

“Rokan’s Sucker Rod Pump: A Seamless HR Transformation”

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Abstract

Harvard Business Review (October 2005) edition published an article titled The Hard Side of Change Management. It describes BCG’s senior consultants who believed that “for over three decades, academics, managers, and consultants, realizing that transforming organizations is difficult, have dissected the subject”. The pessimists were even quoting an epigram wrote by a famous French novelist in the 18th century, Jean-Baptiste Alphonse Karr: *Plus ça change, plus c’est la même chose*. Organization transformations are in majority focus on “soft issues”, including the praises of leaders who communicate vision and walk the talk to make change efforts succeed. Still, studies show that two out of three transformation initiatives fail. In other words, the more things change, the more they stay the same.

Nevertheless, there was an insightful journey when HR championed the employees of Chevron Pacific Indonesia in the Rokan oil and gas block became Pertamina, without any dispute in main HR aspects: organisation changes, compensation and benefits, and industrial relations aspects. It was a moment of truth for the HR team, not only are “soft factors” (cultural, leadership and motivation) needed during the transformation process but also “hard elements” are required, i.e. project **Duration**; performance **Integrity**, or the capabilities of project teams; the **Commitment** of both senior executives and the staff whom the change will affect the most; and the additional **Effort** that employees must make to cope with the change.

To conclude, despite the seamless HR transition, the HR team has exposed themselves to a valuable experience of such a massive transformation process in Rokan. The value creation of the transition is also precious as it has enlarged the chance for Pertamina to leverage its contribution to the most ambitious objectives of Indonesia’s oil and gas production: 1 Million B/D oil and 12 Billion SCF/D gas by 2030!

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