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KERETA API

PT.KERETA API INDONESIA (PERSERO)

Individual Attributes of Change Readiness: A Case Study at Indonesia State-owned Railway Company

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INTRODUCTION

PT Kereta Api Indonesia (KAI), which until 2009 was known as a low performance Indonesia state-owned railway company, experienced a very significant improvement under the leadership of Ignatius Jonan.



BEFORE JONAN



- In 2007, had a loss of IDR 38.6 billion and further increased to reach IDR 82.6 billion in 2008.
- Quality of the infrastructure continued to decline;
- the facilities had passed the limit age of service;
- number of locomotives, freight cars and trains circuits decreased;
- quality of service was low; there were back-logs, security and passenger safety was not guaranteed.
- Company was in the category of BBB (less healthy condition)
- low discipline and self rather than customer oriented employees,
- poor implementation of good corporate governance,
- the absence of visionary leadership

JONAN CHANGE INITIATIVES & OUTCOMES



Four main pillars of transformation at KAI
→ improvement in service quality, safety, comfort and timeliness

- The first action Jonan taken was change the employees' mindset, from “*USA mental model*” (Untuk Saya Apa or What's In It for Me) to “*Company and Customers First*”.
- The second action was revamping the employee discipline and company good corporate governance.
- Afterwards, Jonan make corrections on other aspects of the organization

QUICK WIN

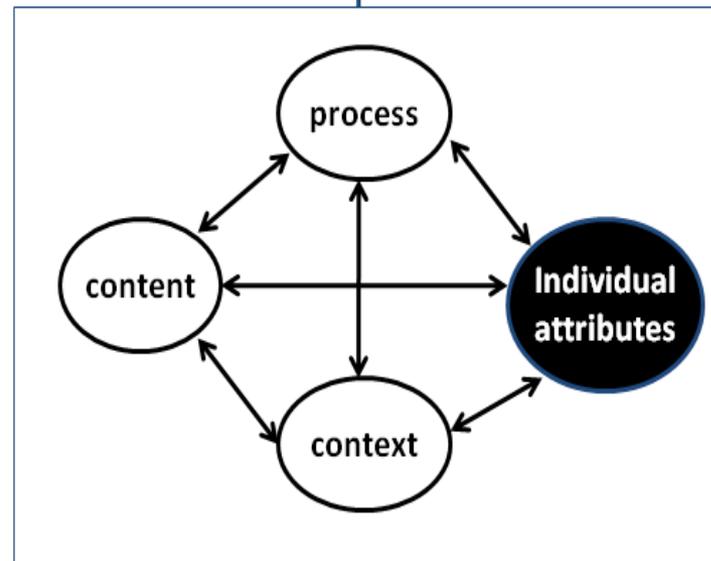
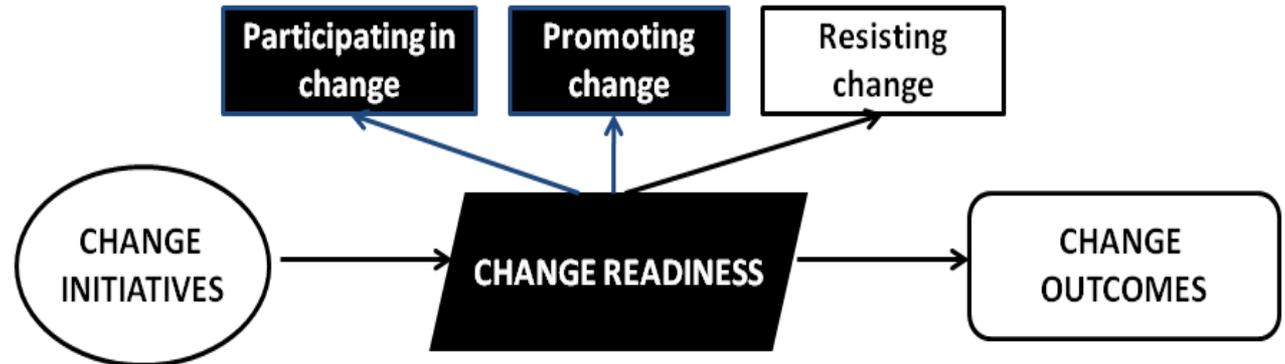
KAI managed to improve its performance significantly. The company achieved net profit of IDR 155 billion and declared a health condition in the category A or Healthy.

RESEARCH OBJECTIVES



- A case study was done at KAI to:
 1. Find the individual attributes that forming positive dimensions (promotion and participation) of employees' change readiness at KAI.
 2. Develop a proposed model of relationship between the individual attributes and change readiness.

CONCEPTUAL FRAMEWORK



Holt et al (2007)
Palmer et al (2009)
Hanpachern et al (1998)
Allen & Meyer (1996)
Kouzes & Posner (1987)
McShane & Von Glinow (2007)
Robbins & Judge (2009)
Luthans et al (2007)
Luthans (2010)

METHODOLOGY



- Qualitative, single case study with triangulation (Yin 2009):
 - In-depth interviews and documentary study
 - Multi-sources (informants, books, media articles, internal documents)
- **Criteria of informants:**
 - Ignasius Jonan (change leader)
 - Change followers
 - Managerial and non managerial level
 - Worked at KAI before-during-after change
 - Contribute positively in change initiatives

METHODOLOGY



- Data processed and analyzed in two steps:
 - Step one: sense-making – to find key words or phrases related to the first purpose of the study (Weick 1995, Goulding 2002), then codified and grouped it into categories.
 - Step two,,: pattern making – observe and buildi a proposed model of relationship between categories of code identified (Scharbo-DeHann, 1993; Goulding, 2002; Louise, 2004).
- Tools: Atlas.ti

FINDINGS



Code, Frequency and Category of the Individual Attributes of Change Readiness at PT KAI

NO	CODE	FREQUENCY	CATEGORY
1	Educational Life Experience	5	LIFE EXPERIENCE
2	Family Life Experience	6	
3	Social Life Experience	4	
4	Spiritual Life Experience	14	
5	Working Life Experience	9	
6	Affective Commitment	2	ORGANIZATIONAL COMMITMENT
7	Continuance Commitment	9	
8	Normative Commitment	6	
9	Hope (will and way)	13	PSYCHOLOGICAL CAPITAL
10	Resiliency	4	
11	Conscientiousnes	4	TRAIT OF FOLLOWER
12	Challenging the Process	26	TRANSFORMATIONAL LEADERSHIP
13	Enabling Others to Act	17	
14	Encouraging the Heart	7	
15	Inspiring a Shared Vision	13	
16	Modeling the Way	25	
17	Conscientiousnes	3	TRAIT OF LEADER
18	Emotional Intelligence	8	
19	Extraversion	12	
20	Openness to Experience	4	
21	Contingent Reward	14	TRANSACTIONAL LEADERSHIP
22	Management by Exception – Active	8	
23	Ambitious	5	VALUE OF FOLLOWER
24	Broad-minded	4	
25	Capable	8	
26	Courageous	11	
27	Forgiving	1	
28	Obedient	3	
29	Polite	1	
30	Responsible	6	
31	Self Control	10	
32	Altruism	8	VALUE OF LEADER
33	Ambitious	2	
34	Broad-minded	2	
35	Capable	7	
36	Cheerful	4	
37	Courageous	2	
38	Helpful	5	
39	Honest	3	
40	Integrity	1	
41	Justice	5	
42	Logical	4	
43	Loving	1	
44	Obedient	3	
45	Responsible	1	
46	Self Control	4	
47	Wisdom	1	

- 334 Quotations
- 47 Codes of Individual Attributes
- 9 Categories

13 quotation(s) for code:

PC: hope (will and way)

Report mode: quotation list names and references

Quotation-Filter: All

HU: atribut individu kesiapan berubah KAI
File: [F:\PROGRAM RC-CCH\RESEARCH\RTS - RESEARCH TRAINING SERIES\CAS...\atribut individu kesiapan berubah KAI.hpr6]
Edited by: Super
Date/Time: 05/19/14 12:54:55 PM

P 3: NARASUMBER 3 - SRI KUNCORO.docx - 3:18 [Mungkin membawa apa angin sorg..] (105:105)

(Super)

Codes: [PC: hope (will and way)]

No memos

Mungkin membawa apa angin sorga

P 3: NARASUMBER 3 - SRI KUNCORO.docx - 3:33 [saya masukpun karena saya meli..] (229:237) (Super)

Codes: [CR: supporting change] [PC: hope (will and way)]

No memos

saya masukpun karena saya melihat amburadulnya Kereta Api, saya masuk terjun disitu.

Ibu eva :

Makanya masuk terjun kan ya pak ya.begitu inisiatif Pak Yonan ini baik bapak support ya,

Bapak 3 :

Iya. Saya keluar dari serikat pekerja saya dukung beliau bukan karena Pak Yonan bukan karena siapapun ya karena Kerete Api saya liat ini membuat suatu terp yang bagus dan orang ini memang bisa dikatakan dewa penyelamat, bayangin tahun 2009 itu hanya 4 triliunlah 4,2lah gitu.

Ibu eva :

Cepat sekali kan itu di tahun yang sama ya pak, itu perbaikannya

Bapak 3 :

9 triliun kan bayangin hampir 2 kali lipat lebih dalam waktu 5 tahun

P 3: NARASUMBER 3 - SRI KUNCORO.docx - 3:35 [tidak hanya didukung di bela m..] (249:253) (Super)

Codes: [CR: supporting change] [PC: hope (will and way)]

No memos

tidak hanya didukung di bela mati-matian.

Ibu eva :

Iya diselamatkan ya jangan sampe,

Bapak 3 :

Tidak hanya di selamatkan harus di bela mati-matian kalo engga gitu negara kita engga akan maju-maju, kalah aja dengan malaysia,kalah dengan thailand,vietnam pun akan menyelip

P 4: NARASUMBER 4 - NUR.docx - 4:4 [terus nah itu saya eh terus te..] (53:53) (Super)

Codes: [PC: hope (will and way)]

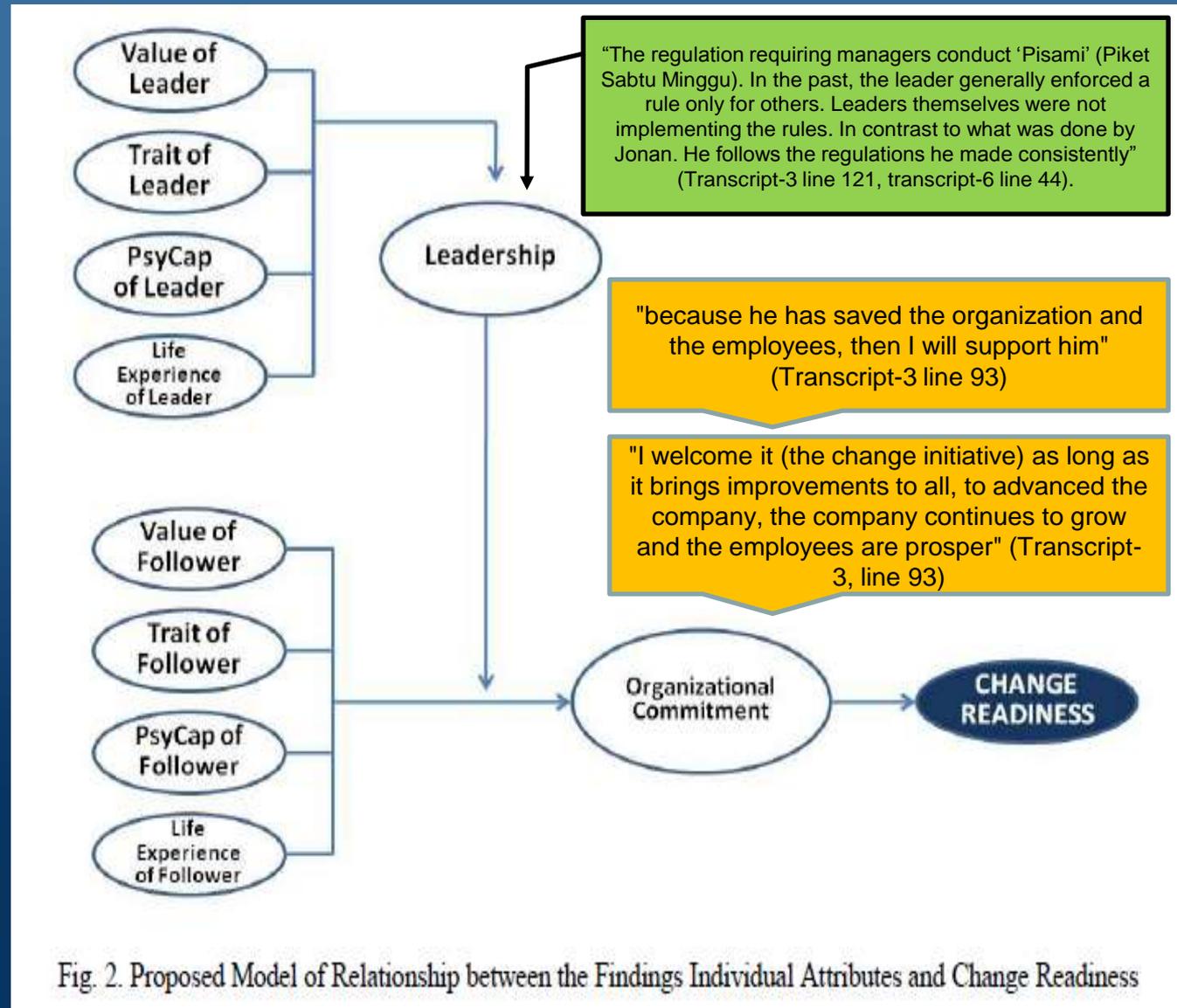
No memos

terus nah itu saya eh terus terang ya saya mendambahkan bahwa eh kapan sih eh Kereta Api tuh bisa berubah ya

- From the interview and the documentary study, 13 statements were found reflecting the individual attributes of **HOPE**
- Sample statements that support the existence of the individual attribute of Hope are:
 - "I joined because I see the company chaos situation. I resigned from the union. I support Jonan because this person can indeed be a saviour God sent for us at KAI. "(Transcript-3, lines 229-237).
 - "The presence of the new leader of KAI made the employees who want the company to become well-organized, fast growing and move forward, very proud " (Transcript-5, line 26).

PROPOSED STRUCTURAL MODEL

Relationship between the Findings Individual Attributes and Change Readiness

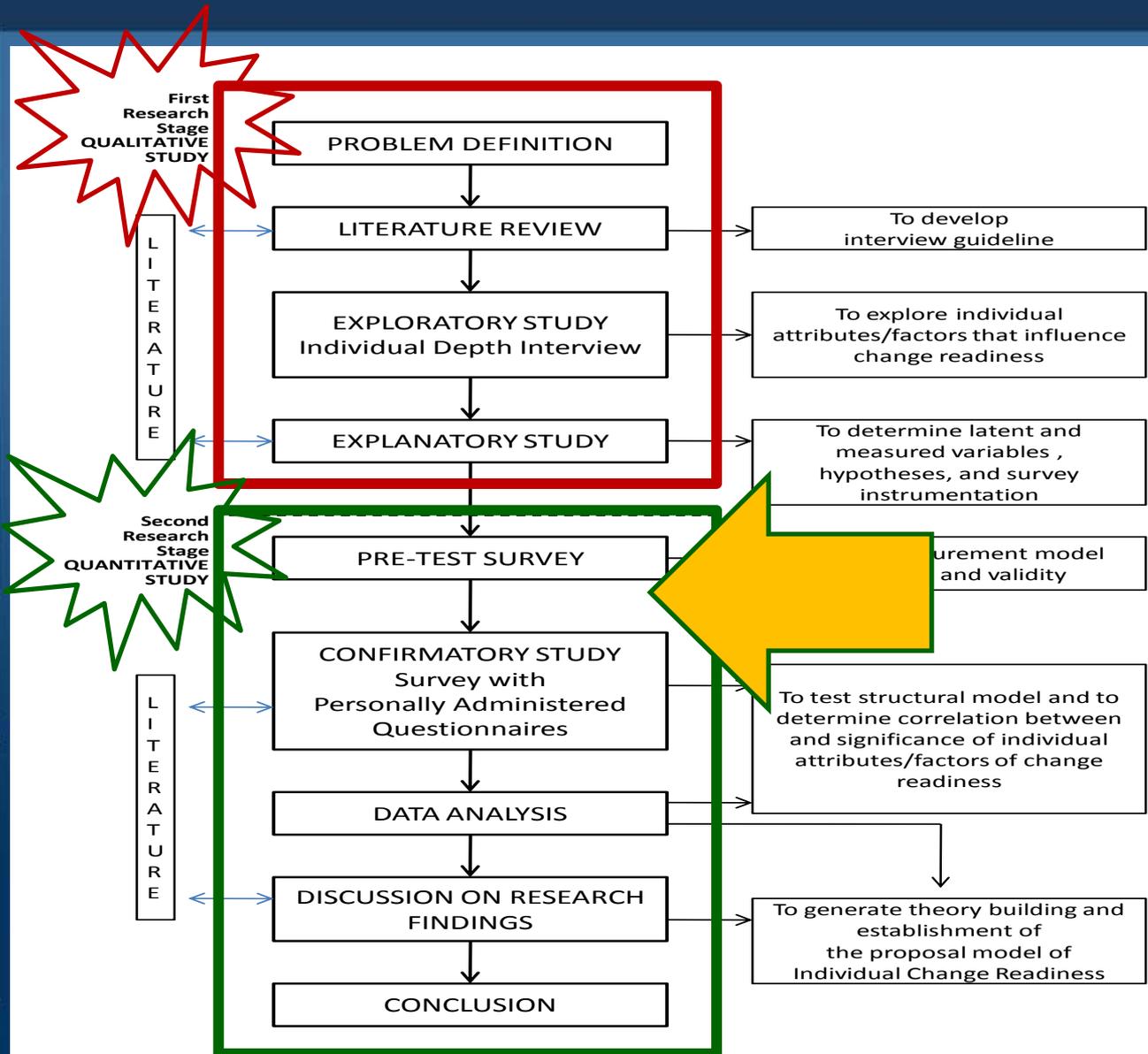


JONAN ON 'PISAMI' DUTY

(PIket SAbtu MIinggu)



FUTURE RESEARCH



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