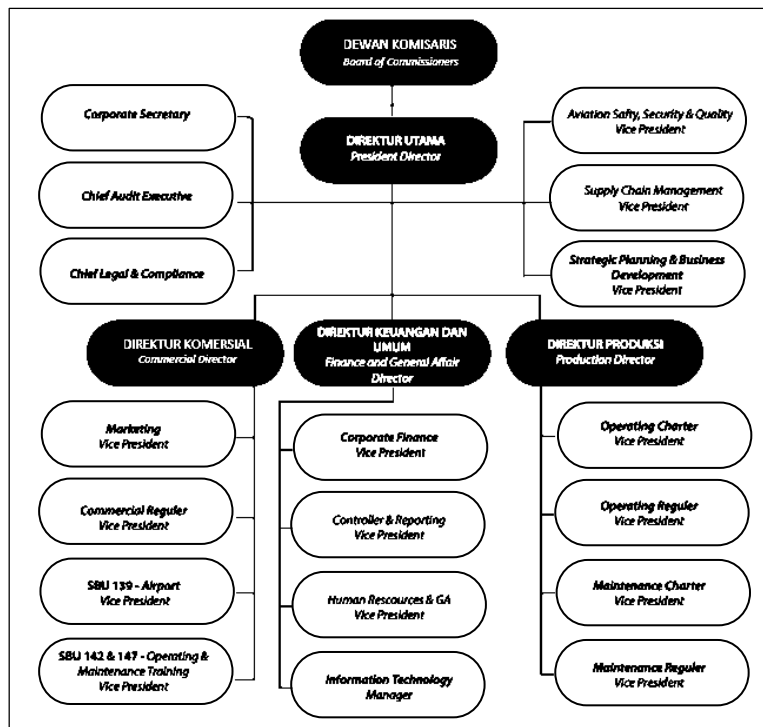


Figure IV.2

The responsibilities of the PMO include shaping solution, championing and guiding aspects of the project in the line organization and execute the project realization. The PMO component need a clear direction from the Board of Directors which also acting as the chief of the project and head of divisions of PMO as a leader to set the goal in implementing the change management of regular flight business transformation. The concept of buy-in communication from the senior management to the team member also vital factor for the change and they must maintain 5421isible commitment in terms of time and communication activities. They also have a goals and expectation that be acknowledged and met by project, to ensure their commitment and buy-in implementation.

Several employees which involved in the PMO are knowledgeable and skilled to support the regular flight business process. They are considered as the first point of contact for the process and involved in almost of the phase of the project. The PMO can be vital to the success of an implementation and sustainable change. Based on election criteria provided by the Board of Commissioners and Directors, they identify individual with their respective team who would make a good understanding for all of change management process. The criteria of the PMO of regular flight were:

- Level of understanding to operate the regular flight operation business process and its integration with each other.
- Level of expertise of the task and responsibilities in PMO’s role.
- Interest to grow the business development of regular flight.
- Commitment to achieve the goal of change management project.
- Communication ability to others.

In the business transformation of regular flight, the PMO of regular flight’s tasks include managing regular flight operations from scratch until Regular Flight Division established within the company and separated with Charter Flight Division.





Based on several paragraphs above, Pelita Air create a guiding coalition for the change management of regular flight implementation within the company which prepared by the Board of Directors and supervised by the Board of Commissioners with several identified important factors such as critical key leader, coalition member, team objectives and stakeholder collaboration as explained below:

- **Critical Key Leader**  
Pelita Air appointed a new President Director within the company to lead the overall change management process for the regular flight implementation. Pelita Air prefer to elect a leader with experiences and expertise in managing the regular flight operation as this new operation will become a main business operation for Pelita Air in the future. The main objective as a leader is to shaping solution, championing and guiding aspects of the regular flight project in line with the organization's goal and execute the project realization.
- **Coalition Member**  
Pelita Air form and rely on a coalition member named as the Project Management Officer (PMO) by appointed several experts from external hire which directly prepare the regular flight operation in Pelita Air based on Board of Directors and Board of Commissioners recommendation to fill several emerging positions such as Commercial Director, Regular Flight Operations and Maintenance Vice President. Another supporting position filled by the internal employees from the representatives across department and divisions.
- **Team Objectives**  
Pelita Air identified the PMO organizational structure as figured in Figure IV.4 with clear objectives and responsibilities every part to run together as a team for the success of the change management for regular flight implementation.
- **Stakeholder Collaboration**  
Pelita Air work closely with Pertamina to develop business portfolio which ultimately will contribute for the growth of company's group. The collaboration conducted between Pelita Air with the parent company of Pertamina such as financial support for Pelita Air's business expansion and air transportation mobility support for the Pertamina's employee within mining site operation across Indonesia. This will be escalating a mutual benefit each other.

Even the action in creating a guiding coalition for the change management of regular flight implementation in Pelita Air explained as paragraph above, several evaluations should be conducted to strengthen the coalition team in several critical factors such as team's weakness area check and team building activities as a mitigation plan to reduce change risk as stated below:

- **Weakness Area Check**  
Several problems start occurred when several direction changes during the implementation plan of regular flight within Pelita Air. The issue triggered and occurred when the PMO experienced several change directions by the President Director of Pelita Air which also acting as the Chief Project of regular flight implementation. The first director of Pelita Air which initiate the change management was a Chief Executive Officer of Citilink airline and led Pelita Air from the beginning of PMO establishment until terminated in the middle of project implementation on March 11<sup>th</sup>, 2022, due corruption case in previous company. Then, the Director of Finance temporarily led Pelita Air for about one month until the company established the new President Director on April 8<sup>th</sup>, 2022, which acquired from the Chief Executive Officer of AirAsia airline which led Pelita Air until present time. It is important for Pelita Air to conduct a double check for the appointment of key person with a good track record and conduct weakness area check within PMO's member to reduce the risk or major impact during the change management execution.
- **Employee's Engagement Enhancement**  
Evaluation of team engagement in PMO to create a stronger collaboration from mix level of internal and external employee, enhance sense of belonging of team to reduce obstacles or barriers and escalate initiatives during the change implementation. It will also make the change implementation move faster as the team member have same commitment to achieve goal together.



Based on this evaluation, it indicated that Pelita Air still has a space for improvement especially in strengthen the internal guiding coalition. The visible commitment with reliable track record of appointed leader become a crucial point to engage and motivated the overall PMO component with a clear direction in implementing the regular flight operation. The ownership of the change management program from the PMO are also important in achieve the success of change management implementation.

c) Developing a Vision and Strategy

A clear vision will help employees understand why they have to perform change efforts. The third step of business transformation of regular flight in Pelita Air based on John Kotter 8 Step Change Model of leading a change is to create a clear vision in order to help direct the change efforts and develop strategies to achieve that vision. The strategy to deliver project’s business transformation was designed and finalized on July 2021 by the PMO.

**Table IV.2 Project’s Milestones**

Milestones	Activities	Date
Regular Flight Permit	Business Planning and Procurement	July 1 <sup>st</sup> -15 <sup>th</sup> 2021
	Application to Civil Aviation Authority	July 16 <sup>th</sup> - 31 <sup>st</sup> 2021
	Approval Process	August 8 <sup>th</sup> - 31 <sup>st</sup> 2021
	Air Operator Certification	September 5 <sup>th</sup> - 17 <sup>th</sup> 2021
Initial Regular Flight Plan	Route Planning Propeller Aircraft	August 1 <sup>st</sup> - 13 <sup>th</sup> 2021
	Operation System Preparation	July 18 <sup>th</sup> 2021 - September, 24 <sup>th</sup> 2021
	Regular Flight Organization Preparation	August 1 <sup>st</sup> 2021 - October, 8 <sup>th</sup> 2021
	Ticketing, Sales and Distribution	August 1 <sup>st</sup> 2021 - October, 8 <sup>th</sup> 2021
	Legal and Strategic Review	July 18 <sup>th</sup> 2021 - August, 13 <sup>th</sup> 2021
	Contract Fixed Wing Communication	August 16 <sup>th</sup> 2021 - September, 10 <sup>th</sup> 2021
	Base and Resource Preparation	September 13 <sup>th</sup> 2021 - October 8 <sup>th</sup> 2021
Regular Flight Expansion	Propeller Aircraft Inaugural Flight	October 18 <sup>th</sup> 2021 - December 17 <sup>th</sup> 2021
	Business Plan for Narrow Body Aircraft	August 1 <sup>st</sup> 2021 - October 22 <sup>nd</sup> 2021
	Business Plan Report	October 25 <sup>th</sup> 2021 - November 5 <sup>th</sup> 2021
Business Plan Execution	Official Report	November 8 <sup>th</sup> - 19 <sup>th</sup> 2021
	Human Resource Preparation	October 25 <sup>th</sup> 2021 - January 14 <sup>th</sup> 2022
	Aircraft Type Certification	December 13 <sup>th</sup> 2021 - February 12 <sup>th</sup> 2022
	Operation Preparation	August 16 <sup>th</sup> 2021 - December 17 <sup>th</sup> 2021
	Aircraft Delivery	January 17 <sup>th</sup> - 31 <sup>st</sup> 2022
	Operation Control Center Establishment	August 1 <sup>st</sup> 2021 -January 31 <sup>st</sup> 2022
Jet Type Aircraft Inaugural Flight	February 21 <sup>st</sup> 2022	

The execution of project divided into two business operation which are propeller aircraft and jet engine aircraft for the regular flight in Pelita Air. Even though both activities planned to be executed in parallel of each other. The timeline activities of business transformation project also stated in the Table IV.2. The PMO has defined a relatively clear vision of the change efforts which is represent the new motto of “Enlighten the journey” in Pelita Air. This motto is not only addressed for the passengers as the new company’s user, but also for the company itself. This change initiative represents critical step in achieve big goal to develop milestone and business portfolio in company.

The change vision of regular flight business transformation implementation in Pelita Air conducted through the STAR model as stated in the Figure IV.3. The STAR model divided into five main components in execution the business strategy such as strategy, structure, business process, reward system and human resource management.

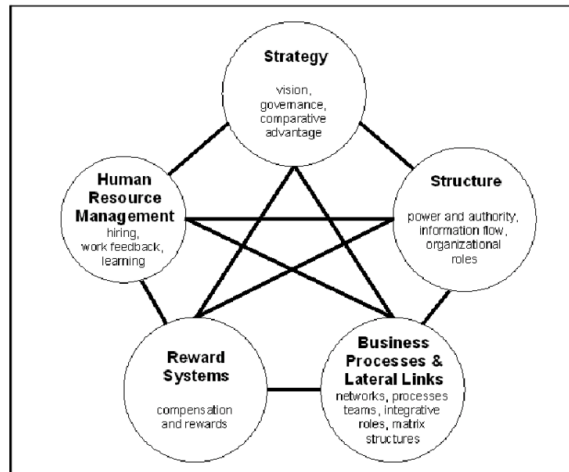


Figure IV.3

The change vision of regular flight implementation in Pelita Air analyzed by the author using the STAR model and explained in the Table IV.3.

Table IV.3 STAR Model Analysis

No	Component	Description	
1	Strategy	Mission	Be the most trusted domestic regular flight provider airline within Indonesia
		Governance	<p>Ensure the PMO operates within legal and regulatory frameworks, maintains ethical standards and achieves its strategic objectives include:</p> <ul style="list-style-type: none"> <li>a) Strategic Planning The PMO regularly reviews the project’s strategic plans alignment with long-term goals. Setting performance targets and monitoring progress against the strategic transformation objectives.</li> <li>b) Strategic Goals The strategic goals include expanding business, increasing profitability and enhancing customer satisfaction. By introduce a new medium class flight service on high-demand routes. Implement cost-reduction measures such as fuel-efficient aircraft and optimized flight schedules. Include improves service quality through enhanced in-flight services and on-time performance.</li> <li>c) Regulatory Compliance Preparation to adhere in aviation safety regulations, environmental laws and labor laws. Meet the aviation standards set by international and national bodies to operate regular flight operations. By submitting required document to aviation authorities and regulatory organizations such as the International Civil Aviation Organization (ICAO), International Air Transport Association (IATA) and the Indonesia’s Civil Aviation Authority.</li> <li>d) Stakeholder Engagement Provide transparent and timely information about the project’s performance and strategic initiatives. Conduct regular communication with stakeholders and shareholders through general meetings regarding</li> </ul>



			<p>the preparation of the regular flight.</p> <p>e) Financial Governance Develop and monitor budgets to ensure financial resources are allocated effectively and aligned with strategic priorities. Regularly review financial performance and making adjustments as needed to meet financial goals.</p> <p>f) Risk Management Conduct risk assessments to identify potential operational, financial and strategic risks. It also includes implement mitigation strategies to address identified risk during the change project implementation.</p> <p>g) Ethical Conduct Enforce a code of conduct that outlines expected behaviors and ethical standards within PMO by establishing confidential channels to report unethical behavior or violations of company policies during project implementation.</p>
		Comparative Advantage	<p>The unique strengths and capabilities that allow Pelita Air to outperform competitors in specific areas such as:</p> <p>a) Modern Fleet Investing in modern, fuel-efficient aircraft which reduce operating costs, appeal passenger and environmentally conscious by using Airbus type A320.</p> <p>b) Brand Activation Recognition Attract customers by introduce the new brand airline with reliability, safety and quality service against another airline.</p> <p>c) Operational Efficiency Efficient cost management practices, such as fuel hedging, optimized staffing levels and effective maintenance schedules which help in maintaining competitive ticket prices.</p> <p>d) Prioritize Customer Satisfaction High-quality in-flight services, such as comfortable seating, on-board meals, and entertainment options as differentiate strategy in a competitive market. Exceptional customer service during flights enhances customer satisfaction and loyalty.</p> <p>e) Reliable Service Consistent on safety and on-time performance improvement for the customer satisfaction and reduces the inconvenience caused by delays during flight operation.</p>
2	Structure	Organization Role	<p>The PMO's organizational structure is needed to support its strategic objectives efficiently. Several key elements of organizational structure are stated below:</p> <p>a) Hierarchical Structure Clear lines of authority with distinct departments as depicted in Figure IV.2.</p> <p>b) Role Responsibilities Formation of team responsibilities for the project implementation.</p> <p>c) Cross-Functional Teams The cross-functional teams to handle project needs and operational</p>





			issues for strategic project implementation.
		Information Flow	<p>Involves a complex flow of information across various stages to ensure successful launch and operation such as:</p> <ol style="list-style-type: none"> <li><b>Business Planning</b> Information regarding the PMO’s mission, goals, and business strategies based on market potential, profitability, and risks.</li> <li><b>Regulatory Approval</b> Information through the certification process to obtain the Air Operator Certification, which includes proving financial fitness, operational capability, and safety standards.</li> <li><b>Infrastructure Procurement</b> Appropriate information regard aircraft acquisition based on capacity needs, stakeholders’ contracts such as airport, maintenance, ground handling and other supporting part.</li> <li><b>Human Resources</b> Prepare the operational support such as pilots, cabin crew and ground staff. Ensure all staff meet regulatory qualifications and standards.</li> <li><b>Marketing and Sales Process</b> Launch marketing campaigns to build brand awareness and attract customers. Set up multiple sales channels including online bookings, travel agencies and corporate sales.</li> <li><b>Launch Operation</b> Inform stakeholders, include customers and regulatory bodies about the inaugural flight and commence flight.</li> <li><b>Continuous Improvement Expansion</b> Continuously monitor operations to ensure efficiency, address any issues promptly and prepare further expansion. Collect and analyze customer feedback to improve services.</li> </ol>
3	Business Process	Market Analysis	Analyze market demand, competitive landscape and customer preferences with strong demand for domestic air travel in high populated cities and tourist by focus to connecting cities in Java and Bali Island for targeted customer segments such as leisure, business and visiting relatives’ travelers.
		Regulatory Compliance	Obtain necessary operating licenses and certifications from aviation authorities of the Directorate General of Civil Aviation of the Republic of Indonesia. Produce company’s Standard Operating Procedures (SOP), Operation Manual, Maintenance Procedures, Safety Management System, Emergency Response Plan and other document.
		Fleet and Route Planning	<p>Determine fleets composition based on profitable market analysis, route structure and capacity needs. Based on the PMO analysis and consideration, the fleet and route planning as stated below:</p> <ol style="list-style-type: none"> <li><b>Fleet Acquisition in 2022</b> Total of 5 Airbus A320 fleets to connecting cities in Java and Bali.</li> <li><b>Fleet Expansion in 2023</b> Total of 15 Airbus type A320 fleets expected for the route development by optimize connecting several cities in Sumatra, Kalimantan, Sulawesi and Papua Island.</li> </ol>
		Financial	Secure project implementation financing through parent’s company loans by



		Management	Pertamina arrangements as the single investor and partnerships during the development program of regular flight business in Pelita Air. Monitor financial performance and adjust plans as necessary to meet financial targets. This include optimize operational efficiencies to reduce overheads and improve profitability.
		Marketing, Sales and Customer Service	Several marketing, sales and customer service activities regarding the regular flight operation in Pelita Air such as: a) Marketing Strategy Utilize digital marketing and social media advertising to promote Pelita Air’s regular flight. Offer discounts, promotional fares and special offers to stimulate demand and fill seats. b) Sales Strategy Establish multiple sales channels, including direct bookings through the Pelita Air’s website and travel agencies such as Traveloka, Tiket.com, Mitra Tours and Travel, Bayu Buana Travel and Panorama JTB Tour. c) Customer Service Provide high-quality customer service through call centers, online support, and airport staff. Address customer feedback and complaints promptly in order to enhance customer satisfaction during the regular flight operation in Pelita Air.
		Operations Management	Coordinate flight planning, crew scheduling and aircraft dispatch. Monitor and manage real-time flight operations from the Operations Control Center. This also include handle check-in, boarding, baggage handling, ground support services and efficient turnaround times.
		Revenue Management	Create a revenue management system to adjust prices and manage seat inventory by offer unbundled fares which allow passengers to choose optional add-ons based their preferences such as seat position, additional baggage and service-class enhancement during flight.
		Performance Monitoring	Track performance indicators such as load factors, on-time performance and customer satisfaction. Conduct regular reviews and audits to identify areas for improvement. This include evaluate opportunities for network expansion, new routes and market entry based quarterly meetings on operation evaluation of regular flight.
4	Reward System	Performance Based Incentives	Financial bonuses may receive linking their success to contribution for the company’s overall target and performance of regular flight implementation.
		Recognition Program	Acknowledge and reward for exceptional performance or service recognition for the employee who consistent deliver excellent service or innovative solutions for personal development and career growth.
		Benefit Perks	Provide travel perks such as discounted and free flight tickets for employees and their families once a year as a benefit for engage employee to supporting regular flight.
5	Human Resource	Internal Promotion Process	a) Initial Planning Manage the workforce deployment and scheduling to ensure adequate staffing levels, optimize productivity and meet operational requirements start within internal employee to support the regular flight



			<p>implementation.</p> <p>b) Promotion Process Identify high-potential employees and key talent within organization and develop strategies for retention, development and career progression for commercial corporate staff and flight operation ground supporting staff. Conduct assessment based on previous performance evaluation to consider the promotion.</p> <p>c) Succession Planning Implement succession planning processes to identify and develop future leaders and critical roles within the organization.</p>
		External Hire Process	<p>a) Initial Planning Identify and set up several positions needed to be filled by external hire potential talent acquisition which expert in managing regular flight such as Commercial Director, Regular Flight Operations and Maintenance Vice President. This include supporting operational air crew to make the goal target achieved effective and efficient such as Pilot, Cabin Crew and Aircraft Engineer Crew.</p> <p>b) Recruitment Strategies Develop strategies to attract and hire qualified candidates for various positions, including managerial staff and operational support position in order to operate the regular flight operation implementation.</p> <p>c) Personnel Composition Set up operational bases and crew bases at key airports to support flight operations and passenger services. Based on the scheduled flight operation, the regular flight operation department require for a total of 9 captain, 9 first officer (co-pilot), 18 flight operation engineers and 36 cabin crew to fill the shift roster schedule prepared for the flight operations.</p> <p>d) Candidate Source Source candidates through multiple channel such as job boards and referral.</p> <p>e) Assessment Process Conduct candidate's resume check, background checks, interviews and competency assessments to evaluate candidates' skills, qualifications and fitness to fill several vacant positions.</p> <p>f) Offering Process Determine salary structures, pay scales and incentive programs based on market benchmarks, internal equity and operational objectives. Include provide competitive compensation and benefits packages to attract motivate employee.</p> <p>g) Onboarding Process Facilitate the onboarding process for new hires, provide the necessary information and resources to integrate the organization include orientation sessions and introductions of policies.</p>
		Performance Control	<p>a) Performance Management System Link performance management to rewards, recognition and career development opportunity to motivate employees and drive</p>



			<p>improvement.</p> <p>b) Regular Evaluation Conduct performance evaluations, goal progression and performance reviews to assess employee performance, identify areas for improvement, and recognize high performers.</p> <p>c) Employee Feedback Address employee concerns or conflicts through conflict resolution mechanisms and employee assistance programs. Foster positive employee relations and maintain open communication every part within the organization.</p>
		Corporate Culture	The adjustments for the change initiative conducted by introducing new corporate culture, Pelita Air start to implement State Owned Enterprise's corporate culture as the company commit to become more dynamic, eager to escalate competency and adapt collaboration for the business expansion opportunities.
		Previous Corporate Culture	<p>a) Safety Work with the highest safety culture and will comply with high standard and regulation.</p> <p>b) Teamwork Trust Working with mutual trust, mutual respect and professional to become a winning team.</p> <p>c) Clean Working with a clean intention and integrity in work.</p> <p>d) Commercial Working with fair cost to win with the market competition.</p>
		New Corporate Culture	<p>a) Trustworthy Uphold the trust that is already given for every employee.</p> <p>b) Competent Continuous learn and develop the capabilities.</p> <p>c) Harmonious Appreciate differences, care and respect each other.</p> <p>d) Loyal Prioritize and dedicated to the interest of nation and organization.</p> <p>e) Adaptive Continue innovate and enthusiast for the change.</p> <p>f) Collaborative Build synergy, mutual trust and corporation to be win in team.</p>
		Compliance Regulatory	<p>a) Human Resource Compliance Ensure compliance with labor laws, employment regulations standards governing employment practices, working conditions and rights.</p> <p>b) Compliance Communication Develop and communicate human resource policies and procedures to ensure the consistency, fairness, compliance and standards.</p>

As Pelita Air change their focus of business operation from charter-based flight operation into a public passenger flight operation. Pelita Air also prepare and adapt to the new corporate culture from business to business for charter-based operation centric into the business direct to customer which will be different type of service. The charter airline will be

focus on the business centrist which mostly used by companies for a cargo or other supporting air transportation business while the regular airline will be focus full on service as it is directly to the passengers as the new Pelita Air’s customer. Pelita Air also acknowledged that the implementation project of regular flight business transformation would affect for the overall Pelita Air employee’s culture in the future to support the regular flight operations. Several adjustments regarding the change initiative conducted by introducing new corporate culture following the parent company of Pertamina as a part of State-Owned Enterprise. Pelita Air start to implement State Owned Enterprise’s corporate culture as the company commit to become more dynamic, eager to escalate competency and adapt collaboration within Pertamina group for the business expansion opportunities. This change initiatives of regular flight implementation also introduce the brand-new logo of Pelita Air which indicate a commitment of Pelita Air to be more dynamic and focus giving the best services for all customers.

**Table IV.4 The Logo Change of Pelita Air**

Previous Logo	Current Logo

Pelita Air also introduce the new livery called “Reborn Livery” as figured in Figure IV.4 for their new aircraft fleets as the airline want to show a fresh spirit in reoperating the regular flight business.



**Figure IV.4**

Based on several explanation from paragraphs above, Pelita Air develop vision and strategy for the change management of regular flight implementation within the company which prepared by the PMO with several important factors such as value of change, implementation strategy and capture future condition of Pelita Air as explained below:

- Value for Change  
The change effort of regular flight implementation represents the new motto of “Enlighten the journey” in Pelita Air. This motto is not only addressed for the public air passengers as the new company’s user, but also for the company itself which the change initiative represents the critical step in achieve big goal to develop milestone and business portfolio. Pelita Air also introduce a reliability, safety and high-quality service for regular flight operation to compete against another commercial regular airline.
- Implementation Strategy  
The PMO defined a vision of the change efforts to be the most trusted domestic regular flight provider airline within Indonesia. The execution of projected plan divided into two business operation which are propeller aircraft and jet engine aircraft for the regular flight operation in Pelita Air. This include structuring a new corporate culture to run a new business operation of regular flight, employee’s reward system and other related human resource management as stated in the Table IV.3. The strategy direction will help employees understand why and how they have to perform for the change efforts.
- Capture Future Condition





In order to survive within the domestic flight business competition, Pelita Air identified the unique strengths to make the regular flight operation outperform from other competitors by focus on customer satisfaction in provide a middle-class service flight with special in-flight service with competitive ticket pricing. This also include maintain on-time performance excellence and high safety standard.

Even the action in developing a vision and strategy for the change management of regular flight implementation in Pelita Air explained as paragraph above, several evaluations should be conducted as Pelita Air experienced several deviated results during the implementations of regular flight operation. The regular flight implementation results drifted from the initial plan such as unachieved parallel operations of propeller and jet engine aircraft for the regular flight operation. In realization, Pelita Air only focus to operate the jet engine-based aircraft. During the implementation process, the PMO cancel and skip several steps of the establishment for regular flight operation using the propeller-based engine aircraft. This also affect further development plan for regular flight operations especially for the propeller engine aircraft in Pelita Air. It is important for Pelita Air to improve a clear vision and strategy as it will reduce ambiguity or blurred direction to improve employee's direction on how they have to perform for the success of the change goal. Based on this evaluation, it indicated that Pelita Air still has a space for improvement especially in make a clear vision and strategy by set a focused plan in line with company's strategic goal during the change management of regular flight implementation.

d) Communicating the Change Vision

The fourth step of the business transformation of regular flight of Pelita Air based on the John Kotter's 8 Step Change Model is to ensure every part within organization understand and accept the change initiatives. Communication activities has been conducted with objective to commit on change initiative of business transformation in entering regular flight for the entire organization part. Communicating the change vision is crucial to get a clear direction thing and moving from current situation into an intended goal. For a change to happen, it is important that the whole company really wants and support the change. The Project Management Officer of Pelita Air realized of this step and conducted of the vision communication through Town Hall Meeting for introduction the new regular flight operations in Pelita Air across various divisions and departments for overall employees within company. Town Hall Meeting plan to be conducted every 6 months. Communicating the change vision conducted through Town Hall Meeting for all Pelita Air's employee. The Town Hall Meeting started in the 52nd Anniversary of Pelita Air on January 24<sup>th</sup>, 2022, at Functional Hall of Pertamina Pondok Cabe Airport and targeted all employees within the company. A total of 266 employees attended the event both on site and virtually, which represented all of divisions and departments in Pelita Air. The attendant level varies from Board of Directors (BoD), Vice President, Manager, unit chief and staff. The BoD act as the main speaker in this event. There are several objectives in first meeting for communicating the change vision on business transformation of regular flight in Pelita Air such as:

- Initial socialization of the reason and urgencies of change initiatives in entering new business of commercial scheduled flight based on current Pelita Air's financial condition stated in Table IV.1, air passenger opportunities pasca COVID-19 pandemic for aviation industries figured in Figure IV.1, strong support by parent company of Pertamina and Ministry of State-Owned Enterprises for business development in regular flight operation in Pelita Air.
- Socialization on highlight strategy on the change management plan of regular flight implementation as stated in Table IV.3, the new logo concept and aircraft livery of Pelita Air.
- Build awareness, trigger initiatives contribution support and reduce resistance during the implementing of regular flight business transformation for overall employee within Pelita Air to participate several project implementation activities.

As Pelita Air plan to develop company's business portfolio which need the support from employees within Pelita Air, several follow up vision communication conducted through second Town Hall Meetings on July 4<sup>th</sup>, 2022. The main objectives in second Town Hall Meeting for communicating the change vision on business transformation of regular flight in Pelita Air is to socialize on the development organization within company, new corporate culture, opportunities a career growth for the employee's internal promotion and external hiring assessment process during the regular flight



implementation. Several considerations and assessment process to fulfill the several vacant positions in implementing and supporting the regular flight operations in Pelita Air developed by the Human Resource Department.

The effective and continuous communication performed to communicate key messages on change vision particularly for employees which contributing support the change initiatives. The further vision communication conducted through the third Town Hall Meeting conducted simultaneously with the 53<sup>rd</sup> Anniversary of Pelita Air on January 24<sup>th</sup>, 2023. The management of Pelita Air conducted two-way communication in overall Town Hall Meeting to enhance engagement, increase support and participation of the employees for the regular flight project implementation. The management of Pelita Air also concern about employee's feedback through the project implementation. During communicating the change vision through the Third Town Hall Meeting for the implementation plan of the regular flight business transformation, the management of Pelita Air explain about the benefit for overall employees within the company to increase employee's motivation and contribution for the further development success of company's strategic goal of regular flight operations. The management of Pelita Air provided a round-trip concession ticket for the employee and family once a year. This program also prepared by the management to increase support of promotion from the overall employee to introduce and review the new Pelita Air's regular flight service through mouth to mouth and social media to reach more wider market.

Based on several explanation from paragraphs above, Pelita Air conduct communicating the change vision during the regular flight implementation which directly arranged by the Board of Directors. Several important factors in communicating change vision to attain employee's motivation, clarify strategy, organizational development, new culture and benefit during project implementation as explained below:

- **Employee's Motivation**  
The employee's motivation is important factor on the change management as they will directly conduct the change operation implementation. To make sure the whole employee accepts the change vision, several change background and reasons communication conducted to ensure every part within organization understand the urgencies of change initiatives for regular flight implementation in Pelita Air. Several factors such as finance condition, market opportunity, operation development and government instruction factor as explained in the first step of change management of establishing a sense of urgencies from the top-level management insight communicated to the overall employee. This will also build awareness, trigger initiatives contribution support and reduce resistance from employee during the change implementation.
- **Strategy Communication**  
A clear strategy communication is a crucial part to make the change implementation moving easier from current situation into an intended goal. Both of highlight strategy in the Table IV.3 and project timeline in the Table IV.2 communicated to the overall employee with two-way communication method to enhance engagement, increase support and participation of employee.
- **Organizational Development Communication**  
During the regular flight implementation, Pelita Air conduct an organizational development as it is important to create a new part of corporate structure which directly operate and support the new business operation. According to the development organization, Pelita Air utilize this opportunity to escalate employee's motivation regarding new promotion position and escalate their participation for support the success of regular flight operation in Pelita Air. This communication become bridge way to connect between company's need with employee's offer for career growth.
- **New Corporate Culture Delivery**  
As the core business operation change from flight charter based into a regular flight operation, it is important for Pelita Air to adapt their corporate culture as the type of service and customer are different. The core company's operation change from business to business centric into business direct to customer which need several adjustments with appropriate culture to support the new core company's operation. Pelita Air commit applying the corporate culture of State-Owned Enterprises as Pelita Air also part of Pertamina group to become more dynamic, eager to escalate competency and adapt collaboration for the business expansion opportunities.



- Employee’s Benefit

The management of Pelita Air take attention for their employee’s support and contribution for the success of regular flight implementation. The benefit of round-trip concession ticket once a year provided by the management to the overall employee of Pelita Air to increase employee’s motivation and contribution for the further development success of company’s strategic goal.

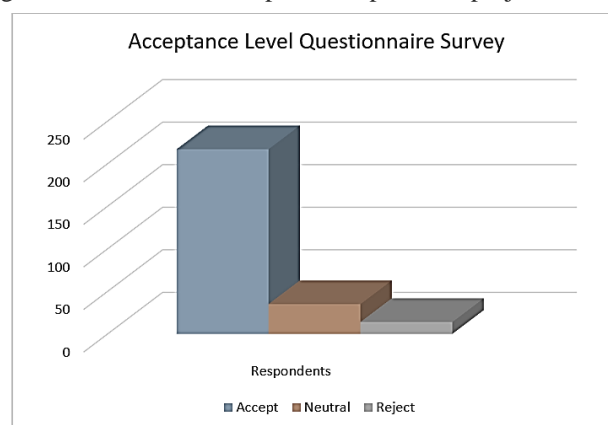
For the evaluation of the fourth of the John Kotter’s 8 Step Change Model in communicating the change vision during the implementation of the regular flight business transformation. The author of this final project conducts a questionnaire survey for the overall 266 employees of Pelita Air using a Likert scale. The Likert scale is a scale of psychometric mostly used as an approach in scaling several responses of the research survey. It will show the respondent’s psychometric rating such as level of agreement, disagreement or other scale of statements. It will also illustrate and capture the range of acceptance level from the answered items regarding the implementation project of regular flight business transformation. The overall employees should choose the choices which represent their perception regarding the project’s situation which represent from 1 (one) as the acceptance of the change project, 2 (two) as neutral and 3 (three) will describe as the worst rating for the rejection of the change.

The Likert scale items describe the statements for the acceptance level which provided by the overall employees for the regular flight business transformation implementation in Pelita Air. The statements for evaluating the acceptance level of change initiatives of regular flight implementation by the employees in Pelita Air is to know the employee who is actually undergoing the change is accept and supports the change management initiative with the accepting rating as stated in the Table IV.5 below.

**Table IV.5 Level of Acceptance for Regular Flight Implementation**

Score	Level Acceptance
1	Accept
2	Neutral
3	Reject

From the total of 266 respondents, there are 217 respondents were accepted, 35 respondents were neutral and 14 respondents were rejected for the change efforts project in Pelita Air. Based on the acceptance level survey indicated the overall employees within Pelita Air are accepting the change. It shows that the Town Hall Meeting event and the communication strategy effectively communicating the change vision of the regular flight implementation in Pelita Air. Since the employees within Pelita Air know several opportunities for them. There is also several positive feedback from employees because they feel they have been involved in this project making the project became a company’s project rather than just Regular Flight and Business Development Department project.



**Figure IV.5**

Even the effective communication has been used during the communicating the change vision of the implementation of regular flight operation in Pelita Air. It is also important for Pelita Air to conduct evaluation for improvement by develop a regular employee’s feedback check to know any anxiety or negative thought which occurred as a barrier or obstacle during the change implementation as a mitigation action to counter and reduce the number of rejection and neutral perception from the employee in support the regular flight project implementation. The enhancement of the overall employee’s support perception will escalate their change effort, which will also critically contribute for the sustainability of the whole change initiative goal success. It used to change the perception level of the overall employee of Pelita Air from aware and understand turning into a real action of initiative and achieve a strong commitment to support the change management of regular flight implementation.

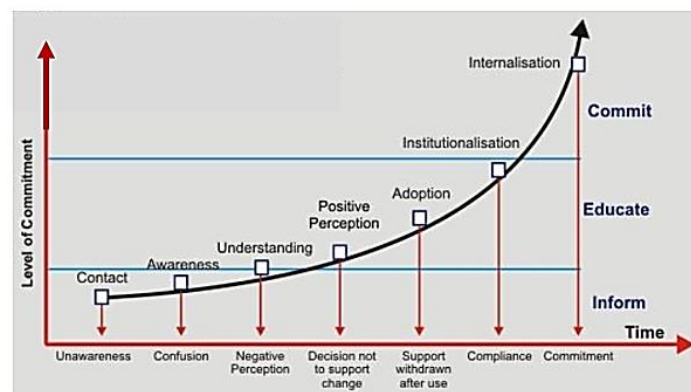


Figure IV.6

e) Empowering Broad-Based Action

The fifth step for business transformation of regular flight in Pelita Air based on John Kotter’s 8 Step Change Model is to remove barriers or obstacle of the change initiatives. By removing the barrier, the PMO as the coalition group could empower employees to support in executing the change vision and the change move forward faster. The overall goal of the implementation of business transformation in Pelita Air is employee can perform their duties with the new business process system who directly run the regular flight operations. The project outcomes will also affect several additional business operations, system and skills that required. As the new regular flight operation applied, employee experienced a demanded higher performance as they ran the new system process and adjusted a new way work behavior. The PMO developed an outline strategy to prepare a better outcome to implement this project. In implementing the regular flight operations in Pelita Air involves a complex and coordinated effort from various divisions and department. To ensure a smooth project implementation, a workshop and training for the air crew and supporting staff became a very effective. Several workshop and training conducted by Pelita Air for the employees who involved in the regular flight operations implementation as outlined in the Table IV.6.

Table IV.6 Level of Acceptance for Regular Flight Implementation

No	Detail Activities	
1	Activity	Flight Operation Control Center Workshop
	Date	March 23 <sup>rd</sup> – 24 <sup>th</sup> 2022
	Time	09.00 – 16.00
	Location	Cengkareng Business District
	Objective	To equip employees with the knowledge and skills required to efficiently manage and execute regular flight operations. This goal includes to achieve a service and performance excellence during the flight operations.



	Participant	<ul style="list-style-type: none"> <li>a) Flight Operations Staff</li> <li>b) Ground Support Staff</li> <li>c) Customer Service</li> <li>d) Maintenance Crew</li> <li>e) Pilots and Cabin Crew</li> <li>f) Safety and Security Personnel</li> </ul>
	First Day Material	<ul style="list-style-type: none"> <li>a) Regular Flight Operation Fundamentals Provide an overview of the Pelita Air's regular flight operations, presentation on the implementation progress and facilities for support the regular flight.</li> <li>b) Flight Operation Procedure Familiarize employees with the Standard Operational Procedures (SOP), Operation Manual, Aircraft Maintenance Procedures, Safety Management System and Emergency Response Plan to maintain the high safety and efficiency of regular flight operation.</li> <li>c) Technology and Tools Train employees on the technology and tools used in supporting the flight operations. Hands-on training on flight management systems, scheduling software and communication tools. This includes a question-and-answer session with the Information Technology department support team.</li> </ul>
	Second Day Material	<ul style="list-style-type: none"> <li>a) Coordination Process Improve coordination and communication among personnel. Clarify the process of coordination during the flight operations based on roles and responsibilities of each position and related stakeholders such as airport, air navigation, ground handling and other supporting operator which involved in the regular flight implementation.</li> <li>b) Practical Exercise Role-playing scenarios to make a understand interdependencies between roles, application of procedures in real situations, safety checklist and problem-solving exercise. Includes simulations of flight operation scenarios which requiring multi-coordination. The end session closed with group discussions to conduct interactive question and answer session.</li> </ul>
2	Activity	Recurrent Simulator Training for Pilot
	Date	April 4 <sup>th</sup> – 5 <sup>th</sup> 2022
	Time	08.00 – 16.00
	Location	Pelita Air Training Center
	Objective	Ensure ongoing proficiency in handling aircraft during emergency situations.
	Participant	<ul style="list-style-type: none"> <li>a) Flight Instructor</li> <li>b) Captain Pilot</li> <li>c) First Officer (Co-Pilot)</li> </ul>
First Day Material	<ul style="list-style-type: none"> <li>a) Introduction on Irregular Operations Presentation on several emergency mitigation procedure and irregular operation scenarios such as weather disruptions and technical issues. Prepare air crew for handling abnormal situation such as disruptions and irregular operations which may occurred during flight operations using the flight simulator.</li> <li>b) Flight Simulator Introduction Preparation for drills and simulations of emergency scenarios using the flight simulator to the pilot by flight instructor. These activities train the air crew</li> </ul>	





		directly on several tools and computerized system used for emergency exercise.
	Second Day Material	<p>a) Flight Simulator Practical Exercise Group exercises for role-playing of emergency response situations to develop contingency and mitigation plans during flight operation using a flight simulator. Scenario-based training for various flight maneuvers and handling phases such as takeoff, en-route and landing in abnormal situation.</p> <p>b) Evaluation and Feedback Encourage a continuous improvement feedback regarding in handling emergency situation by the flight instructor to the pilot. Discussion on best practices on handling an emergency situation which may occurred during the real flight.</p>
3	Activity	Safety Training for Cabin Crew
	Date	April 11 <sup>th</sup> – 12 <sup>th</sup> 2022
	Time	08.00 – 16.00
	Location	Pelita Air Training Center
	Objective	Perform duties effectively and ensure the safety and security during the flight operations.
	Participant	<p>a) Crew Instructor</p> <p>b) Cabin Crew</p> <p>c) Safety and Security Personnel</p>
	First Day Material	<p>a) Refresher on Safety and Emergency Procedures Equip cabin crew with the refresher training on knowledge and skills to handle emergency situations. Detailed on emergency equipment such as fire extinguishers, life vests and oxygen masks. Procedures for handling in-flight emergencies such as fire, decompression and medical emergencies. Evacuation procedures and drills, including the use of life rafts and life jackets.</p> <p>b) Refresher on Security Procedure Prepare cabin crew knowledge to handle security threats and ensure passenger safety. Knowledge on process identifying and managing unruly passengers. Include the procedures for handling suspicious activities and potential threats in enhance security during flight.</p>
Second Day Material	<p>a) Emergency Simulation Ensure ongoing proficiency in handling emergency situations by conduct a simulation. This includes a first aid, incident and accident mitigation simulation exercise during flight emergency situation.</p> <p>b) Evaluation and Feedback Encourage a continuous improvement feedback regarding in enhancing safety and security during emergency drill exercise by the cabin crew instructor. Discussion on best practices on handling an emergency situation which may occurred during the real flight operations in Pelita Air.</p>	

The PMO acknowledged the regular flight business transformation would affect Pelita Air’s employees to experiencing adjustments regarding the change implementation project. Several workshop and training regarding the change implementation of the regular flight operations as the broad actions conducted for the employee who directly support the regular flight operations in order to reduce barriers and cover obstacles by enhancing employee’s capabilities in operating the regular flight operations such as knowledge, competency and skill which required during the regular flight operation implementation execution. The air crew and ground support members are encouraged to maintain the high service level,



on-time performance, safety and security procedure with advance technology and tool to maintain customer satisfaction and achieve service excellence.

Based on several explanation from paragraphs and activities above, Pelita Air conduct empowering broad-based action during the regular flight implementation through competency enhancement, technological support, training and workshop as the several factors to reduce obstacle and barrier during the regular flight operation implementation. Several supporting factors in empowering broad-based action explained below:

- **Competency Enhancement**  
Competency enhancement is vital during the change management of regular flight operations implementation in Pelita Air because it ensures that all internal and external hire personnel are proficient in operating new procedures, technologies and regulations which applicable. As the part of industry, Pelita Air maintain high safety, efficiency and reliability by enhancing employee's competencies to helps mitigate risks and maintain high operational standards. By continuously developing skills and knowledge, employees can better adapt to changes, leading to improved performance, reduced errors and increased confidence. This ultimately contributes to the seamless implementation of the regular flight operation with maintaining the integrity, safety of flight operations and achieve customer's satisfaction.
- **Technological Support**  
Technological support is also essential during the change management of regular flight operations in Pelita Air as it provides the tools and systems implemented to achieve an efficient new business process. Advanced technologies that implemented in the Flight Operation Control Center of Pelita Air can streamline communication, enhance data accuracy and facilitate real-time monitoring and decision-making during the flight operation. This technological knowledge provided for employees will support and helps employees to adapt the change of new operations more quickly, effectively and reduce human errors. By leveraging technology, Pelita Air can maintain high standards of safety and improve operational efficiency.
- **Training and Workshop**  
Training and workshop become an important factor to equip employee with the knowledge and skill required during the regular flight implementation including the adaption to new technologies as mentioned above. Training and workshop foster a smoother transition by building confidence and competence for both of normal and prepare the abnormal mitigation during flight operation which conducted by the air crew member of Pelita Air. By providing clear guidance and support, training minimizes disruptions and enhances productivity it will helps an easier achievement the desired flight operation outcome during the project implementation.

Even several actions in empowering broad-based actions conducted during the regular flight implementation in Pelita Air as explained from several paragraphs above. Several evaluations for enhancement should be conducted through team building activity for the regular flight team member. This team building activity is also important to prepare beside the technical knowledge of regular flight operations, because it will foster collaboration, trust and a sense of unity among employees especially the regular flight team member consist of mix member from internal and external hire with mix of knowledges and experiences. During periods of change implementation, cohesive teams are better equipped to handle challenges, communicate effectively and support one another. Team building activities strengthen relationships, boost morale and encourage a shared commitment for the success of organization's goals. This collective effort enhances the adaptability and resilience of the workforce, ensuring a smoother and more successful implementation of changes, ultimately contributing to the safety, efficiency and better performance result for the flight operation within Pelita Air.




f) **Generating Short-Term Wins**

A taste of success in early stage of change process within the organization will escalate motivation of the employees to generate more result in the change efforts. The sixth step of business transformation of regular flight in Pelita Air based on the John Kotter's 8 Step Change Model is to arrange that the achievement can be visible by others and all the part of the organization will follow those achievements, recognize and reward every success. The interval achievement check conducted quarterly after the establishment of the PMO's structure as the new corporate structure in Pelita Air which


consist of the regular flight operation and maintenance department. The inaugural regular flight of Pelita Air become a start point for the official establishment of regular flight operation and maintenance department within corporate structure to operate day-to-day regular flight operation. The early achievement also triggers the motivation for employee within Pelita Air. It also indicates the change vision is easily visible as the interval progress achieved during the regular flight implementation. The interval progress achievement became a progress point for the continuous regular flight implementation as a new business growth process.

**Table IV.7 Interval Achievement Check**

No	Achievement	
1	Target	First Quarter
	Goal	Pelita Air’s Inaugural Flight Ceremony
	Details	The inaugural flight of Pelita Air became an important short-term win during the regular flight implementation because it symbolizes the tangible success of the change efforts and boosts morale within internal team member. This milestone provides a sense of achievement and validates the hard work and preparation put into the new operations. The inaugural flight for route of Jakarta – Bali and vice versa route of Pelita Air conducted on April 28 <sup>th</sup> , 2022, with one time frequency in a day, this celebration generates positive publicity through press media and also generate positive feedback from new customers as Pelita Air introduce a new brand and offer a new regular flight service. The other positive effect on inaugural flight ceremony of Pelita Air is build confidence among stakeholders and motivate the team to continue supporting the change initiative. This early victory is crucial for maintaining momentum and demonstrating progress towards long-term goals.
	Photo Archive	<p>Inaugural Flight Ceremony for Jakarta – Bali Route</p>
2	Target	First Quarter
	Goal	Stakeholder Collaboration Enhance Flight Operation Growth
	Details	Stakeholder collaboration is also supporting the short-term win because it fosters alignment, trust and support among all parties involved between Pelita Air and other stakeholders. Pelita Air conduct collaboration with several travel agencies such as Mitra Tours and Travel, Bayu Buana Travel, Traveloka, Tiket.com and Panorama JTB Tour. The result show that Pelita Air reach more customer based on the increase of seat occupancy and additional flight frequency especially for the route of Jakarta – Bali on the regular flight operation with total of three times flight frequency in a day. Pelita Air also conduct collaboration with Tripper Agency as a provider of inflight entertainment which escalate customer satisfaction, improve customer experience and convenience during the regular flight operation. Collaborative efforts can lead to generate more successes quickly and build a momentum to produce more change during the change implementation execution. These early wins help solidify stakeholder confidence in change process, encouraging continued development and commitment to achieving long-term objectives.

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	IP105	19.45 WITA	20.35 WIB																											
	Target	Stakeholder's Collaboration Enhance Regular Flight Operations Growth																												
3	Goal	Second Quarter																												
	Goal	Third Aircraft Fleet Establishment and Flight Route Expansion																												
	Details	The additional aircraft establishment become a short-term win because it marks a concrete achievement that showcases progress and capability of Pelita Air in operating the regular flight. This additional aircraft conducted based on enhancement of passenger capacity and maintain a competitive advantage with other airlines as Pelita Air provide a flight route network expansion for the route of Jakarta – Yogyakarta and vice versa flight route. This also indicated a technical milestone have been met during the change management implementation, which can boost confidence among staff, stakeholders and customers of Pelita Air. This tangible success helps to build momentum for further development, validate the change efforts and reinforce the commitment to the new business operation framework. Celebrating such milestones can energize the team, sustain motivation and provide a clear indication that change process is on track and effective.																												
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Jakarta - Yogyakarta	06.40	07.55																												
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	Target	Pelita Air's Third Aircraft Fleet and Flight Network Expansion																												
4	Target	Second Quarter																												
	Goal	Enhance Customer Experiences through Mobile Application																												
	Details	Pelita Air's mobile application establishment become a short-term win because it provides a visible, user-friendly tool that enhanced customer experience and demonstrate technology advancement. This shows commitment to improve service accessibility, streamline booking, check-in and provide real-time updates. This increased customer satisfaction, engagement, build loyalty from special promo offer and positive feedback.																												
	Photo Archive																													
	Target	Pelita Air Mobile Application Introduction																												
5	Target	Third Quarter																												
	Goal	Pelita Air's Additional Flight Route Expansion																												



	Details	<p>Pelita Air again expand its flight route network through Jakarta – Surabaya and vice versa flight route. This indicated Pelita Air achieved further short-term win as it demonstrates growth and strategic progress during the regular flight operations. Expanding flight routes showcases the Pelita Air's ability to reach wider markets, escalate customer demand and enhance its competitive edge against competitor. This early achievement also boost revenue, attract new customers, create positive feedback and reinforcing confidence. It provides a tangible measure of success that motivate employee and reassure stakeholder that change initiatives yielding beneficial and align long-term objective.</p>																																																																					
	Photo Archive	<div style="text-align: center;"> <p><b>JAKARTA (CGK) – SURABAYA (SUB) PP</b></p> <table border="1"> <thead> <tr> <th>Rute</th> <th>Terbang</th> <th>Tiba</th> <th>Flight</th> <th>Hari</th> <th>Rute</th> <th>Terbang</th> <th>Tiba</th> <th>Flight</th> <th>Hari</th> </tr> </thead> <tbody> <tr> <td>CGK – SUB</td> <td>07.00</td> <td>08.35</td> <td>IP-200</td> <td>Setiap hari</td> <td>SUB – CGK</td> <td>09.35</td> <td>11.00</td> <td>IP-201</td> <td>Setiap hari</td> </tr> <tr> <td>CGK – SUB</td> <td>08.20</td> <td>09.55</td> <td>IP-210</td> <td>Setiap hari</td> <td>SUB – CGK</td> <td>10.40</td> <td>12.15</td> <td>IP-211</td> <td>Setiap hari</td> </tr> <tr> <td>CGK – SUB</td> <td>10.45</td> <td>12.15</td> <td>IP-204</td> <td>Setiap hari</td> <td>SUB – CGK</td> <td>13.20</td> <td>14.55</td> <td>IP-205</td> <td>Setiap hari</td> </tr> <tr> <td>CGK – SUB</td> <td>12.50</td> <td>14.25</td> <td>IP-208</td> <td>Setiap hari</td> <td>SUB – CGK</td> <td>15.10</td> <td>16.45</td> <td>IP-209</td> <td>Setiap hari</td> </tr> <tr> <td>CGK – SUB</td> <td>14.25</td> <td>16.00</td> <td>IP-206</td> <td>SEN, SAB</td> <td>SUB – CGK</td> <td>16.55</td> <td>18.35</td> <td>IP-207</td> <td>SEN, KAM, SAB</td> </tr> <tr> <td>CGK – SUB</td> <td>17.30</td> <td>19.30</td> <td>IP-202</td> <td>SEN, KAM, MIN</td> <td>SUB – CGK</td> <td>19.50</td> <td>21.25</td> <td>IP-203</td> <td>SEN, KAM, JUM, MIN</td> </tr> </tbody> </table> </div> <p>Pelita Air’s Flight Route Network Expansion</p>	Rute	Terbang	Tiba	Flight	Hari	Rute	Terbang	Tiba	Flight	Hari	CGK – SUB	07.00	08.35	IP-200	Setiap hari	SUB – CGK	09.35	11.00	IP-201	Setiap hari	CGK – SUB	08.20	09.55	IP-210	Setiap hari	SUB – CGK	10.40	12.15	IP-211	Setiap hari	CGK – SUB	10.45	12.15	IP-204	Setiap hari	SUB – CGK	13.20	14.55	IP-205	Setiap hari	CGK – SUB	12.50	14.25	IP-208	Setiap hari	SUB – CGK	15.10	16.45	IP-209	Setiap hari	CGK – SUB	14.25	16.00	IP-206	SEN, SAB	SUB – CGK	16.55	18.35	IP-207	SEN, KAM, SAB	CGK – SUB	17.30	19.30	IP-202	SEN, KAM, MIN	SUB – CGK	19.50	21.25	IP-203
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6	Target	Third Quarter																																																																					
	Goal	Pelita Air Award the Best Corporate’s Strategic Orientation																																																																					
	Details	<p>Pelita Air won an award for the Best Corporate Strategic Orientation category and a State-Owned Enterprise subsidiary with the Best Organizational Transformation category in the State-Owned Enterprise Competition in the year of 2023. This award in the State-Owned Enterprise Competition is a concrete action form of Pelita Air's commitment to continue in contribute of the aviation business within Indonesia, especially by conducted the change management through regular flight implementation. As is known, Pelita Air has continuously developed its business portfolio to achieve a business growth and currently Pelita Air officially spread its wings by opening scheduled commercial flights in 2022 which previously focused on charter flight services. This award also generates positive publicity through media and escalate brand image of Pelita Air.</p>																																																																					
Photo Archive	 <p>Pelita Air Award the Best Corporate’s Strategic Orientation</p>																																																																						
7	Target	Fourth Quarter																																																																					
	Goal	Further Fleet and Route Network Expansion																																																																					
	Details	<p>The further aircraft fleet establishment and flight route expansion conducted by Pelita Air as these also indicated as a short-term win during the change management of regular flight implementation. Pelita Air show concrete evidence of progress and capability of flight operations enhancement with demonstrates operation growth and wider market reach in Sumatera and Kalimantan islands. These actions served as visible milestones that validate the change efforts, sustain momentum and motivate employees by showcasing tangible benefits and aligning with the airline's long-term strategic goals. These actions generate positive customer’s feedback by provide a wider route and escalate brand image.</p>																																																																					





Based on explanation from several achievements above, Pelita Air generate short-term wins action during the regular flight implementation through several important factor such as operation development, customer growth and stakeholder confidence enhancement as these factors show a visible success and generate motivation of employee to produce more result during the regular flight implementation in Pelita Air. Several important factors which indicating as a short-term win's actions are explained below:

- **Business Growth**  
Business growth of regular flight operation in Pelita Air conducted through fleets acquisition, flight route expansion and additional flight frequency which generate the revenue within the company. This indicated as a short-term win because it provides immediate, tangible proof that the changes are effective and beneficial. Early revenue gains validate the change efforts and securing project feasibility for further operation development. The revenue generator offers the financial resources needed to sustain, expand change initiatives, fostering a positive momentum and also create positive cumulative effect for other business pillar especially for maintenance and training center. This financial success motivate employee, demonstrate market viability and strengthen Pelita Air's competitive position, all of which are crucial for long-term success.

**Table IV.8 Revenue Generator from Pelita Air's Regular Flight**

Business Pillar	2020		2021		2022	
	Revenue (USD)	Portion	Revenue (USD)	Portion	Revenue (USD)	Portion
Regular Flight	-	-	-	-	9,187,976	17,17%
Charter Flight	42,958,841	79,90%	32,492,337	79,82%	28,108,784	52,51%
Maintenance	9,608,104	17,80%	7,011,783	17,27%	15,225,949	27,89%
Training Center	954,367	1,80%	997,531	2,45%	1,443,468	1,99%
Airport	250,000	0,50%	200,500	0,49%	200,000	0,27%
Total	53,771,312	100%	40,702,151	100%	54,166,177	100%

- **Customer Growth**  
Customer growth of regular flight operation in Pelita Air reflected through increased customer satisfaction, enhanced experiences, greater convenience, engagement, loyalty and positive feedback. These factors become a significant short-term win during change management of regular flight implementation in Pelita Air because it directly demonstrates the benefits of the changes to the end users. Improvements in customer's perception indicate that the changes implementation are effectively meeting customer needs and expectations, leading to higher satisfaction and loyalty. Enhanced convenience and engagement show that customers are positively interacting with new services, while positive feedback provides tangible proof of success. These early successes build trust in the change process, escalate brand image, maintain competitive advantage against the airline competitors, motivate internal employees, ensuring continued support and momentum for further initiatives within Pelita Air.
- **Stakeholder Confidence**



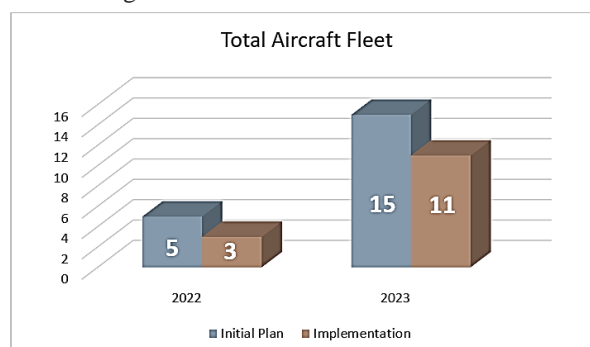
Enhancing stakeholder confidence indicated as a short-term win during change management of regular flight implementation. Pelita Air builds trust and secures ongoing support from several stakeholders for the change implementation of regular flight operation. Several stakeholders such as investor from parent company, aviation regulatory bodies, employees, customers and other related supporting operator see early signs of success, such as improved operations, customer satisfaction and business growth as their confidence also increase during the operation development. This confidence encourages further cooperation and engagement from all parties involved, which is crucial for sustaining momentum and achieving long-term objectives. Demonstrating early wins reassures stakeholders that the change initiatives are on the right track, fostering a positive and supportive environment for continued development of regular flight.

The historical achievements have been established in under quarterly review which conducted by the management of Pelita Air as stated in the Table IV.7 which also considered as a short-term win in John Kotter’s 8 Step Change Model. This gave an attainment feeling for every part within the organization of Pelita Air which indicating the vision in achieve of regular flight implementation is feasible. As it became a continuous growth for the new business operation within Pelita Air, the management of Pelita Air realized that the change implementation process still needs to be improved and developed in the future for a bigger business operation. Based on this evaluation for improvement, it is important for Pelita Air to enhance their change management strategy by conduct a recognition system related with the reward for every part which take a part for the change success. The recognition and reward system are important during the change management process to acknowledge employee’s contribution, reinforces the behaviors and actions that lead to promoting a culture of excellence for continuous improvement. This recognition and reward system can be conducted through incentives rewards or further career development. Provide tangible rewards such as bonuses or professional growth will show the appreciation for hard work and dedication during the change implementation. By recognizing and rewarding every part who contribute change success, organizations can create a positive and motivating environment that supports the successful for further development of regular flight operations in Pelita Air.

g) Consolidating Gains and Producing More Change

The seventh step of change management of regular flight implementation in Pelita Air based on the John Kotter’s 8 step leading the change efforts is to consolidate gains and producing more change within the change implementation project. After generating a short-term win by established the regular flight operations, Pelita Air consolidating gains by increase several fleets for maximizing regular flight business opportunities. Pelita Air also producing more change by enrich several flight routes network during the regular flight business expansion implementation through domestic route of flight.

The overall implementation of the change effort by consolidating gains and producing more change conducted by Pelita Air as the new business operation implemented. Based on the evaluation during the change management process, the project expansion outcomes result in several additional fleets and flight routes with several deviated result with the project’s initial plan for the regular flight operation development expectation. As the project expansion result deviated, it indicated there is still a space for improvement for the change performance during the implementation process. The key outcome for the aircraft establishment achievement during the implementation of change efforts for regular flight operation in Pelita Air figured in the Figure IV.7.

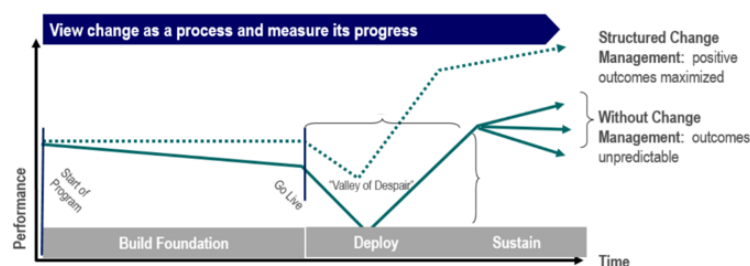


The outline deviated establishment of aircraft fleet affect the number of flight route which Pelita Air could operate for the domestic flight. As the airline ran limited available fleet, Pelita Air could only connect limited major cities in Java and Bali Island in 2022. While in 2023, Pelita Air could expand the flight route network the several major cities within Sumatra and Kalimantan Island. There are several islands that Pelita Air pass over their flight route through Sulawesi, Nusa Tenggara and Papua Island due to limited fleet.

**Table IV.9 Flight Route Project Expansion Result**

Year	Aircraft Type	Registration	Flight Route
2022	Airbus A320	PK-PWA	Jakarta – Denpasar – Jakarta
		PK-PWC	Jakarta – Surabaya – Jakarta
		PK-PWD	Jakarta – Yogyakarta - Jakarta
2023	Airbus A320	PK-PWE	Jakarta – Aceh – Jakarta
		PK-PWF	Jakarta – Padang – Jakarta
		PK-PWG	Jakarta – Pekanbaru – Jakarta
		PK-PWH	Jakarta – Palembang – Jakarta
		PK-PWI	Jakarta – Pontianak – Jakarta
		PK-PWJ	Jakarta – Banjarmasin – Jakarta
		PK-PWK	Jakarta – Balikpapan – Jakarta
		PK-PWL	Jakarta – Balikpapan – Jakarta

Several delays on aircraft delivery also result in unachieved on operational target to cover and reach the overall major cities all around of Indonesia for the regular flight operations in Pelita Air. In fact, Pelita Air only operate several numbers of aircraft fleets and flight route network as stated in Figure IV.7 and Table IV.9. The implementation result during the change management process of regular flight project should be realized by referring in line with the initial plan expectation within the project workplan.



**Figure IV.8**

Based on several paragraphs above, Pelita Air experienced a deviated result during the regular flight development. Several main factor which indicated as a concern in the process of consolidate gains and produce more change are target goal and change performance evaluation as described below:

- Target Goal

The target goal evaluation based on the project’s development implementation result of regular flight conducted by Pelita Air through fleets acquisition and flight route expansion which ultimately also affect the flight frequency. It indicated that Pelita Air required to conduct an evaluation according to the deviated result. Based on the measurable evidence of fleet acquisition progress in the Figure IV.7. The unachieved fleet acquisition target affects the seat capacity and also flight route that Pelita Air can serve. The route expansion result demonstrates limited market reach experienced by Pelita Air as stated in the Table IV.9. The evaluation on step



of consolidating gains and producing more change will help Pelita Air to have a better change performance for further goal success.

- Change Performance Evaluation

As the several goals indicate a deviated result, the evaluation on change performance during the development implementation of regular flight within Pelita Air should be conducted through regularly monitor progress from data collection and analysis, comparing to the actual performance against the expectation. The tools such as feedback surveys and regular workload check should also discussed in the regular review meetings to gather providing an insights and mitigation action during the project development execution. This could also involve the overall employee which directly conduct the change at various levels to provide comprehensive perspectives and identify any discrepancies or areas for improvement. By continuously assessing performance and making necessary adjustments, Pelita Air can ensure it stays on track and achieves its desired outcomes.

Based on the several important factors above, the management of Pelita Air still have the space for improvement especially in the evaluation of goal target and change performance to enhance their change effort as it is needed to keep the change plan on track.

h) Anchoring New Approaches in the Culture

The eighth step of the change management of regular flight implementation in Pelita Air based on the John Kotter’s 8 step leading the change efforts is to anchor new approaches in the culture. After consolidating gains and producing more change in the change implementation project, Pelita Air should make the change stick through employee’s culture to make the change sustainable within the company even the leader change. This step typically needs for about eight years to stick the change within company. The model for leading change is to articulate the links between the new behaviors and organizational success to provide the mechanisms in enable leadership growth and succession.

This final project analyzes the different of service characteristics linked to the new culture which applied in Pelita Air as the company change the core flight operation from charter flight based into a commercial regular flight operation which started in two years earlier in 2022. The analysis of the change for the service characteristic and employee’s culture which required in operating the regular flight operation described in the Table IV.10.

**Table IV.10 The Change of Employee’s Culture Based on New Operation Characteristic**

No	Description	
1	Key Change	Operational Schedule and Destination
	Operational Type	a) Charter Flight Operation Charter operation typically arranged by private groups, travel agencies or companies for specific trips purpose at specific times. Charter operation based on specific request which scheduled at the convenience of client request. b) Regular Flight Operation Regular flights operate on a fixed schedule published by Pelita Air. These schedules set in fix time and operate regularly regardless of the number of passengers booked. It also set departure and arrival times for several sets of Pelita Air’s regular flight destination.
	Culture Required	Based on the explanation of the difference of operational type service, the employee of Pelita Air requires a rigid work time as the regular flight operation have a tight scheduled time in order to achieve a better on-time performance and customer satisfaction. It is also different with the charter flight characteristic which require more flexibility for the work operation. The adaptability become a key culture which required by the employee of Pelita Air in order to get a smooth operation transition as it also stated in the new corporate culture in Table IV.3.
2	Key Change	Aircraft Type Operation
	Aircraft Type	a) Charter Flight Operation



		<p>Charter flights in Pelita Air use a variety of aircraft types from helicopter to fixed wing aircraft except Airbus type A320 which used for regular flight. Several aircrafts chartered based on capacity and distance of mission.</p> <p>b) Regular Flight Operation Regular flights in Pelita Air use a larger commercial aircraft designed to carry many passengers such as Airbus type A320 which suitable for domestic flight route. This aircraft types used commonly for airlines as it suitable for domestic route, reliability and efficiency.</p>
	Culture Required	<p>In summary, both of charter and regular flight operations required a specific competency in order to operate a specific type of aircraft which used in various type of service. As Pelita Air start again to operate the regular flight operation with the new type of aircraft within the company, the air crew and supporting staff should be eager to escalate their competency in operating the new aircraft which will be used for the regular flight operations. This reflects both of competent and adaptive culture which employee should have for the regular flight operation.</p>
3	Key Change	Customer Service
	Service Type	<p>a) Charter Flight Operations Flight charter service in Pelita Air commonly provide a bundled service for air transport passenger and cargo to support several mining industries. The air service charter in rig operations standardized to be suitable in many activities.</p> <p>b) Regular Flight Operations The regular flight operations include in-flight services such as meals, entertainment and customer support as Pelita Air adapt the new medium service class airline. These services more personalized to give a better passenger service experience for various customer need such as type service.</p>
	Culture Required	<p>In summary, the charter flights which provided by Pelita Air offer a standardized package service for certain corporate customers. While the regular flight in Pelita Air provide more personalized services based on customer preference request as the regular flight service provided for public. Based on the change of service type within flight operation of Pelita Air, the employee will have an adjustment in serve a different market which more suitable to reach more customers. The adaptation become an essential culture for the employee within Pelita Air should have in order to achieve the success of the business transformation process as it also stated in the new corporate culture within the company.</p>
4	Key Change	Stakeholder's Collaboration for Business Growth
	Stakeholder's Collaboration for Business Growth	<p>a) Finance Support Collaboration Pelita Air as a subsidiary company of Pertamina collaborate closely to ensure a business growth of the aviation sector activities. Pertamina as the parent company conduct a financial aid by optimize their resource allocation to assist Pelita Air's capital for business growth and achieve financial performance enhancement. This financial support collaboration help Pelita Air in maximize the capital aid to support regular flight implementation which ultimately will contribute to business growth of Pertamina's group.</p> <p>b) Operation Support Collaboration As the part of the aviation group of State-Owned Enterprises, Pelita Air collaborate closely with other stakeholders in the internal State-Owned Enterprises group to support the regular flight operations such as the Garuda</p>





		Maintenance Facilities for the operator of the aircraft maintenance, repair and operation, Angkasa Pura as the airport operator and Airnav Indonesia as the air navigation provider to ensure an efficient flight operations and support each other which ultimately will contribute to the national economic growth.
	Culture Required	In summary, the regular flight implementation of Pelita Air supported by the parent company of Pertamina for the financial aid in develop the new business operations and also other stakeholders within aviation group of the State-Owned Enterprises for supporting the flight operations. These initiatives required a good collaboration for the employee of Pelita Air to generate a great cooperation between stakeholders which supporting the regular flight operation implementation as this collaborative culture also stated as a new corporate culture.
5	Key Change	Commitment on Implementing the Regular Flight
	Implementing New Operations of Regular Flight	The implementation of a new business of regular flight operations within Pelita Air requires the dedication and loyalty of employees to ensure its success, as the employees facing an additional and complexities of this new project implementation. The dedication and loyalty of employees will bring a valuable contribution and commitment in order to achieve the organizational goals faster.
	Culture Required	In summary, Pelita Air required a dedication and loyalty from the employees which helps maintain the project implementation integrity, enhances the productivity and ensures that the regular flight project implementation aligns with the Pelita Air's strategic objectives which ultimately leading to the successful project outcomes and long-term benefits for the company. This loyal culture also stated as the new corporate culture within Pelita Air.

Based on explanations above, Pelita Air anchoring new approaches in the culture through their employee as it is required for a smooth transition with the new type of service to conduct a regular flight operation. Several important factor in anchoring new approaches in the culture through the change management of regular flight implementation in Pelita Air are new behavior, culture legacy, change ideals and values. Several important factors are explained below:

- **New Behavior**  
New behavior is essential in anchoring new approaches in the culture during the change management of regular flight implementation in Pelita Air because it solidify the changes and ensure the change sustainability through several adjustment of new service characteristics linked as a new behavior. When employees consistently exhibit new behaviors aligned with the change initiatives, these behaviors become ingrained in the organizational culture. This cultural shift reinforces the new ways of working, making them the norm rather than temporary adjustments. By embedding new behaviors, Pelita Air can maintain the improvements and efficiencies achieved, support ongoing adaptation and ensure long-term success in the dynamic of regular flight operations. This will also be useful by articulate the links between new behaviors for the further organizational success.
- **Culture Legacy**  
The culture legacies highlighted during the regular flight implementation in Pelita Air such as adaptability, competency, collaboration and loyalty become a crucial part because these provide a strong foundation for navigating and embracing change. Adaptability enables the organization to respond effectively to new operations challenges and opportunities. Competency ensures that employees have the necessary skills, knowledge and capability to implement and sustain the changes. Collaboration fosters teamwork and sharing of ideas, which are essential for develop problem-solving and innovation. While loyalty builds trust, commitment and dedication which motivating employees to support the change initiatives for the hard work towards change



goals. Together, these cultural attributes help Pelita Air create a resilient and cohesive organization capable of successfully managing and thriving through desired change.

- Change Ideals and Values

Change ideals and values are important in anchoring new approaches in the culture during the change management of regular flight implementation in Pelita Air because these provide a guiding framework that shapes behaviors, cultures, decisions and attitudes throughout the organization. When these ideals and values are clearly defined and embraced, these align employees' actions with the desired change, creating a cohesive and unified effort towards the change goals. Embedding these principles into the organizational culture within Pelita Air ensures that new approaches are not only adopted but also sustained over time. This alignment helps Pelita Air in maintain consistency, reinforces the significance of the changes and fosters a supportive environment where the new approaches can thrive and drive long-term success.

In order to make the change stick through the last step of change management of anchoring new approaches in the culture for the regular flight implementation, Pelita Air should keep the change momentum for about eight years until these behaviors become a new culture within the company. The culture setting for the new core business of regular flight operations ensures a sustainable desired change in Pelita Air by incorporate change ideals and value as the organizational goal success.

2) Predict the Success of Change Management Efforts Using DICE Model

In predict the success of the change management efforts for regular flight business transformation of Pelita Air, the DICE framework used in this research paper. In evaluating the consistency of change management efforts for various projects, the DICE framework can be used to track the projects, manage the portfolio of the projects and force the right decision. This tool could be used to maintain the change strategy keep on track. The probability of success for the set of change projects mostly conducted using DICE framework based on recommend of Harvard Business Review in The Hard Side of Change Management which released by Sirkin, Keenan and Jackson. Several world leading companies used this framework from several banks, manufacturing, biotechnologies, beverages and hospitalities sector. The senior's executives and team member conducted the assessment on those examples. Based on several leading companies' practices, the DICE assessment for the regular flight business transformation in Pelita Air conducted from the project management member within Pelita Air which support and directly conduct the change effort. The four factors in DICE framework are duration, integrity, commitment and effort. The four factors in DICE framework included in the calculation which will be determining the success probability in the change initiatives. To get the DICE score on each factor, the internal questionnaire survey conducted from the regular flight project management member in Pelita Air. All factors in DICE framework represent the set of Likert Scale from one to four as the questionnaire statement which will be answered by the change project team member.

The Likert scale is a scale of psychometric usually conducted in research instrument for questionnaires. This mostly used as an approach in scaling several responses of the research survey. In responding the Likert scale items, it will show the respondent's psychometric rating such as level of agreement, disagreement or other scale of statements. Thus, the result will illustrate and capture the range of acceptance level from the answered items. There are four scores from every questionnaire statement which represent from 1 (one) as the best score (the most optimistic rating) and 4 (four) will describe as the worst score (the most pessimistic rating). The project management and overall employees should choose the choices which represent their perception regarding the project's situation.

Table IV.11 The Regular Flight Business Transformation Likert Scale

Score	Score Description
1	Strongly Agree
2	Agree
3	Disagree
4	Strongly Disagree



a) Duration

Duration is the first factor in the DICE framework which represent the overall duration for change program include the regular review conducted within the program implementation. The Likert scale in the duration factor describe the statements for the total duration of the project and review period conducted in the change management initiatives of the regular flight business transformation in Pelita Air. There are 3 (three) statements for duration factor in evaluating the change management effort of regular flight business transformation which are:

- The duration of project completion within 10 (ten) months is effective to achieve change initiative.
- The project of business transformation of Pelita Air divided into several milestones which defined in the beginning of project.
- Several reviews of progress and issue in completion of project conducted regularly once a month.

From total of 27 respondents, 9 respondents were strongly agreed with the overall duration regarding the change implementation plan was effective to achieve the change objectives. 12 respondents agreed with the statement. 4 respondents disagreed with the statement and 2 respondents strongly disagreed which feel that the change implementation should be longer than the project had right now. Regarding the project milestones, 10 respondents strongly agreed with the project milestones. 13 respondents agreed with the statement and 4 respondents disagreed that the change initiatives for the business transformation of regular flight project divided into several milestones. While in terms of review period, 6 respondents strongly agreed with review period to assess the change initiatives progress and control several barriers through the change implementation activities once a month. 18 respondents agreed with the review period, while 3 of them disagreed with the statement.

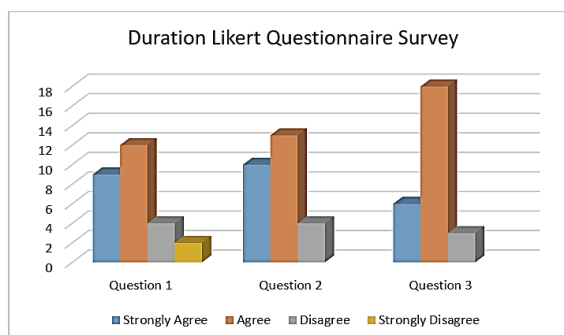


Figure IV.9

The average score of all statements responses from 27 respondents is 1.87. Therefore, this research paper makes this rating for first factor of duration which will be used for the calculation of the DICE score.

b) Integrity

Integrity is the second factor in the DICE framework which represent the effectiveness of the individual or team to lead the change based on skills, motivation and time to dedicate the change task. The Likert scale items in the integrity factor describe the statements on the ability of the team member in executing the change management initiatives of the regular flight business transformation in Pelita Air, especially the ability in leading the change by senior level management. There are 3 (three) statements for integrity factor in evaluating the change management effort of regular flight business transformation which are:

- The project’s leader has a required skill in leading the change initiative of business transformation.
- The project’s leader has a required skill and motivation in order to achieve success of the change.
- For about 50% work of time utilized in completion of the change project.

From the total of 27 respondents, there are 5 respondents were strongly agreed, 20 respondents were agreed and 2 were disagreed that the leader or top-level management have the requirement skills to lead the change initiatives. In terms of the change leader motivation in lead and executing the change initiatives, there are 15 respondents were strongly agreed, 8 respondents were agreed, 3 respondents were disagreed and 1 respondent were strongly disagreed which percepts that

change leader is have an enough motivation to achieve the initiatives objectives. While for the statement of project work time spent regarding the change initiatives, there are 15 respondents were strongly agreed, 8 respondents were agreed, 2 respondents disagreed and 2 respondents strongly disagreed that they spent more than 50% time for change execution.

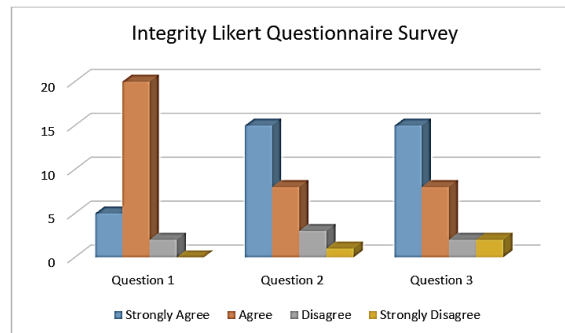


Figure IV.10

The average score of all responses from 27 respondents is 1.72. Therefore, this research paper makes this rating for the second factor of integrity which will be used for the calculation of the DICE framework.

c) Commitment

Commitment is the third factor in the DICE framework which represent two groups in the business transformation of regular flight in Pelita Air. This factor divided into two groups which are the senior management symbolized as C1 and the other supporting team employees affected the change symbolized as C2. The Likert scale items in the Commitment C1 (Senior Management) factor describe the statements for the change project leader’s commitment and support from middle up to top level management for the success of the regular flight business transformation in Pelita Air. There are 3 (three) statements for commitment factor by the management (C1) in evaluating the change management effort of regular flight business transformation which are:

- The project’s leader regularly takes several communications related to the reason for the change management initiative and the importance of the success in this business transformation.
- The important message of the success in this transformation from project’s leader is consistent from the beginning of project.
- The project’s leader provides a sufficient resource (time, energy, idea and cost) to achieve the success of transformation.

From the total of 27 respondents, there are 16 respondents were strongly agreed, 7 respondents were agreed, 3 were disagreed and 1 respondent strongly disagreed that the project top management communicate the background and importance of the success of change initiatives regularly. In terms of the consistent communication of the importance for the change initiatives by the top-level management, there are 5 respondents were strongly agreed, 18 respondents were agreed, 3 respondents were disagreed and 1 respondent were strongly disagreed. While for the statement of the project’s leader contribute a sufficient resource (time, energy, idea and cost) to achieve the success of change initiatives, there are 4 respondents were strongly agreed, 20 respondents were agreed, 2 respondents disagreed and 1 respondent were strongly disagreed with the statement. The average score of all statements responses from 27 respondents is 1.86. Therefore, this research paper makes this rating for the factor of commitment of the senior management (C1) for the calculation of the DICE framework.

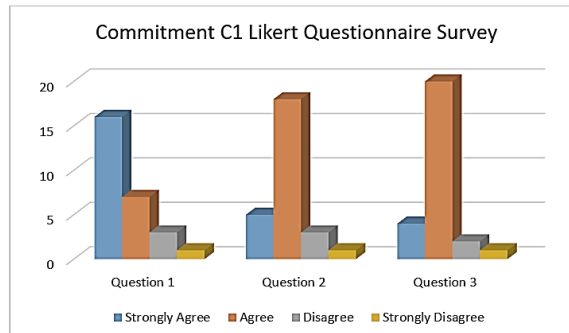


Figure IV.11

The Likert scale items in the Commitment C2 (Employee) factor describe the statements for the support which provided by the supporting employees for the regular flight business transformation in Pelita Air. There are 3 (three) statements for commitment factor by the employees (C2) in evaluating the change management effort of regular flight business transformation which are:

- The employee who is actually undergoing the change understands the reason for the change management initiative and assume these initiatives are important/beneficial.
- The employee who is actually undergoing the change is enthusiastic and supports the change management initiative.
- The employee who actually undergoing the change actively participated in all activities related to the change initiative which required the involvement of them (socialization, training, etc.)

From the total of 27 respondents, there are 3 respondents were strongly agreed, 19 respondents were agreed, 4 were disagreed and 1 respondent strongly disagreed that the employees understand the background of the change initiatives and consider that the success of change initiatives are important. In terms of the employees’ enthusiastic and support for the change efforts, there are 3 respondents were strongly agreed, 19 respondents were agreed, 4 respondents were disagreed and 1 respondent were strongly disagreed. While for the statement of employees’ participation in the change initiatives, there are 5 respondents were strongly agreed, 18 respondents were agreed, 3 respondents disagreed and 1 respondent were strongly disagreed with the statement. The average score of all statements responses from 27 respondents is 2.07. Therefore, this research paper makes this rating for the factor of commitment of employees (C2) for calculation of the DICE framework.

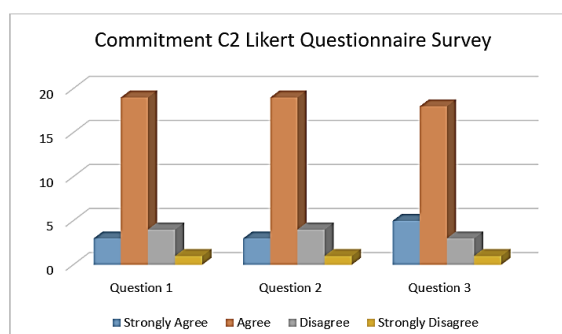


Figure IV.12

d) Effort

Effort is the fourth factor in the DICE framework. This factor represents the effort which required for the employees as an addition with the existing workload in implementing the change vision. The Likert scale items in the effort factor figure the effort required by the employees in executing the change management initiatives of the regular flight business



transformation in Pelita Air. There are 3 (three) statements for effort factor in evaluating the change management initiatives of regular flight business transformation which are:

- The change management which conducted doesn't change the normal workload massively and result in less effort to implement the business transformation.
- The change management initiative which simply conducted and result in reduce the complexity of new additional workload.
- The employee is ready to contribute 10% effort or more and accept 10% additional workload which is affected by the change management initiatives.

From the total of 27 respondents, there are 3 respondents were strongly agreed, 18 respondents were agreed, 5 were disagreed and 1 was strongly disagreed that the change initiatives conducted doesn't change the normal workload massively and required a little effort for employees. In terms of the implication change implementation conducted and result in reduce the complexity of new additional workload, there are 3 respondents were strongly agreed, 16 respondents were agreed, 6 respondents were disagreed and 2 respondents were strongly disagreed regarding the statement. While for the statement of employee's willingness to contribute 10% effort or more and accept 10% additional workload which affected by the change initiatives, there are 3 respondents were strongly agreed, 15 respondents were agreed, 5 respondents disagreed and 4 respondents were strongly disagreed regarding the statement. The average score of all statements responses from 27 respondents is 2.23. Therefore, this research paper makes this rating for the last factor of effort which will be used for the calculation of the DICE framework.

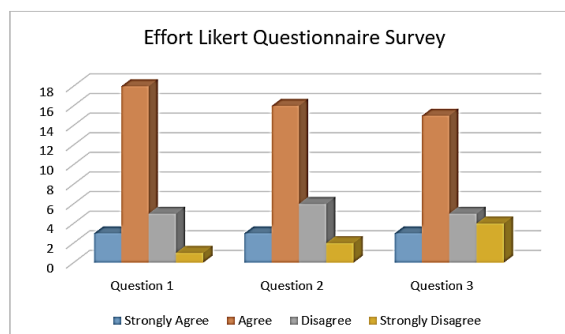


Figure IV.13

e) DICE Score

In analyze the success probability of regular flight business transformation in Pelita Air, this research paper conducts the calculation between all factors for the DICE framework analysis. By conducting an internal questionnaire survey for all of 27 PMO's member in Pelita Air on May 22<sup>nd</sup>, 2023 – May 31<sup>st</sup>, 2023. This research paper got of each DICE factors based on the result of questionnaire statements with the Likert scale. Several DICE factor result is 1.87 for duration factor, 1.72 for integrity factor, 1.86 for commitment (C1) factor, 2.07 for commitment (C2) factor and 2.23 for effort factor. The DICE score for regular flight business transformation implementation in Pelita Air calculated using the following formula:

$$\begin{aligned}
 \text{DICE Score} &: D + (2 \times I) + (2 \times C1) + C2 + E \\
 &: 1.87 + (2 \times 1.72) + (2 \times 1.86) + 2.07 + 2.23 \\
 &: 1.87 + 3.44 + 3.72 + 2.07 + 2.23 \\
 &: 13.33
 \end{aligned}$$

There are three DICE zones which are win zone for the DICE scores between 7 and 14 usually the project will successful, worry zone for the DICE scores between 14 and 17 were unpredictable and woe zone for the DICE scores over 17 were usually unsuccessful. The regular flight business transformation implementation in Pelita Air indicated the DICE score at 13.33 which likely to succeed even faces some barriers or obstacles during the execution of the change



implementation plan. It is recommended to take mitigation action in order to reduce the DICE score to achieve 13 or below.

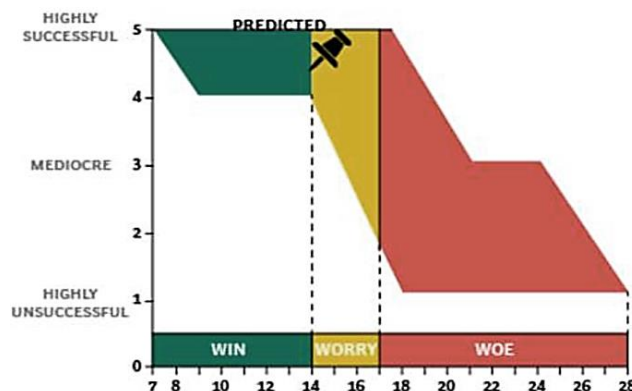


Figure IV.14

**C. Implementation Plan**

A good strategy needs an effective implementation by means of a coherent set of actions (Rothaermel, 2021). Several evaluated change management processes as stated in Table IV.12. recommend in evaluate the change management strategy within Pelita Air. The justification of the evaluated implementation plan consists of several recommendations based on each stage of change management process based on the best practices of the John Kotter 8 Step Change Model and DICE model. The activities are listed in general terms which can be modified according to the exact situation may occurred during the change implementation plan.

In order to manage and lead the change effort strategy, it is also important to avoid in implementing random methods and should focus using a suitable action plan. To make the management easier and smoother in the process of change execution, regular change risk identification should be conducted in order to prepare and execute a mitigation plan to keep the change plan keep on track with the initial plan. This final project used to evaluate the change management effort for the regular flight business transformation in Pelita Air which more preferable with the suitable order and become a basis to build a sustainable change initiative based on the theory of the John Kotter’s 8 Step Change Model and DICE framework recommendation. The change management effort will enable Pelita Air to be ready, willing and able to function in a new business environment in which could be integrated for all future projected plan within Pelita Air.

**Table IV.12 Evaluation of the Change Management Timetable Activities for the Regular Flight Business Transformation**

No	Change Phase	Evaluated Activities	DICE Factor Enhancement	July				August				September				October				November				December				January				February			
				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Establishing a Sense of Urgency	Convince all employees the change will be beneficial for all to reduce obstacles	Commitment																																
			Effort																																
		Detail compares data risk of doing usual business and opportunities for change	Commitment																																
			Effort																																
	Initial	Integri																																	



	identification potential threat	ty																	
	Develop scenarios for barriers mitigation	Integrity																	
2	Creating Guiding Coalition Team	Appoint and consider key leader (Director) with clean and reliable record	Integrity																
		Commitment																	
	Appoint and encourage coalition with mix internal employee and external hire	Integrity																	
		Commitment																	
	Conduct weak area check in the coalition team for mitigation action	Integrity																	
Commitment																			
Maintain vital communication and commitment within coalition team	Commitment																		
	Effort																		
3	Developing Vision and Strategy	Determine the focus of central opportunity value for the change	Integrity																
		Commitment																	
	Capture future condition of organization	Commitment																	
	Ensure all coalition members and employee could execute the change	Integrity																	
		Commitment																	
Execute routine change progress check	Duration																		
4	Communicating Change Vision	Concern vision feedback and prepare mitigation for the change plan	Commitment																
		Effort																	
	Check for any resistance and anxiety to reduce the change barrier or obstacle	Commitment																	
		Effort																	
	Communicate the evaluation and mitigation	Integrity																	
Comm																			



	plan regarding the change	itement																				
	Make sure lead the change by example	Comm itment																				

No	Change Phase	Evaluated Activities	DICE Factor Enhancement	July				August				September				October				November				December				January				February								
				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4					
5	Empower Broad-Based Action	Conduct team building activities to strengthen the PMO's team member	Comm itment																																					
			Effort																																					
6	Generating Short-Term Wins	Identify and find surefire project that can be implemented in near future	Durati on																																					
			Integri ty																																					
		Reduce uncertain project might hurt the change progress	Durati on																																					
			Integri ty																																					
	Interval review goal target for award and recognition system of employee	Comm itment																																						
		Effort																																						
7	Consolidating Gains and Producing More Change	Regular overload check and change performance evaluation	Effort																																					
			Comm itment																																					
		Set project goal continuity to keep momentum and idea fresh	Durati on																																					
Comm itment																																								
8	Anchoring New Approaches in the Culture	Set strategy in ensure the new behavior legacy will be sustainable	Comm itment																																					
			Effort																																					
	Incorporate change ideals and value within current and future staff	Integri ty																																						
		Comm itment																																						

V. RESULTS AND DISCUSSION

This chapter consists of elaborations as well as details of conclusions drawn from analysis and interpretation results based on the findings in the previous chapter. A summary of recommendations for related stakeholders as listed in the proposed implementation plan will also be provided in this chapter, as well as future research suggestions.



## *A) Conclusion*

Based on the evaluation of the change management efforts in business transformation of regular flight in Pelita Air using the John Kotter's 8 Step Change Model, it is found that each change management plan activities in the change initiatives were executed in line with John Kotter's 8 Step Change model with several evaluations. The change management of regular flight implementation in Pelita Air based on DICE score indicated a total of 13.33 score and still on the win zone. Therefore, while likely to succeed, this change initiatives faces several risks for the factor of Commitment of senior management (C1), Integrity (I) and Effort (E) from the employees. The change management project of regular flight implementation in Pelita Air still have several spaces for improvement for a sustainable change initiative based on the John Kotter's 8 Step Change Model. Several evaluations also should be conducted to reduce the DICE score of the factor of Commitment of senior management (C1), Integrity (I) and Effort (E) from the employees to reduce the score below 13.

The first step of the John Kotter's 8 Step Change Model is establishing a sense of urgency. The first step of change management phase delivered by conduct build the initial awareness and urgencies of the change management for the regular flight implementation in Pelita Air. The top-level management of Pelita Air indicated several important factors such as financial condition, market opportunities, operation development and government instruction which led the change initiatives of regular flight implementation. It is important for Pelita Air to identify both of supporting factor of potential opportunities and also the threat during the implementation of the regular flight operation. The human resource's readiness factor become a potential threat which the management should be aware as Pelita Air has a failure in maintaining the regular flight operation in 2005. The synergy inside the management by hiring an expert or enhancing employee's capability in managing and operating the regular flight operation become an important factor in achieving the sustainable success of regular flight operation.

The second step of the John Kotter's 8 Step Change Model is to be creating the guiding coalition. It is indicated several main factors during Pelita Air create a guiding coalition for the change management of regular flight implementation such as appointing critical key leader, create the coalition member, develop the team objectives and conduct stakeholder collaboration. Several evaluations should be conducted to strengthen the coalition team in several critical part such as team's weakness area check. It is also important for Pelita Air to conduct a double check for the appointment of key person with a good track record as Pelita Air experienced several times change leader within PMO's member to reduce the risk or major impact during the change execution for the regular flight.

The third step of the John Kotter's 8 Step Change Model is to be developing a vision and strategy for the change effort. It was represented by developed the vision, strategy and milestone through the change implementation of the regular flight business transformation in Pelita Air. This final project analyzed the change vision and strategy using the STAR Model which consist of a core strategy implemented, the structure for project management officer, business process, reward system and human resource management for the regular flight operation business transformation. The PMO also prepared the new logo and reborn livery which indicating a commitment on strengthen the change. The company also introduced a new motto of "Enlighten the journey" which represent the change initiatives as a new fresh start for Pelita Air in re-entering the regular flight business journey. Based on this explanation, Pelita Air develop vision and strategy for the change management of regular flight implementation with several important factors such as value of change, implementation strategy and capture future condition of Pelita Air. It is important for Pelita Air to improve a clear vision and strategy as it will reduce ambiguity or blurred direction to improve employee's direction on how they have to perform for the success of the change goal.

The fourth step of the John Kotter's 8 Step Change Model is to be communicating the change vision. Pelita Air conduct communicating the change vision during the regular flight implementation which directly arranged by the Board of Directors. Several important factors in communicating the change vision are to attain employee's motivation, clarify the change strategy, organizational development, new corporate culture and employee's benefit during project implementation. It is also important for Pelita Air to conduct evaluation for improvement by develop a regular employee's feedback check to know any anxiety or negative thought to counter and reduce the number of rejection and neutral perception from the employee in support the regular flight project implementation.

While the fifth step of the John Kotter's 8 Step Change Model is to be empowering broad-based action which performed by conduct workshop and training in order to reduce barriers or obstacles during the change implementation. Several workshop and training activities include the Flight Operation Control Center Workshop, Simulator Training for Pilot and Safety Training for





Cabin Crew. The end purpose is to provide the knowledge, skill and understanding between the overall employee who directly operate the regular flight operations and enhance good collaboration between unit or stakeholders to execute the regular flight operations in Pelita Air. Based on the explanation, Pelita Air conduct empowering broad-based action during the regular flight implementation through several main factors such as competency enhancement, technological support, training and workshop as the several main factors to reduce obstacle and barrier during the regular flight operation implementation. The evaluation for improvement should be conducted by Pelita Air through team building activities to increase the team's engagement beside enhancing the team's technical knowledges. This also recommend to creating a stronger collaboration, enhance sense of belonging of team to reduce obstacles or barriers, escalate initiatives and make change move faster.

The sixth step of the John Kotter's 8 Step Change Model is to generate short-term wins by conduct regular review of the change's achievement quarterly. Pelita Air generate short-term wins action during the regular flight implementation through several important factor such as operation development, customer growth and stakeholder confidence enhancement as these factors show a visible success and generate motivation of employee to produce more result during the regular flight implementation in Pelita Air. Based on the evaluation for improvement, it recommends for Pelita Air to conduct a recognition and reward system for every part which take a part for the change success. Provide tangible rewards such as bonuses or professional growth will show the appreciation for hard work and dedication during the change implementation.

While the seventh step of the John Kotter's 8 Step Change Model is to be consolidating gains and producing more change. This includes the evaluation for the overall change management process to make a mitigation plan to achieve a better change development process within Pelita Air. The deviated on the change implementation results from the initial plan occurred both for the total of aircraft fleets and flight route which indicated need several improvements during the change management execution. Several main factor which indicated as a concern during the process of consolidate gains and produce more change are target goal and change performance evaluation as Pelita Air experienced a deviated result during the regular flight development. The tools such as feedback surveys and regular workload check should be conducted through regular review meetings to gather providing an insights and mitigation action during the project development execution to keep the change implementation on track.

The last step of the John Kotter's 8 Step Change Model is to be anchoring new approaches in culture. Pelita Air conduct this step as it required for a smooth transition and sustainable change implementation with the new type of service for the regular flight operation. Several important factors during this step are present new behavior, culture legacy, change ideals and values. The highlighted culture required during the regular flight implementation in Pelita Air such as adaptability, competency, collaboration and loyalty as these cultures become a crucial part to provide a strong foundation for navigating and embracing the change. These cultures also need to keep along the change process and effort for about eight years which ultimately will represent the commitment to be a dynamic, eager in broaden skills, escalate competency and stick on the new culture in adapt the new core business operation.

The regular flight business transformation in Pelita Air based on DICE score is 13.33. Therefore, while likely to succeed, this change initiative still faces several risks which interrupt during the change execution. Based on the Likert scale questionnaire statements, there are 3 (three) DICE factors which has highest score among the other factors which indicating need for improvement to make the change implementation easier to be implemented. Several concern factors are Commitment from the senior management (C1) factor with 3.72 score, Integrity (I) factor with 3.44 score and followed by the Effort (E) factor with 2.23 score.

## ***B) Recommendation***

To improve the change management of the regular flight implementation in Pelita Air based on the John Kotter's 8 Step Change Model and DICE framework, several change executions should be evaluated in order to have a change management enhancement and sustainable.

Based on several symptoms and analysis of the change implementation, Pelita Air should evaluate through every step in the change implementation for the regular flight operations. This final project recommends to Pelita Air in evaluating activity to improve and strengthen in establishing the awareness of conducting the change execution through the first step of change management implementation. Build the awareness and urgencies will establishing a sense of initiation for the change and it is also important for Pelita Air to capture potential threat especially in human resource's capability in managing and operating the regular



flight operation based on previous failure for further determination of focused mitigation action. It will help the organization have a better change execution and make it more sustainable in future. This improvement will also enhance the Integrity (I), Commitment of senior management (C1) and employee (C2) factor of the DICE score.

The second step of leading and managing change based on John Kotter's 8 step process of leading the change which to creating the guiding coalition. Based on several symptoms and analysis of the change management conducted for the regular flight implementation, Pelita Air should evaluate through the second step of the change execution by:

- 1) Strengthen the coalition team by conduct double check for the appointment of key person with a good track record to reduce several changes of leader within the coalition team. The appointment of key person within team coalition become a critical step as it also drives a major impact during the change implementation. This improvement will enhance Commitment of senior management (C1) factor in DICE score.
- 2) Conduct the team's weakness area check also important to reduce the risk during the change execution for the regular flight operation implementation. The improvement will enhance Integrity (I), Commitment of senior management (C1) and employees (C2) factor within the team coalition for the DICE score.

A clear vision will also assist everyone within the project team member comprehend the necessary and understand the direction to achieve change vision goal. This final project recommends evaluating several activities in order to improve and strengthen the vision and strategy through the third step of change management for the regular flight implementation in Pelita Air. Based on several symptoms and analysis of the change implementation, Pelita Air should evaluate within the third step of the change execution by:

- 1) Improve a clear vision and strategy by capture highlights future condition expected within the organization as determination of focused vision and strategy. It will help the project team organization to have a better plan execution, reduce ambiguity and blurred direction through the change implementation which will also improve both Commitment of senior management (C1) and employees (C2) factor the DICE score.
- 2) Set a realistic target for the change goal by the Project Management Officer will improve the Effort (E) factor by the employee in order to complete the change objectives based on a realistic target.
- 3) Ensure the vision and strategy can be applied by all the coalition member and employees. It will help the organization to prepare several mitigation actions during the change execution and also result in improvement of the Integrity (I) score for the DICE factor.

This final project recommends to Pelita Air in evaluate the activity to improve the communication of the change vision through the fourth step of change management implementation. Based on the symptoms occurred from several rejection and neutral perception from employees according to the change initiatives, it is important for Pelita Air to conduct the evaluation for improvement by develop a regular employee's feedback check to follow up the occurrence of anxiety or negative thought from the employee for further mitigation plan in counter back or reduce the number of rejection and neutral perception according to the change. It will help the organization have a smooth transition process during the change implementation. This improvement will also enhance the Commitment of employee (C2) factor for the DICE score.

This final project also recommends to Pelita Air in evaluate the activity to strengthen the empowering broad-based action through the fifth step of change management implementation. Based on the action analysis conducted by Pelita Air through this change management step, the evaluation for improvement should be conducted by Pelita Air through team building activities to increase the team's engagement beside enhancing the team's technical knowledges. This also recommend to creating a stronger collaboration, enhance sense of belonging of team to reduce obstacles or barriers, escalate initiatives and make the change move faster. This improvement will also enhance the Integrity (I), Commitment of senior management (C1) and employee (C2) factor for the DICE score.

Several evaluations should also conduct through the sixth step of leading and managing change based on John Kotter's 8 step process of leading the change which to generating short-term wins. Based on the analysis and evaluation through this change management step implemented, it recommends for Pelita Air to conduct a recognition and reward system for every part which take a part for the change success. Provide tangible rewards such as bonuses or professional growth will show the appreciation for hard work and dedication during the change implementation. This improvement will also enhance the Commitment of senior management (C1), employee (C2) and Effort (E) factor for the DICE score.



The evaluations should conduct through the seventh step of leading and managing change based on John Kotter's 8 step process of leading the change which to consolidating gains and produce more change. The consolidation gains and produce more change action conducted by Pelita Air by present several aircrafts acquisition and additional flight routes. Based on the deviated result from the initial plan, it recommends for Pelita Air to evaluate the change barrier or obstacle during the change development process to empower employees in support the execution of change implementation and the change able to move forward faster. This final project recommends evaluating several activities as the mitigation plan through the seventh step of change management implementation for the regular flight operation in Pelita Air. Based on several symptoms and analysis of the change implementation within this step, Pelita Air should conduct several activities such as:

- 1) Conduct regular employee's task overload and feedback check by the management of Pelita Air during the change implementation and development of the regular flight operation in Pelita Air. It will improve the factor of Effort (E) score for the DICE score.
- 2) Develop further scenario or mitigation actions needed to counter several additional barriers and obstacles which occurred during the change development of regular flight operation in Pelita Air which will increase the Integrity (I) factor of the change initiative.

The last step of managing the change based on the John Kotter's 8 step of leading the change is to be anchoring new approaches in the culture and this step typically need for about eight years to stick the change in company. The model for leading change is to articulate links between new behaviors and organizational success. This final project recommends several activities through the last change management step by keep the momentum and keep the change idea fresh. Create a culture setting will ensure new behavior legacy be sustainable and incorporate change ideals or value within current and future staff. It will increase both factor of Commitment of senior management (C1) and employees (C2) for the further change execution development.

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