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IMPLEMENTATION CONCEPT OF TOTAL QUALITY CONTROL (TQC) IN PT. TELEKOMUNIKASI INDONESIA (PT. TELKOM); A SUCCESS STORY

Achmad H Sutawidjaya., SE., M.Com (Hons)

ABSTRACT

The growing importance of quality in today's management practices, has emerged interests of many organisations around the world to implement total quality management (TQM). Quality circle (QC) as one of the most popular practices of TQM is believed as the key success of economics development in Japan. For this reason, many countries around the world desire to implement QC. However, the implementation of TQM in general or QC in particular has become big issues since many countries or organisations succeed as many as failed in implementing it. Indonesia is one of the country that has attempted to adopt this QC concept. Many organisations in Indonesia have been offered and asked to implement QC, and PT TELKOM is one of the leading companies that has been stated as the successful company in the implementation of QC. The success of PT TELKOM leads to the conclusion that the implementation of QC requires strong leadership of the top managers and the (unit) managers; commitment of all people in the organisation; the full responsible units; adequate T&D programs; clearcut quality aspects and indicators; quality awariness; and quality appreriation. Those efforts should be continuously conducted to develop organisational culture that suitable with the QC concept.

INTRODUCTION

Total quality management (TQM) is 'an integrative management concept for continuously improving the quality of good or services delivered through the participation of all levels and fuctions of the organisations' (Evans and Lindsay 1993, 102). TQM is believed as a strategic weapon to enhance competitive abilities in today's business envirointment where customers now place a high value on quality (Oakland 1989, 14). Therefore, it is not surprising that in recent years many organisations around the world have been attempting to implement TQM. Unfortunately, the implementation of TQM is often unsuccessful. It is easier said than done (Reger, et.al. 1994, 565). Accordingly, some TQM experts have developed steps and aspects that are required to succesfully implement TQM.

The main content of this essay is a success story of PT TELKOM in implementing TQM. The discussion will be based on my personal experience and observations as a head of one of existing district offices in PT TELKOM. Before pursuing the discussion, it is worth to note that the term TQM in PT TELKOM is called TQC (total quality control). Basically, they both have the same meaning, concepts, or principles except that in its implementation, in PT TELKOM, the type of employees' participation is only associated with teams in the form of quality control circles (QCC).

PT TELKOM AT A GLANCE

PT TELKOM is a state owned company that engages in providing telecommunications services for domestic communication in Indonesia. It has about 40 thousands employees that are distributed into 13 region offices around Indonesia. Each region office consist of about 8 to 15 district offices and each district office consist of about 4 to 15 branch offices. The head offices and the region offices are mainly responsible for administrative/managerial coordination and support while district and branch offices are mainly responsible for daily telecommunication operations.

*Achmad H Sutawijaya, adalah Dosen Biasa Fakultas Ekonomi Universitas Widyatama Bandung

Basically, every district or branch office provides nearly the same kind of services such as new connection for telephone and telegraph, payphones, telegraph, complaint handling, information service, collect call, interlocal call via operator, facsimile, and so forth.

THE IMPLEMENTATION OF TQC IN PT TELKOM

Actually, PT TELKOM has adopted TQC since 1986. Many employees have been trained concerning the TQC program and many quality circles have been created to initiate the realization of TQC. At that time, the activities of those QCC were not managed properly. There were no special units which responsible for managing and monitoring the progression of QCC program. There were also lack of management supports. It seemed that QCC should activate themselves to develop programs or activities for quality improvement. Moreover, many employees, in worker and managerial level, objected to participating in this TQC program. The TQC program was going on but it was difficult to grow. There might be lack of concern on quality while the quality itself might not be well defined. The condition has changed apparently in 1988 when management, under the new board of directors (top managers), introduced incessantly a new policy so-called K 321. It is a strategic policy of PT TELKOM to achieve 3 main goals (best services, best outcomes, and best image) by undertaking 2 strategies (system approach and human resources development) based on 1 basic spirit (cooperation) (Ramadan, et. al. 1994, 124-125). In the following days, many big changes in many areas have been done as realizations of K 321.

In connection with TQC, many important actions have been taken to activate TQC programs. Those actions can be classified into several main steps or aspects. *First, emphasising the importance of quality.* The top managers might see the lack of concern of people in PT TELKOM on quality. Hence, they demonstrated the importance of quality for the customers and the company. They emphasised that "quality meant service" and in the same way with K 321, quality should be directed to give the best service to customers. Quality can be used as a means to measure level of service. In this case, they showed their seriousness to gain an earnest response and attention of the employees.

Second, determining qualities to be improved and setting priorities. At that time, there were many complaints concerning telecommunication services so that many aspects of services need to be improved. The top managers addressed some basic aspect of services concerning the telephone services that related to external customer as priorities. Those aspects of services were determined by identifying attributes or indicators that clearly reflected quality of those aspects. The results of this effort were listed in table 1.

Table 1 Aspect of Service and its Indicators

ASPECT OF SERVICE	INDICATOR
Network coverage	Telephone density: number of telephone line unit per 100 people
Accessibility of network	Number and location of public payphones
Service location and facilities	Number of service points and telecommunication service stores
Restoration to interrupted services	Time to recover telephone failures and faults. Number of network faults per 100 cable lines network
Confortability	
Responsiveness	Time to answer telephone calls (by operator)
Courtesy	Courtesy of telephone operators and front line workers.
Network quality and	Successful call ratio (SCR) : number of answered call per total call attempts within an hour at a busy hour. One component of components that causes no answered call can indicate customer behaviour in using telephones.
Billing clarity	Pulse claim : Number of claims concerning billing accuracy

In the following years, to identify the expected quality, PT TELKOM use a variety of means to explore the needs and expectations of the customers such as via customer service

group (CSG) which consist of selected customers that represent any class of customers; via cooperation with universities to make studies in this area; and via customer education programs where one type of these programs is face to face program with a number of customers.

Third, growing commitments of all employees. Having defined and determined those quality of services, the top managers ask all employees to be committed. In the real term, those quality of services were formalized as performance measurements of the success of the company. This formalization were then occupied to all region and distrcit offices as yearly targets that should be achieved. Then, by using certain formulas, the degree of achievement of these targets will determine income of all employees in each office. It may be hoped that this formalization could develop the expected behaviours and gain commitments of all employees to the achievement of the quality of services.

Forth, developing TQC principles. Top managers might see many weaknesses of the internal organisation. The employees or units seemed to be fragmented into their own duties or responsibilities and each of them tended to be unaware of others' interest. Many existing QCC were inactive, only names without activities. In this case, the top managers might conclude that the principles of TQC has not been understood well. Therefore, they introduced continuously the understanding of several basic principles of TQC such as quality, customer, and continuous improvement. They emphasised that *quality* means to meet customer needs and expectations and *customer* means the next process. Organisation should be viewed as a series of processes that each needs input from suppliers (earlier processes) and yield output for customers (next processes). Consequently, to get a good quality of input, employees or units should yield a good quality of output because output from one unit can become an input for one or more other units. Furthermore, each employee, unit, or department should consider the need of feedback from their customers for *continuous improvement* purposes. Roughly, continuous improvement means that the best quality is not worked forever. The top managers often emphasises that "today should be better than yesterday and tommorow should be better than today". That is the essence of TQC and that is also the essence of continuous improvement (Evans and Lindsay, 103). The explanation of these basic principles of TQC were conducted in many ways and used a variety of medias such as socialization programs, weekly bulletin, monthly magazine, and training.

Fifth, broadening the qualities and aspects of services. Based on those principles, the top managements ask all unit managers to determine what quality should be improved in their units to meet the needs of their customers. Hence, the term quality was broadened not only to the external customers but also to the internal customers. To take some examples, see the list in table 2.

Table 2 Departemental Aspect of Service

UNITS OR DEPARTMENTS	ASPECT OF SERVICE	INDICATOR
Logistik	Material/equipment availability	Delivery time: time for mate rial procurement.
Financial	Speed and accuracy	Percentage of late reports and computer input incorrect.
Human resource	employees service	Accuracy on payment (amount and schedule of periodical raise of rank
Marketing	Capability to sell services	Number of subscribers, num ber of complaints
Development	Capability to develop new facilities	Time schedule fulfillment, percentage of budget absorbtion.

To achieve those quality, the unit managers were asked to utilize and activate the existing QCC and or create new QCC. The top managers might feel the important role of

(unit) managers in activating QCC so that the activities of these QCC was formalized as one component of the individual manager's performance. The top managers often emphasise that every manager is QCC manager. Moreover, to gain the attention of employees on QCC, the activities of QCC were also embedded as one component of the performance of units or departments (in head and region offices) and as the performance of district offices (including branch offices) that will influence employees' income.

Sixth, create special units that responsible for TQC. To support the QCC activities, the top managers created special unit in the head, region, and district offices. This unit is responsible for developing systems and procedures to monitor, evaluate, report (special for QCC activities), and appreciate the QCC activities; designing the need of TQC training; standardizing new useful inventions (technical or administrative); and introducing new tools of TQC (if any). *Seventh, develop reporting systems.* The reporting systems have been developed to monitor and control the achievement of the quality targets. Package of reports were standardized based on the needs and preferences of the related units. Generally, those reports describe quality or performance targets, actual achievements, deviations, and reasons for the deviations.

Eighth, training and development (T&D). In 1990, the top managers applied a policy that 10 percent of the employees work period should be spent for training. At that time, training period per employee in average was 2 % of the employee's work period (Ramadan, et. al. 1994, 137-138). Consequently, in recent years, center of T&D in head offices and every region have been very busy to conduct many kinds of T&D programs for the employees from staffs unto middle managers.

In term of TQC, T&D programs have also been developed to provide employees with the skill and knowledge needed in QCC activities. These programs are addressed to all employee from entry level worker unto middle managers with different types of training materials. There is also special classes for employees who are prepared as tutors and facilitators. This T&D programs are continuously evaluated and improved by the responsible units based on recent progressions. Besides TQC materials, T&D centers also develop other kinds of T&D programs that are associated with the aspect of service, such as customer service, service ethics, service management, and a variety of supporting technical skills. *Ninth, appreciation on QCC activities.* The top managers have provided program so-called QCC convention for appreciation on QCC activities. This program is conducted gradually from district offices (twice a year), region offices (once a year), unto head office (once every two years). In this program, all QCC present the outcomes of their activities in the front of participants (including managers). Usually, the winner of the convention in the head office level is prepared to represent the company to follow QCC convention in national level even overseas. This kind of appreciation is responded enthusiastically by almost any employees in PT TELKOM. This may become a means to give more motivation to the employees in doing QCC activities. All of the above efforts indicate a strong commitment and seriousness of the top managements on quality, especially on TQC/QCC. This might have eliminated hesitant feelings of the employees to participate in TQC programs and might have risen their commitment to quality and their interest to get involve on QCC activities. As a result, many new QCC raised and they together with the existing QCC have resulted many useful contributions on quality improvements in the broadest sense. In 1990, the positive activities of QCC in PT TELKOM brought PT TELKOM to get honours from the minister of labour of the government of Indonesia. PT TELKOM was pointed out as one of the leading companies that has successfully implemented TQC in the public companies environment.

The success of PT TELKOM in implementing TQC and developing the spirit of its employees to commit on quality has given dramatic improvements on many aspects of

services. To take some examples, PT TELKOM has increased the ability to develop number of telephone line units (TLU) from 60.000 per year in the period 1989-1994 to 400.000 TLU per year in the period 1993-1997; the number of payphones from 5.819 in 1997 became 48.939 in 2000; the number of telephone service stores from 48 in 1994 became 1.190 in 1997; and the national SCR from 21 % in 1991 become 35 % in 1997 (Ramadan 1994, 127-132). The wonderful achievement happened in 2000, when PT TELKOM, for the first time since its establishment, gained the predicate "unqualified opinion" of its financial report from the financial audit institution of the government of Indonesia.

COMMENTS ON THE IMPLEMENTATION OF TQC IN PT TELKOM

The above success story of PT TELKOM is undoubtedly exciting because only a few years has it been able to gain the amazing improvements in many aspects. Nevertheless, there are some weaknesses that should be considered. The first is *lack of feedback*. Many submitted reports are not followed up adequately. The feedbacks are often received so late that they are not actual anymore. Actually, the communication facilities for these purposes have been available. Hence, the problem may lay on the lack of control of the related managers or the low quality of "the man behind the gun". The second is *inconsistence*. The great success of PT TELKOM in developing commitment of its employees on quality improvement, especially in activating TQC/QCC programs, is shadowed with a possibility of a drastic degradation.

The employees' commitment seems to be very much dependence on the strong commitment of the top managers. When the top managers lessen their attention on this QCC due to other priorities, the employees seems to be out of the commitment. Their spirit to participate in QCC activities decreases while the managers act in a simmlar way. They reactivate the QCC activities only a few weeks before convention day. The workers and the managers may think that the most important thing to fulfill QCC performance is an outcome. Accordingly, many outcomes of QCC activities are, in fact, only trivial works. Many other good outcomes, that are actually not resulted from QCC activities, are forced to be the outcomes of QCC activities by formalizing the outcomes to fit the standard characteristics of QCC (rule of games in conducting QCC activities including the eight steps and seven tool of QCC). Hence, they make *dummy activities* merely to fit those standards. The third is *lack of control on standardization*. Procedurally, the good outcomes of QCC activities should be standardized and communicated to all relevan units (including QCC) in the organisation to enable them apply those outcomes (as have been mentioned, district offices provide nearly the same kind of services). This can also avoid double works for the same job. In fact, standardization process has not worked well so that there are many duplication of the QCC outcomes.

Finally is *cost evaluation*. The implementation of TQC is a very demanding effort. It takes much time and needs a great amount of money. It may have given many positive outcomes but, of course, it needs an evaluation to know the effectiveness of this implementation. One way to do this is cost evaluation. As Oakland (1989, 49) said that "the cost of achieving quality must be carefully managed so that the long term of quality costs in the business is a desirable one." These cost are a true measure of the quality effort." PT TELKOM has not done this cost evaluation so that it is still difficult to recognize the effectiveness of the implementation of TQC. It is also important to question whether the implementation of TQC with its QCC activities has a dominant role on the great success of PT TELKOM in recent years.

CONCLUDING REMARKS

From the above discussion, it can be drawn several conclusions. *First*, the successful implementation of TQC (or TQM) requires strong leadership of the top managers and the (unit) managers; commitment of all people in the organisation; the full responsible units; adequate T&D programs; clearcut quality aspects and indicators; quality awareness; quality appreciation; and continuous efforts. *Second*, the role of unit managers is crucial in maintaining and improving the growing commitment of the employees. *Third*, the implementation of TQC needs and at the same time causes behavioural changes. *Fourth*, PT TELKOM needs to evaluate the effectiveness of TQC/QCC because there are indications that employees are able to result outcomes without practicing QCC with its (rigid) standard characteristics. It can be said that the imperative in adopting TQC is not managerial practices but the need to focus on ideas behind the concept of TQC.

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