

THE TALENT REVOLUTION: REPOSITIONING HUMAN CAPITAL AS PT. POS INDONESIA'S CORE GROWTH DRIVER

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Abstract

The dawn of the Fourth Industrial Revolution marks a pivotal shift, not merely a trend, but a fundamental redesign of the global business landscape. For legacy institutions like PT. Pos Indonesia (Persero), this is not a passing wave but a paradigm-altering tide. The very foundations of the logistics and courier sector are being reshaped by digitalization, demanding a response more profound than simple adaptation. The critical vulnerability—and the greatest opportunity—lies in its human capital. The current workforce composition, characterized by a mix of generational divides and evolving skill gaps, presents a core strategic challenge. To navigate this new reality, PT. Pos Indonesia must treat talent development not as a supportive function but as a central pillar of its business strategy. The path forward requires a data-driven and systematic approach, beginning with a comprehensive audit and skill-gap analysis of its entire talent pool. This foundational step is essential to building a resilient, future-ready workforce capable of securing the company's competitive edge in an age of continuous transformation.

Keywords: Human resources, human resources measurement, human resources quality improvement strategies, human resources-based assessment

Introduction

In December 1992, a quiet technological event reshaped the world of communication forever. Neil Papworth, a young engineer, sent the very first short message service (SMS) over Vodafone's GSM network to his colleague Richard Jarvis, who received a simple yet historic greeting: *"Merry Christmas."* Few realized then that this small act would trigger a communication revolution that would ripple through the decades to come. The arrival of SMS marked a profound turning point — not only for individuals learning to connect in new ways but also for entire industries built on the exchange of messages and meaning. For postal services, it was the dawn of an existential challenge.

The rise of SMS in the late 1990s and early 2000s fundamentally transformed how people interacted. Moments that once depended on handwritten letters — birthday wishes, festive greetings, personal confessions, or professional correspondence — were now compressed into instant, digital messages delivered across continents in seconds. What had once been the core of the postal business, the human act of exchanging letters, began to lose relevance in a world that prioritized speed, convenience, and immediacy. The emotional warmth of ink and paper was replaced by the cold glow of mobile screens.

The consequences for the global postal industry were swift and deep. Around the world, the traditional mail business began to erode under the weight of new communication technologies. According to the Universal Postal Union (UPU), mail volumes have declined steadily over the past two decades — an average annual drop of 1.4 percent for domestic deliveries and 4.4 percent internationally. In advanced economies such as Germany, Italy, and the United Kingdom, the decline reached as high as 5 percent per year. Postal companies that had long relied on mail as their main source of income began to experience a structural collapse in profitability.

This structural shift can be seen in the data from several major postal operators. Russia's Pochta Rossii, for instance, once derived 80 percent of its total income from mail services in 2003; today, that figure has plunged to just 20 percent. In Brazil, mail revenue dropped from 61 percent in 2008 to only 40 percent by 2014. Even the venerable Royal Mail, the oldest postal system in the world, recorded staggering losses of 279 million euros in 2007 — a shocking blow to a company that had once symbolized national reliability and trust. The United States Postal Service (USPS) also struggled, posting losses of around US\$9 billion in 2011, a clear sign that the old model of postal business was no longer sustainable in the digital age.

At the heart of this transformation lies not just a technological shift, but a deeper social and human change. Communication, once tangible and deliberate, has become intangible and instantaneous. People no longer write letters to express emotions; they send emojis, GIFs, and voice notes. The value of connection is now measured in response speed, not thoughtfulness. Postal organizations, which historically built their identity around the human touch — the postman's knock, the letter's anticipation, the personal signature — now face the challenge of redefining what relevance means in a society that is digitally saturated.

In Indonesia, PT Pos Indonesia stands as a living reflection of this global narrative. With a proud history stretching back centuries, Pos Indonesia once played an irreplaceable role in connecting a vast archipelago. Its network — reaching from Sabang to Merauke — remains one of the largest and most

evenly distributed infrastructures in the country. Yet in the era of digital disruption, this very scale has become a double-edged sword. What was once a source of strength — an extensive physical network and a large, loyal workforce — now represents rigidity in a marketplace that demands speed, innovation, and digital agility.

With more than 28,000 employees operating across thousands of offices, Pos Indonesia faces the same dilemma that many legacy organizations experience: how to transform a “fat and fixed” structure into a lean, adaptive, and tech-savvy enterprise. The challenge is not merely technological — it is profoundly human. For decades, the company’s culture and competencies were built for a physical, analog world. In today’s digital economy, success is defined by data literacy, innovation capability, and customer experience orientation. The gap between the company’s traditional human resource profile and the new competency demands of the Fourth Industrial Revolution has become increasingly visible.

The rise of the internet economy, e-commerce, and fintech has intensified competition. Private courier companies, logistics startups, and digital platforms now dominate the delivery and transaction space that once belonged almost exclusively to the post office. What’s more, customers today expect real-time tracking, integrated payment options, and seamless digital interactions — far beyond the conventional services that once defined postal reliability. The speed at which the external environment evolves requires internal readiness, especially within the human resources function. Employees must not only adapt to new technologies but also embrace a new mindset — one that values innovation, customer-centricity, and lifelong learning.

PT Pos Indonesia’s future, therefore, hinges on its ability to reimagine its identity. The organization must move beyond being a traditional mail carrier toward becoming a digital logistics and financial services hub. This transition cannot be achieved merely by introducing new systems or platforms; it requires deep cultural change — a transformation of people, leadership, and values. The true battle is not between Pos Indonesia and digital competitors but between old habits and new possibilities within the organization itself.

In the end, the story that began with a simple “Merry Christmas” text in 1992 is not just about technology replacing tradition. It is a reminder that every innovation tests humanity’s ability to evolve — to find new meaning in connection, new purpose in service, and new ways to stay relevant. For PT Pos Indonesia and postal organizations worldwide, the digital revolution is not a threat to be feared, but a call to rediscover their essence: connecting people, not just through letters or data, but through renewed human value in the age of transformation.

Theoretical Framework

Human Resources

Fitz-Enz (2000) conceptualizes human resources as a dynamic blend of three interrelated dimensions. First, the individual attributes that employees bring into their roles—such as intelligence, enthusiasm, integrity, adaptability, and a strong sense of commitment—form the foundation of workplace effectiveness. Second, the capacity to learn and innovate, encompassing creativity, critical thinking, and talent, determines an employee's potential for continuous growth in an ever-evolving environment. Third, the motivation to collaborate and share knowledge, reflected in teamwork, open communication, and collective goal orientation, drives organizational synergy and innovation.

Meanwhile, Weatherly (2003) emphasizes that a company's overall value is derived from three broad categories of assets. These include financial capital (e.g., cash and securities), tangible assets (such as infrastructure, facilities, and technology), and intangible assets—the most strategic of which encompass brand equity, customer relationships, intellectual property, innovation capacity, and, most importantly, the quality and engagement of its human capital. In the modern knowledge economy, this last dimension—human and intellectual capital—has become the critical differentiator shaping long-term organizational competitiveness.

Human Resource-Based Assessment

Mayo (2000) argues that while financial metrics remain precise indicators of a company's performance, they capture only the outcomes—not the true source—of value creation. The real engine behind financial success lies in human capital, with its reservoir of knowledge, creativity, and innovation. Despite being a critical driver of organizational productivity and growth, human resources have historically received less strategic focus than traditional production inputs such as capital investment, technology, or financial assets. In today's knowledge-driven economy, however, people are increasingly recognized not merely as contributors to operational output but as the core value creators who shape competitive advantage and sustain long-term business performance.

Human Resource Measurement

The purpose of measuring human resources is not to quantify their intrinsic worth but to evaluate how employee behaviors and competencies influence organizational effectiveness. Fitz-Enz (2000) emphasizes that without systematic HR measurement, organizations lose the ability to set clear performance expectations, monitor internal dynamics, identify and close performance gaps, provide constructive feedback, recognize and reward excellence, and make informed strategic decisions regarding talent investment and resource allocation.

Building on this perspective, Weatherly (2003) highlights two key drivers behind the growing importance of HR measurement in modern business. First, global competition—accelerated by trade liberalization and advances in sectors like telecommunications, logistics, and financial services—demands that organizations operate with greater efficiency and agility. Second, the digital transformation fueled by the rise of the internet and data-driven technologies has reshaped business models, elevating the value of intangible assets such as intellectual capital, innovation capability, and workforce engagement. In this context, measuring the strategic contribution of human resources has become essential for sustaining competitiveness and driving long-term organizational success.

Methods

This research adopts a library-based approach, which emphasizes the exploration and synthesis of knowledge drawn from existing literature. Through this method, the researcher engages in an in-depth process of gathering, reading, interpreting, and integrating information from a variety of credible sources such as books, journal articles, reports, and previous studies. A literature study is not merely about collecting data—it is about understanding the dialogue of ideas that have evolved over time and connecting them to the context of the present research. This approach allows the researcher to build a strong theoretical foundation, identify knowledge gaps, and develop meaningful insights rooted in values, culture, and social realities that are relevant to the topic under investigation (Sugiyono, 2017).

RESULTS AND DISCUSSION

Human Resources: The Greatest Challenge for Pos Indonesia's Transformation

Today, PT Pos Indonesia stands at a defining crossroads. Once regarded as a national icon of reliability and connection, the company now faces profound challenges that threaten both its image and relevance. Customers' frustrations are often rooted in delayed deliveries, damaged parcels, and service failures that no longer meet the expectations of a digital and on-demand world. These operational shortcomings are further worsened by incidents of internal fraud, which have eroded public trust that once stood strong in the 1980s and 1990s.

Despite being one of Indonesia's oldest institutions—with a legacy spanning more than 265 years and a vast workforce reaching every corner of the archipelago—its size and history have not guaranteed quality or agility. A study by the University of Indonesia even concluded that Pos Indonesia struggles to compete with newer, more adaptive players in the logistics and courier industry. Beyond operational inefficiencies and system flaws, the heart of the issue lies within: the quality and composition of its human resources.

Of approximately 28,000 employees, around 8,000 are outsourced and 20,000 are

permanent. Alarming, 90 percent of employees hold only a high school diploma, with less than 10 percent having attained higher education. Moreover, 80 percent of employees are over 40 years old—a reflection of the company's long recruitment freeze between 1995 and 2008, which stunted regeneration and deprived the organization of youthful energy and innovation. This imbalance has made the company slow to adapt to market shifts, especially the rise of digital communication and e-commerce logistics.

The persistence of bureaucratic culture further compounds the problem. Although employees' civil-servant status was officially changed in 1995, the mindset of bureaucracy—hierarchical, rigid, and risk-averse—remains deeply rooted. Leadership positions often still follow seniority rather than merit, and the absence of a performance-based remuneration system weakens motivation. Diligent and underperforming employees are rewarded equally, eroding the spirit of competition and accountability. Consequently, many employees become skeptical toward change initiatives, perceiving them as temporary rather than transformative.

Managing an organization of this scale, dominated by an aging workforce, requires more than structural reform—it demands a human transformation. Pos Indonesia must reimagine how it values, develops, and mobilizes its people. The key lies in building a human resource-based performance model that sees people not merely as operational labor but as strategic assets—the true engine of value creation.

Rethinking Performance Through a Human-Centered Lens

A human resource-based performance assessment positions employees as intellectual capital, not merely cost centers. As Mayo (2000) emphasizes, financial results may reflect success, but the real driver behind financial value is the creativity, knowledge, and emotional commitment of people. Unfortunately, many organizations, including Pos Indonesia, still emphasize tangible assets—capital, infrastructure, and technology—while overlooking the profound influence of human talent and energy.

Fitz-Enz (2000) defines human resources as a synergy of three essential dimensions: character, such as integrity and commitment; capacity, reflected in intelligence, imagination, and creativity; and motivation, which fosters collaboration and purpose. Similarly, Weatherly (2003) categorizes firm value into financial, physical, and intangible assets, the latter encompassing human, intellectual, and relational capital.

Modern businesses now recognize that their competitive edge lies primarily in the intangible. Research from the Brookings Institution (Weatherly, 2003) showed a striking shift over two decades: while tangible assets once represented 62 percent

of a firm's market value in 1982, by 2002 they accounted for only 15 percent. The remaining 85 percent was driven by intangible assets—knowledge, culture, innovation, and human capital.

In today's dynamic economy, measuring human resource performance is not about quantifying people but about understanding the impact of their behavior, collaboration, and creativity on organizational success. Fitz-Enz (2000) notes that without HR measurement, companies cannot effectively communicate expectations, identify performance gaps, provide feedback, or allocate resources strategically. In essence, what gets measured gets valued, and what gets valued gets improved.

Linking Human Resources to Organizational Success

Empirical studies over the past decades have established a strong correlation between effective HR practices and firm performance. Early research in the 1980s yielded mixed findings (Nkomo, 1987; Delaney et al., 1989), but by the 1990s, the evidence became clear: companies investing in people see better outcomes. Guest (2003) found that organizations in the UK with progressive HR systems achieved higher productivity and profitability. Likewise, Li and Wu (2004) demonstrated that intellectual capital—rooted in people's skills and creativity—significantly drives firm performance.

Research by Bartel (1994), Gerhart and Milkovich (1992), and Terpstra and Rozell (1993) further confirms that training, selective recruitment, and validated selection tools directly enhance productivity and profits. Ultimately, as Morling and Yakhlef (1999) observed, the company's success is determined by its ability to manage knowledge assets, which exist only through the interactions and shared behaviors of its people.

Strategic Pathways for Pos Indonesia's HR Transformation

To regain its position as a trusted national institution, PT Pos Indonesia must prioritize human transformation as the foundation for business renewal. The company's Human Resource Directorate must go beyond administrative management and focus on six strategic pillars that can realign its people strategy with the demands of today's competitive environment:

1. **Recruitment and Placement**

The future of Pos Indonesia depends on attracting and positioning the right talent. Recruitment should focus not only on qualifications but also on mindset—people who are adaptable, tech-savvy, and customer-oriented. A transparent, competency-based selection system must replace traditional placement methods to ensure fairness and fit.

2. **Training and Continuous Learning**

Learning must become part of Pos Indonesia's DNA. Training programs should go beyond technical skills to include digital literacy, innovation, and emotional intelligence. As Wexley and Yukl (1976) emphasize, development

should enhance decision-making and relational skills for leaders while building technical expertise for frontline employees.

3. Performance and Work Management

Modern performance management should not merely evaluate but empower. Employees need continuous feedback, recognition, and opportunities for growth. Effective performance systems align personal goals with organizational strategy, encourage collaboration, and make accountability a shared value.

4. Career Development

A structured career development framework is essential for retaining talent and ensuring leadership continuity. Career management should balance company needs with individual aspirations, while career planning helps employees visualize and prepare for their professional journey.

5. Compensation and Recognition

Fair and motivating compensation systems are central to building engagement. Reward mechanisms must reflect performance, innovation, and contribution to organizational goals—ensuring that excellence is celebrated and complacency is discouraged.

6. Culture and Work Environment

Ultimately, culture is the soul of transformation. Pos Indonesia must foster a culture that is open, innovative, and customer-centered. As Harvey and Bowin (1996) note, only companies with strong, adaptive cultures can cultivate productivity, belonging, and sustainable growth.

Toward a Human-Centered Future

PT Pos Indonesia's journey forward is not merely about adopting new technologies or business models—it is about rediscovering its human essence. People are not just part of the system; they are the system. When employees are trusted, developed, and inspired, transformation follows naturally. The path to restoring the glory of Pos Indonesia begins not in its infrastructure or logistics networks, but in the hearts and minds of its people.

Conclusion

Based on the findings above, it can be seen that the primary challenge behind the current downturn of PT Pos Indonesia lies in the limited quality and agility of its human resources. Many employees come from educational backgrounds that do not align with today's digital business demands, and a significant portion of the workforce is over 40 years old. This demographic composition contributes to a slower organizational response to the rapidly changing market environment. The situation is further compounded by an organizational culture that still prioritizes seniority over merit, as well as the absence of a transparent and performance-based remuneration system. As a result, employees have little motivation to perform beyond expectations since high achievers and underperformers receive the same rewards. Consequently, PT Pos Indonesia has been less adaptive in

anticipating the major shifts that have reshaped the postal and logistics industries over the past two decades.

To rebuild its competitiveness, PT Pos Indonesia needs to place human capital development at the heart of its transformation agenda. The company must begin by implementing strategic recruitment and placement that align talent with organizational needs. Continuous learning should also become part of the company's DNA—through targeted training and development programs that enhance employees' technical expertise, critical thinking, and collaborative capabilities. In parallel, a performance-driven management system that values innovation, accountability, and teamwork should be established. Finally, creating a fair and transparent career path supported by a clear compensation and reward system will help nurture a culture of trust and engagement. When employees feel valued, empowered, and recognized for their contributions, they are more likely to perform at their best. Ultimately, human transformation will be the key driver in revitalizing PT Pos Indonesia's competitiveness and sustaining its relevance in the modern era of digital logistics.

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