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2. t-value 1.96 (significance level = 5%)
 3. t-value 2.58 (significance level = 1%)
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Source: (Ghozali dan Latan, 2015)

Chapter 2

GENERAL OVERVIEW OF TELKOM INDONESIA AND RESPONDAENTS PROFIL

2.1 Chronology of Telkom Indonesia

PT Telkom Indonesia (Persero) Tbk, headquartered in Bandung, West Java, Indonesia, is the largest telecommunications and network services provider in the country. Established on October 23, 1856, it operates in the telecommunications, information technology, and digital services industries. The company is majority-owned by the Government of Indonesia through the Ministry of State-Owned Enterprises and is listed on both the Indonesia Stock Exchange (IDX) and the New York Stock Exchange (NYSE).



Figure 2.1 Telkom Indonesia Logo

Source: <https://www.telkom.co.id/sites>

Telkom Indonesia provides a broad range of services that cater to individuals, businesses, and government sectors. Its core services include fixed-line and mobile telephony, broadband internet for homes and enterprises, and a variety

of digital solutions. As the parent company of Telkomsel, Indonesia's largest mobile network operator, Telkom Indonesia leads the market in connectivity solutions, serving millions of customers across the archipelago.

The company is heavily invested in digital transformation, offering cloud computing, data center services, e-commerce platforms, Internet of Things (IoT) solutions, and digital advertising services. It also provides enterprise-level IT consulting, managed services, networking, and cybersecurity solutions to support businesses in their digital transformation journey.

Telkom Indonesia's subsidiaries play a crucial role in its operations. These include Telkomsel, a leading mobile network operator; TelkomMetra, which focuses on multimedia and digital businesses; TelkomSigma, specializing in IT solutions and cloud services; and IndiHome, a broadband and IPTV service provider. Together, these subsidiaries ensure the company delivers comprehensive services to meet the needs of its diverse customer base.

The company has a strong international presence, particularly in Southeast Asia and the Middle East. Telkom Indonesia partners with global technology leaders to enhance its technology infrastructure and service offerings, allowing it to remain competitive on a global scale.

To maintain its position as a market leader, Telkom Indonesia has undertaken several strategic initiatives. These include accelerating digital transformation, expanding its broadband network coverage, enhancing customer

experience, and diversifying its product and service portfolio. These efforts align with the company's vision to become the leading digital telco in Indonesia and a key player in the global telecommunications and digital services industries.

2.1.1 Compensation Classification

The compensation provided to employees at PT Telkom Witel Jakarta Utara consists of financial and non-financial compensation. Financial compensation is further classified into direct and indirect financial compensation. Each component is given at different time intervals, either on a monthly or annual basis.

Basic salary, premium incentives, position incentives, and several allowances such as internal insurance, spouse, and child allowances are provided monthly. Meanwhile, some forms of compensation are given on an annual basis, such as holiday allowances (Tunjangan Hari Raya) and year-end allowances. The classification of compensation at PT Telkom Witel Jakarta Utara can be seen in the following table.

Table 2.1 Compensation Classification of Telkom Witel Jakarta Utara

Financial Compensation	Direct Compensation	- Basic Salary - Allowances
	Indirect Compensation	- Health Insurance - Maternity Leave - Public Holiday - Annual Leave - Religious Holiday Leave
Non-Financial Compensation	Office Facility	- Office Vehicle - Office Room - Free Parking Area - Preventative Center - Sports Center

Source : Interview with finance manager of Telkom Witel Jakarta Utara

Financial Compensation

Financial compensation consists of direct and indirect financial compensation. Direct financial compensation includes payments received by an individual in the form of wages, salaries, bonuses, and commissions, while indirect financial compensation refers to all financial rewards that are not part of direct compensation, including a wide range of benefits that employees typically receive indirectly. The following section will further explain the direct and indirect financial compensation received by employees at PT Telkom Witel Jakarta Utara.

Direct Compensation

Direct financial compensation consists of payments received by an individual in the form of wages, salaries, bonuses, and commissions. The following are the financial compensation components at PT Telkom Witel Jakarta Utara.

a. Basic Salary

Basic salary, commonly known as "basic salary," is compensation for an employee's performance over a month. The basic salary provided by PT Telkom Witel Yogyakarta refers to Law No. 78 of 2015, Article 1, Paragraph 1 on Wages. According to this law, wages are the rights of workers/laborers received and expressed in monetary form as compensation

from the employer to the worker, determined and paid according to an employment agreement, mutual agreement, or statutory regulations.

PT Telkom Witel Yogyakarta provides a basic salary that exceeds the Regional Minimum Wage (UMR). The minimum basic salary is 75 percent of the fixed salary. The salary amount is also adjusted based on the employee's position, education, and years of service. An individual with a higher position and longer tenure will receive higher compensation compared to an employee with a higher education level but a lower position and shorter tenure.

b. Allowances

Allowances are additional benefits provided by PT Telkom Witel Yogyakarta to employees. The allowances given by the company to employees each month include Premium Incentives and Position Incentives. Other allowances provided by the company include holiday allowances, year-end allowances, and retirement allowances.

1. Premium Incentives

The premium incentive is an allowance granted based on an employee's status as a permanent employee. Employees can be classified as permanent only if they participate in the Great People Trainee Program (GPTP). This program includes several selection stages, as follows:

- a) Registering and taking a written test.
- b) Undergoing Mental Development Training (Bintal), which takes place at Pusdikhub, Cimahi, and Telkom Corporate University (Corpu) for one month.
- c) Completing On-the-Job Training (OJT) 1 for two months.
- d) Completing OJT 2 for three months.
- e) Entering the Probationary Employee Period (KDMP) for three months.
- f) After successfully passing the above selection stages, employees are classified as permanent employees.

Employees who have attained permanent employee status are eligible for this premium incentive. The amount of incentive provided is determined by the company.

2. Position Incentives

The position allowance is adjusted according to the employee's job position. The basis for determining the amount of incentive granted follows company regulations. This position allowance is provided as a form of recognition for the risks associated with holding a higher position.

Table 2.2 Position Incentives

Position	Incentives
Manager	Rp. 4.500.000
Assistant Manager	Rp. 3.000.000
Staff 1	Rp. 2.500.000

Source: Finance Manager of Telkom Witel Jakarta Utara

3. Religious Holiday Allowances

The religious holiday allowance is provided to employees according to their religion and beliefs. The timing of the payment aligns with the respective religious holidays they observe. The calculation of this allowance follows Minister of Manpower Regulation No. 6 of 2016 concerning Religious Holiday Allowance (THR) for Workers/Employees in Companies. Below is the method for calculating the religious holiday allowance:

$$\mathbf{THR} = \frac{\text{Employee Tenur (n Month)}}{\text{One-Year Tenur (12 Month)}} \times \text{Monthly Wage}$$

4. Old-Age Allowance

The old-age allowance provided by PT Telkom Witel Jakarta Utara also serves as insurance. This allowance is deducted from employees' earnings and allocated to the Jamsostek management, which can be withdrawn once they reach retirement age. The amount received varies, as it is calculated based on each employee's length of service.

This investment is intended to help employees prepare for retirement. Non-permanent employees receive benefits from Yakes Telkom, Jamsostek, and severance pay from the company. The insurance contribution amounts to 5% of each employee's net income per month.

5. Year-End Allowance

The year-end allowance is derived from PT Telkom's annual net income. The amount varies each year, depending on the company's profit and in accordance with company policy.

Indirect Compensation

Health Insurance

This health allowance is provided to employees, with partial funding coming from the employees themselves, and 4.5% deducted from their salary. The health allowance covers employees and their families and includes two types of coverage: BPJS **and** health insurance through the Telkom Health Foundation.

Eligible family members include the employee's spouse and up to three children. The maximum age limit for children to receive this allowance is 25 years old. The health insurance coverage is categorized based on employee levels, which are divided into seven groups:

- **Band I** (General Manager)

- **Band II** (Deputy General Manager)
- **Band III** (Manager)
- **Band IV** (Assistant Manager)
- **Band V** (Staff 1)
- **Band VI** (Staff 2)
- **Band VII** (Staff 3)

Children covered under this allowance include biological, step, and legally adopted children registered with the company, provided they meet the following conditions:

- a. Under 25 years old
- b. Unmarried
- c. Not employed or financially independent

In addition to direct health benefits through partnered hospitals, the company offers a reimbursement system for medical expenses. The health reimbursement request form is attached in Appendix 2.

To claim health reimbursement, employees must follow the company's procedures and meet the following requirements:

- a. Complete the reimbursement request form
- b. Form must be filled out by the employee or retiree
- c. Attach a photocopy of the retiree's smart card, family smart card, or employee's family card

- d. Attach a photocopy of the employee ID card (Karpeg) for active employees
- e. Receipts over Rp250,000 must have a Rp3,000 duty stamp
- f. Receipts over Rp1,000,000 must have a Rp6,000 duty stamp
- g. Attach a photocopy of a valid bank account for reimbursements over Rp500,000

Non-Financial Compensation

Non-financial compensation refers to earnings or wages that are not in the form of money. Below are several types of non-financial compensation available to employees at PT Telkom Witel Jakarta Utara:

Office Facilities

Office facilities include everything provided by the company to support employees in their work. These facilities aim to enhance employee productivity and efficiency. PT Telkom Witel Jakarta Utara provides several office facilities, which are detailed below:

- a. *Operational Office Vehicles*

Office vehicles are available to support fieldwork activities. The use of these vehicles must comply with company procedures, which require submitting an official internal memo (nota dinas). Once approved by the operational department, the vehicle may be used strictly for company-related purposes.



Figure 2.2 Operational Office Vehicles of Telkom Witel Jakarta Utara

Source: Employee of Telkom Witel Jakarta Utara

b. Workspaces

Workspaces are designated areas for employees to carry out their daily tasks. These spaces are designed to provide comfort and facilitate smooth communication and workflow among employees. Each workspace is equipped with a Local Area Network (LAN), ensuring secure internet access through PT Telkom Witel Jakarta Utara's private servers. These servers store confidential company data and can only be accessed when connected to the company's network. A well-equipped and comfortable workspace is expected to enhance employee productivity.



Figure 2.3 Work Space of Telkom Witel Jakarta Utara

Source: Finance Manager of Telkom Witel Jakarta Utara

c. Sports Facilities

The company provides various sports facilities, including a billiard table and table tennis equipment. These facilities can be used by employees after completing their work. In addition to employees, these facilities are also accessible to members of the Telkom Retiree Association (P2TEL), the Telkom Employees' Wives Forum (Forsikatel), and Telkom's business partners.



Figure 2.4 Table Tennis and Fitness Room of Telkom Witel Jakarta

Utara

Source: Finance Manager of Telkom Witel Jakarta Utara

There is no fixed schedule for using the sports facilities, so employees can utilize them during their free time.



Figure 2.5 Tennis Court of Telkom Witel Jakarta Utara

Source : Employee of Telkom Witel Jakarta Utara

d. Parking Area

A designated parking area for employees is located at the back of the Telkom Witel Jakarta Utara office. The parking area is equipped with CCTV surveillance and monitored by security personnel, ensuring the safety of employees' vehicles.

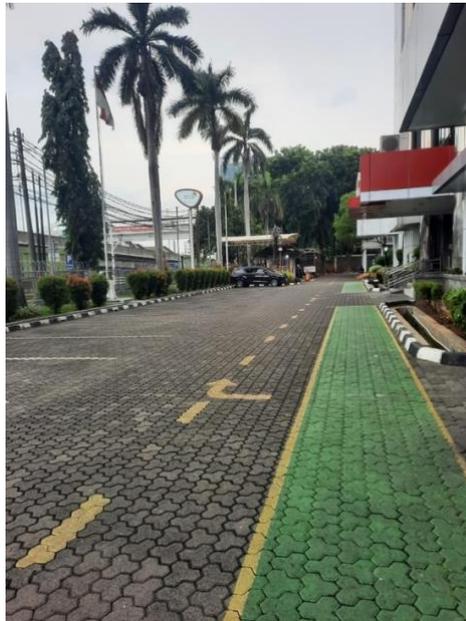


Figure 2.6 Employee and Guest Park Area of Telkom Witel Jakarta Utara

Source: Employee of Telkom Witel Jakarta Utara

2.1.2 Work Stress Classification

Several studies have been conducted to analyze the impact of work stress on employee performance at PT Telkom Indonesia. Below is a summary of some of these studies:

- **PT Telkom Property Jakarta Area II Jabodetabek:** This study found that work stress has a significant impact on employee performance. The higher the level of work stress experienced, the lower the employee's performance. (Joevanca Virginia Resna, 2021)
- **PT Telkom Satelit Indonesia:** This study showed that work stress and burnout have a partial negative and significant effect on employee performance. Simultaneously, these two variables influence employee performance by 46.7%, while the remaining percentage is influenced by other factors not examined in the study (Nadhira Aghniya & Aulia, 2022).
- **PT Telkom Witel Bekasi:** The research revealed that work stress significantly affects employee productivity. Work stress contributes 53.2% to work productivity, with the remaining percentage influenced by other variables not analyzed in the study (Eka Safitri & Gilang, 2020).
- **PT Telkom Indonesia Witel Bogor:** This study found that work stress has a negative and significant effect on employee performance. The higher the level of work stress, the lower the employee's performance. (W, 2022)
- **Telkom Education Foundation Office:** The analysis indicated that the level of employee work stress is relatively high, with an average score of

60.57%. Factors causing stress include job demands, role demands, interpersonal relationships, organizational structure, organizational leadership, and the organization's life stage(Githa et al., n.d.).

Overall, these studies demonstrate that work stress has a significant negative impact on employee performance and productivity across various units and subsidiaries of PT Telkom Indonesia.

2.1.3 Employee Performance Classification

2.1.4 Employee Performance Classification

The classification of employee performance at Telkom Witel North Jakarta is based on technical competency levels, categorized according to performance scores. These classifications help assess employee skills, recognize high performers, and identify areas requiring further development.

1. Performance Distribution at Telkom Witel North Jakarta

Based on the latest technical competency evaluation, the distribution of employee performance is as follows:

Table 2.3 Performance Distribution at Telkom Witel North Jakarta

Performance Level	Number of Employees	Percentage
K2 (Very Good)	441	96.5%
K3 (Meet Expectation)	16	3.5%
Total Employees Evaluated	457	100%

Source: Data Primary Processed, 2025

The data indicates that the majority of employees, accounting for 96.5 percent, fall under the K2 category, meaning they perform above expectations and

demonstrate strong competency. A smaller group, representing 3.5 percent, falls under the K3 category, meeting the company's performance standards but with room for improvement.

3. Implications and Development Strategies

Employees in the K1 and K2 categories may be considered for recognition programs or career advancements. Those in the K3 category could benefit from training programs and mentorship opportunities to enhance their skills. If employees fall into K4 or K5 in future assessments, customized training and coaching initiatives will be implemented to improve performance.

This classification system allows Telkom Witel North Jakarta to monitor employee competency levels, optimize workforce potential, and ensure continuous skill development.

2.2 Telkom Indonesia Logo, Vision, and Mission

2.2.1 Logo



Figure 2.7 Logo of Telkom Indonesia

Source: <https://www.telkom.co.id/sites>

2.2.2 Vision

“To become the preferred digital telco to advance society.”

This vision highlights Telkom Indonesia's commitment to becoming a leading digital telecommunications company that not only focuses on business growth but also actively contributes to improving the quality of life through innovative, relevant, and high-quality digital services.

2.2.3 Mission

“Accelerating the development of intelligent, sustainable, economical, and accessible digital infrastructure and platforms for everyone.”

This mission emphasizes the importance of providing robust and modern digital infrastructure, such as broadband networks, data centers, and other digital platforms. The goal is to ensure that these services are accessible to all levels of society in an efficient and sustainable manner.

“Developing outstanding digital talent to enhance the nation’s digital capabilities and adoption levels.”

Telkom Indonesia is committed to improving the quality of human resources, particularly in the field of digital technology. By fostering exceptional talent, the company contributes to increasing digital adoption across Indonesia, ultimately accelerating digital transformation in various sectors.

“Orchestrating a digital ecosystem to deliver the best digital customer experience.”

This mission focuses on integrating and managing a digital ecosystem that involves various stakeholders, including the government, business partners, and the community. By creating synergy within this ecosystem, Telkom aims to provide an optimal digital experience for its customers.

2.2.4 Company Location

According to <https://www.telkom.co.id/sites> Telkom Witel Jakarta Utara is located at Jl. Yos Sudarso No. 23-24, Tanjung Priok, North Jakarta, with postal code 14310. The office is situated in a strategic area that is easily accessible to the surrounding community.

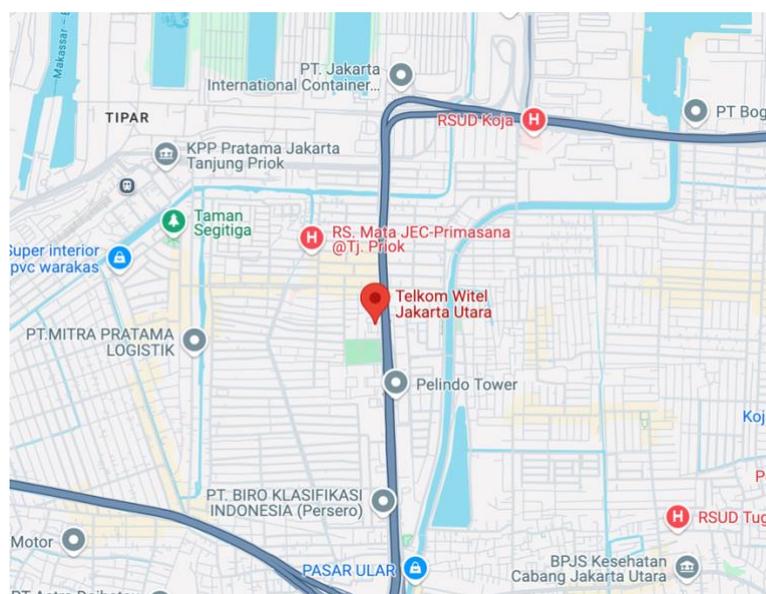


Figure 2.8 Telkom Witel Jakarta Utara Map Location

Source: <https://www.google.com/maps/place/Telkom+Witel+Jakarta+Utara>

The office's operational hours are Monday to Friday, from 10:00 AM to 2:00 PM. For more information or customer service, you can contact them at (021) 4366000 or (021) 43921550.

2.2.5 Telkom Indonesia Products

Table 2.4 Telkom Indonesia Products

No	Category	Products
1	Consumer Products	IndiHome Telkomsel WiFi.id
2	Enterprise and Business Product	Astinet Data Center Services Cloud Services Enterprise Communication Solutions BigBox
3	Digital and Innovative Services	Internet of Things Smart Platform Services Cybersecurity Service
4	Wholesale and International Services	Global Connectivity Wholesale Services
5	Digital Lifestyle and Entertainment	MAXstream Dunia Games LinkAja

Source: <https://www.telkom.co.id/sites>

Telkom Witel Jakarta Utara Division

- **Witel Business Service**

Focuses on managing and expanding business services at the regional level (Witel), including providing customized solutions and maintaining relationships with corporate clients.

- **Shared Service & General Support**

Handles internal administrative functions, such as HR, finance, procurement, and operational support to ensure smooth day-to-day activities across departments.

- **Performance, Risk & QOS (Quality of Service)**

Monitors and evaluates performance metrics, manages operational risks, and ensures service quality standards are met or exceeded.

- **Access Service Operation**

Manages the implementation and maintenance of last-mile connectivity to customers, ensuring network reliability and service continuity.

- **BGES, MBB Service Operation**

Oversees Broadband Global Ethernet Service (BGES) and Mobile Broadband (MBB) operations, ensuring high performance and availability for customers.

- **Network Area & IS Operation**

Responsible for maintaining and optimizing network infrastructure and IT systems to support seamless communication and connectivity services.

- **Access Optima, Maintenance, QE & Damani 7**

Focuses on optimizing access networks, conducting maintenance, ensuring Quality Excellence (QE), and managing damage and anomaly monitoring (Damani 7).

2.3 Respondents Characteristics

2.3.1 Based on Gender

This classification of respondents according to gender shows the distribution of respondents' gender in Telkom Witel Jakarta Utara employees. Table 2.2 presents characteristics of respondents by gender

Table 2.5 Charateristic Respondent Based on Gender

No	Gender	Frequency	Percentage
1	Male	86	76,1%
2	Female	27	23,9
Total		113	100%

Source: Processed Primary Data, 2025

The table above shows the distribution of respondents' gender. It can be seen that the majority of respondents are female about 86 respondents (76,1%) and male about 27 respondents (23,9%).

2.3.2 Based on Age

Age is one of the aspect that can affect the level of maturity of individuals in thinking, acting, and showing habits, which in turn can affect the respondents' responses. Respondents according to age show the age trend of respondents in table 2.3

Table 2.6 Charateristic Respondent Based on Age

No	Age	Frequency	Percentage
1	21-25	2	2%
2	26-30	4	4%
3	30-35	4	4%
4	>35	103	91%
Total		113	100%

Source: Processed Primary Data, 2025

Table 2.6. shows that from the 113 Employees who are still existing and working at Telkom Witel Jakarta Utara, the majority are aged 21-25 years old with a total of 2 respondents (2%) and then aged >35 years old with a total of 103 respondents