Abstract

This study evaluated the impact of Build Operate Transfer (BOT) arrangements with foreign partners on state telecommunications enterprise P.T. Telekomunikasi Indonesia (TELKOM) and its employees. A total of 3207 employees from six regional divisions were administered a self-report survey measuring perceptual, and attitudinal responses two years after implementation of BOT arrangements. The questionnaire measured perceptual responses of job characteristics, structural characteristics, communication, training, adjustment to and perception of change, and attitudinal responses of organisation commitment and job satisfaction. The productivity measures were obtained from four productivity measures namely 1) revenue per employee, 2) human resource cost per total cost, 3) lines in service per employee and 4) cable performance. A profile of the respondents was obtained from demographic data.

Four statistical methods were used to evaluate differences between divisions under management of BOT arrangements and TELKOM (which were non-BOT). Firstly, discriminant function analysis was employed to provide information regarding discriminant patterns of dependent measures for BOT and TELKOM groups divisions. Secondly, multivariate analysis of variance (MANOVA) was employed to provide deliberately maximise the differences between BOT and TELKOM groups of divisions. Thirdly, multivariate analysis of covariance (MANCOVA) enabled the assessment of differences between divisions and between groups of divisions (BOT and TELKOM) by removing the effect of covariate productivity measures. Lastly, Pearson’s Product Moment Correlation Coefficient was employed to analyse the relatedness among
dependent measures. Prior to all these analyses, data were examined for robustness, validity and reliability.

Results show that transfer of managerial practices in divisions with BOT arrangements is feasible, if BOT contract specifies this objective. However, the contract obligations for infrastructure and revenue sharing created differences in productivity achievements between BOT and TELKOM divisions. The private partners concentrate on the short-term objectives of infrastructure development and revenue sharing. The main implication from these findings is BOT scheme is a form of joint venture private public partnership that blends foreign private national and organisational cultures to have a significant effect on the home organisation and employees, but has the benefits of knowledge transfer and can potentially improve the competencies and capabilities of home state enterprise over time.