THE TRANSFORMATION OF CORPORATE CULTURE
PT. TELKOM, TBK. INDONESIA.

THE ANALYSIS OF THE ORGANIZATIONAL
COMMUNICATION STRATEGIES ON TRANSFORMATION
OF CORPORATE CULTURE PT. TELKOM, TBK.

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Abstract

Corporate culture affects to the productivity and development of an organization in doing business. Therefore, each period, the company must attempt to developed many strategies to create appropriate conditions and climate. Communication played an important role, because the values, rules, and division of work must be integrated through strategy of corporate communications.

The corporate communication encourages success of socialization process of values and expected changes. Therefore, manager, media, message content, staff and communication objectives should be designed in order process of transformation running properly. Communication is one of the key of success of the company achieve the goals.

This study attempt to understand the transformation of corporate culture and communication strategy that was developed and applied by PT. Telkom as one of the biggest companies of telecommunications and network in Indonesia. The method used in this research is case study. The data was collected by in-depth interviews, observation and documentation. Data processing was done by using qualitative analysis through reduction, classification, and interpretation to the text or informant statement of the results of interviews.

The results showed that; (1) Changes in the philosophy of the PT. Telkom company is the change in the vision and mission. These changes produce a new corporate culture, (2) The leader have role on developing strategy of organizational communication that support to transform of corporate culture at PT Telkom. The leader would like to be communicate the values to the staffs when the new corporate communication will be implemented. (2) the communication strategy implemented was Top Down Strategic Approach with the main formulation 4M aspects: Message, Method, and the Role of the Media Folder. The parties in the communication strategy for the transformation of corporate culture are; CEO, Directorate of Human Capital Management, and lower-level management.

Key words: transformation, corporate culture, leadership, communication strategy, organizational communication.
Introduction

The map of business competition telecommunications industry in Indonesia was getting tight. A wide choice of telecommunications products and services increasingly diverse. Currently the business opportunities in the telecommunications industry was open. The development was increase when enacted the Telecommunications Act No. numbers 36/1999 on 8 September 2000. The Telecommunications Law is a guide industry reforms, including industry liberalization that push against the entry of new players, increased transparency and competition.

Impact on the Telecommunications Law, among others, cultivate a lot of players in the telecommunications industry. Currently, there are 10 operators with GSM and CDMA technologies competing in the telecommunications industry in Indonesia. Ten mobile operators are Telkom, Telkomsel, Indosat, XL Axiata, Hutchison 3 Indonesia, Axis Telekom Indonesia, Smart Telecom and Mobile-8 Telecom (Smartfren), Sampoerna Telecom and Bakrie Telecom.

According to the map of existing competition, PT Telkom Indonesia, Tbk (PT. Telkom) must change and adapt quickly in order to continue to exist in the telecommunications business. In other words, the process of transformation in many respects. The term transformation of the company in PT. Telkom itself was familiar. Even already converging on the transformation of corporate culture. The transformation was began when Arief Yahya as Managing Director on May 12, 2012,

The importance of the cultural transformation of this company Similar disclosed Founder ESQ (Emotional Spiritual Quotient) Leadership Center, Dr. Hc. Ary Gina Agustian, that "not a few companies were destroyed and unable to compete with other companies that have the same type of business not being able and keen to see the business competition.

For five years the implementation of corporate culture transformation at PT Telkom, communication has had a very important role. The parameter is transformation that includes major changes simultaneously, does not cause turbulence or significant problems. One of the supporting factors are, programs and policies have been communicated to all employees. As stated by Doddy Muhammad Widodo as AVP HR Communication PT Telkom that,"president director of PT Telkom, Arief Yahya, has underlined that communication play an important role in the process of transformation of the company." In essence, communication has become a unique and important in the transformation of the corporate culture.

Research Questions

According to the background, the question of this study is; "How to develop a strategy of organizational communication in the process of transformation company, PT Telkom Indonesia Tbk.?" Then, the main problem were separated into the following research questions:

1) How does the process of corporate cultural transformation of PT. Telkom?
2) How do the leader role in the development of organizational communication strategy that supported to transformation of corporate cultural of PT. Telkom?
3) How does the organization's communication strategy developed in the process of transformation of corporate cultural PT. Telkom?

**Objective**

The research objective of this study are as follows:
1) Describe the process of transformation of corporate culture in PT. Telkom.
2) Describe the leaders role in developing the organizational communication strategy that supported to transformation of corporate cultural of PT. Telkom.
3) Describe the organization's communication strategy developed in the process of transformation of corporate cultural PT. Telkom.

**Research Method**

This research used the case study method. Researcher would like to describe the uniqueness of the process of corporate culture transformation as well as the communication strategies used by PT. Telkom with broad and deep. The data collected through the various data sources (many sources). The data sources are primary data and secondary data. Primary data was obtained through interviews of the selected informants. Interviews include exploring information about the transformation of corporate culture, leadership and communication strategy. The informants of this study are; the Director of Human Capital and Management, Organizational VP Development, VP Corporate Communications, Human Resources Communication AVP, AVP Corporate Culture and Corporate Culture SO and SM Spiritual Capital Management. In addition, do also exploring data through observation for obtained information of the implementation of the corporate culture.

The Secondary data were obtained through report or written document as well as an annual books, and manuscripts guidelines for the implementation of the transformation of corporate culture and books of The Telkom Way and The Telkom University.

**Results of The Research**

A. Corporate Culture Transformation Process PT. Telkom

External changes in the telecommunications industry in Indonesia pressed PT. Telkom to recognize and adapt to the situation and the conditions in the new business environment. In the implementation of the transformation of the company, not only the background of the rapidly evolving telecommunications business, PT. Telkom but also carry out the mandate of the government of Susilo Bambang Yudhoyono and targets of the Ministry of SOEs under the control of Minister Dahlan Iskan. The Architecture of Leadership and Corporate Culture Telkom (ALCCT) guideline, mentioned that the mandate of the Government of Susilo Bambang Yudhoyono was pushing the company into the Fortune 500. Then circle into Blue Chip companies in the capital markets, and building superior infrastructure. The mandate of the Ministry of SOEs under the leadership of Minister Dahlan Iskan, requires the achievement of Existence of Nation, Engine of Growth, and the Emperor of Region.
The mandate of the government has been formulated by the Director of PT. Telkom Arief Yahya, in the form of corporation targets to be achieved in accordance with the vision and mission. Such targets are, Telkomsel Double Digit Revenue (10%): 60 T; Indonesian Digital Network (IDN); International Expansion to 10 countries that include Singapore, Hong Kong, East Timor, Australia, Macau, Taiwan, Malaysia, Saudi Arabia, Korea, and Myanmar or become The King of Digital Media.

According to the mandate of the government which has been explained to the target company, then transform of the corporation. The assumption is, the target will only be achieved by transforming the culture of corporate. Because, with the values of the previous corporate culture, is not anticipated reach the target set. Transformation of corporate culture is expected to encourage employees of PT. Telkom to have the mindset, behavior and the same action and improve the performance of the effort in accordance with the new target of the company.

In the implementation of the corporate culture was strongly associated with the role of leaders. They are role model of corporate culture. Known the size of the leader role in the implementation, then created a guide for them to lead themselves and their staffs in a The Architecture of Leadership and Corporate Culture Telkom (ALCCT) PT. Telkom. The figure as follows:

![The Architecture of Leadership and Corporate Culture Telkom](Source: Slide of Telkom AK, 2014)

**Figure 1. The Architecture of Leadership and Corporate Culture Telkom**
(Source: Slide of Telkom AK, 2014)

In the transformation of the corporate culture there is principle of the *Ihsan* Spirit. *Ihsan* mean give the best. It’s the foundation of the concept The Architecture Leadership and Corporate Culture Telkom (ALCCT). Giving the best is shared values which were believed together. It’s contained elements of worship. Because the value of
worship and everyone will try to provide the best when it works, so that its value is very
noble as it relates to God.

This is consistent with the first assumption of the Theory of Organizational
Culture, Michael Pancanowsky and O'Donnell Trujillo. The assumption is:
“The importance of the role of people in the life of the organization. Individuals
share in creating and maintaining the situations. The essence of this assumption
is the value of the organization. The role of all the employees is very large in the
sustainability of the organization. Therefore, employees will share and create the
reality that their presence in the company is very important.”

Basic belief Always the Best with the spirit of Ihsan, be a core value of the
corporate culture of PT. Telkom. Basic belief in The Architecture Leadership and
Corporate Culture (ATLCC) into its foundation. This value is also an intrinsic value
that must exist and embedded within each employee PT. Telkom. According
Pacanowsky and O'Donnell- Trujillo, values are standards and principles in a culture
that have adequate intrinsic value of culture.

This value arises from the knowledge, moral and norms that emerge from the
history of the corporation or company. Pacanowsky (1989) showed that the value
derived from "moral knowledge" and that people show their moral through narrative or
story. In its interactions with the rest of the company will be there to share in the
process of finding those values. Role employees with Ihsan spirit that is working always
the best. Spirit always the best covers Solid, Speed and Smart appeared and believed to
be together as its value the PT. Telkom. In a broad sense to give the best is addressed to
the company, the employees, the state and nation for the benefit of the people and the
universe.

In practice the values of the corporate culture expressed in a tangible form so
that all employees know, understand and implement these values in their work. The
expression in the form of artifacts that represent the values. The artifacts in the form of
office building PT. Telkom, uniforms, slogans, marching and hymn, rituals, and
meeting style. This is consistent with the assumption that reality (and cultural)
organization determined by symbols. Hope these values become spirit or soul of all
employees in the work.

Based on the description of the transformation of the corporate culture, it can be
figured as follows:
B. The Role of Leadership in Cultural Transformation Company PT. Telkom

The process of transformation PT. Telkom have implemented The McKinsey 7S model. The 7S are Strategy, Structure, Systems, Staff, Skill, Shared Value, Style. Even though, PT. Telkom added one S again that is. Spiritual. The Transformation Model 8S McKinsey (7S plus) was conducted on five aspects of the transformation of the entire human resources (HR), which includes; business, business culture, structure, infrastructure and systems.

The process of transformation of corporate culture is closely related to aspects of leadership. In order to develop leadership that supports transformation, formed a model Architectural Leadership and Corporate Culture (ALCC). Leadership worked because it is based on one element S in the model 7S Mc Kinsey. Dimension Style (S) that should be translated as a capable leadership or complete for transformation.

Capable leadership is expected to be a reference for any leader who appointed to organize themselves and others to become great. This leader will become a role model in the socialization and the creation of corporate culture. Architecture Leadership and Corporate Culture (ALCC) Telkom has the same foundation, namely the spirit Ihsan or Always the Best as a Corporate Philosophy. The role of the leader as a role model in the...
socialization and the development of corporate culture is consistent with that conveyed by the Steere, Jr. (Riani, 2011: 44) that:

“The most important part of the task of the leader is responsible for the formation and development of corporate culture, which is carried out by way of: identifying and communicating the values and basic principles that guide the running of the company and the establishment of organizational decisions, setting behavior is an example of the values and principles of the organization by example, as well as control of the overall corporate culture, familiar with both positive and negative aspects and reinforce the values there are things that are expected by the organization.”

The leader’s role is very big in creating corporate culture. Moreover, the values of the corporate culture comes from the top leaders. The values were formed by the major role of leader and was supported by system who shape the corporate culture and the ends to achieving targets. Given the large and important role of the leader for their self and others, finally PT.Telkom created architecture of leadership to guide every leader in carrying out their role. P. Crosby said that (Riani, 2011: 44):

“Whether or not a person is able to perform as a leader can not be separated on a philosophy of life that are owned and a clear commitment to others. The need for a leader to have a clear agenda regarding myself and the organization so that it knows where the intended direction.”

The great leader with a clear vision and mission and a broad mind to the circumstances will make it easier to achieve goals. Leadership and corporate culture will encourage the achievement of the objective of the company. Therefore, the establishment of corporate culture to be very big role of the leader in designing, disseminating and implementing the corporate culture.

Based on the architecture of leadership of the PT Telkom, philosophy to be the Best (Ihsan) is a commitment that must be embedded in every leader. Such as by creating a harmony between the heart and brain as well as the synergy between the spirit and strategy.

The position of leader in the transformation of the corporate culture will determine role or function as socialization and maintainer (custodian of value) of the corporate culture. Therefore, leaders must be able to play the role as a ideal type, knowing and understanding the value. Beside was supported by system that can represent the value of the maximum performance. In order that organizational culture can be established and maintained properly. According A.B. Susanto (Riani, 2011: 45), a role of leader in the organization are:

1) Leaders must always encourage managers and employees to implement the corporate culture in every critical activity, especially in the form of ritual / habit.
2) The leader must be able to provide exemplary, especially in an environment that puts paternalistic leader as a central figure. Likewise with the manager as the leader of a unit of work that leads.
3) Leaders and managers always give, explained and stressed that the company will be more rich and powerful, because it was built with some subcultures that exist in the company.

On the principle to be the star there is lead by heart and managed by head. The leader's ability to lead themselves and others become important with the positive
emotional intelligence. This is in line with the model Primal Leadership (Adi Sutyono, 2014), that:

“The leader must be able to prioritize tasks emotions by moving the collective emotions in a positive direction. And eliminate negative emotions which would reduce spirit or positive things that have to happen at work. Within each group, the leader has the maximum power to manage the emotions of everyone. If the emotions of people pushed toward enthusiasm, they will always work, automated performance will increase. Employees or subordinates will seek emotional connection that will support a leader in terms of finding empathy.”

Leaders with emotional intelligence should be able to encourage employees to unleash the potential of the best in the work. This spirit will bear workability enthusiastic and excited. Beside emotional intelligence, people who lead by heart in managing a business, must use his intellectual intelligence.

The perfect leader in carrying out his role will have a balance between heart and mind. This capability will create the best performance. Not only do a good job but working with the very best. Thereby increasing performance and achieving the targets.

It is not easy. However, can be done with the strategic policy of management to apply through programs and policies. They should be able to combine emotional intelligence and intellectual. Moreover, PT Telkom target currently requires effort and high encouragement of all employees.

Perfect leaders must move the staff through effective communication. The way of leader know the staff is very important so can communicate effectively. This is in order to create harmony and synergy. In carrying out the role, the plenary leader should be supported staff or employees who have great character.

*Ihsan* spirit and new values of the corporate culture of PT. Telkom is the result of the reconstruction of the previous value (existing). These values actually been applied or used as a foothold by the previous leaders. Based on the information of several informants, mentioned that the values in the New Telkomway become part of the company since the first step. Only at this point, the values described in the building of architecture corporate culture.

Leader on any line that is in the company is to act as a change agent. So in the implementation of the corporate culture, implementation strategies mobilize the potential of every leader there. They formed Ambassador Culture. They are high representatives of companies that maintain, control and disseminate the corporate culture of the work environment.
C. The Model of Communication Strategy PT Telkom in Transformation

Preparing managerial communication strategy is an effort to develop successful communication. Kaye (2009: 6) said that the essence of managerial effort is on the management of communication resources to establish the similarity of thought and meaning of something a program.

In the context of the organization, information is very diverse. If it isn’t managed properly then it will have a negative impact on the company. If employees get the information confusing, will result in the company's internal turmoil. Therefore, management must be able to plan, organize, control and evaluation to reduce or eliminate the distortion of information so that employees understand the importance of transformation. This assumptions relating to the Theory of Organization of Information of Karl Weick (1976), that:

“Organizations are in an environment of information, meaning that the organization function effectively in achieving organizational goals depends heavily on information. The organization must be able to choose meaningful information from outside (external system) that are important for the organization.”

Manager or leader ability to disseminate information about the transformation of the company, requires hard work that the employee received. Distortion of information would cause turmoil in the company. Moreover, the transformation of the company in PT. Telkom covers five important aspects that everything takes place in the same time.

Communication management at PT Telkom, carried out by two parts, namely Human Resource Communication (HR Comm) and Corporate Communication (Corcom). The second division was tasked with managing the information that is understood by employees. Arranging information is part of work HR Comm. They made a priority setting to determine the policies that have high exposure and high impact for any HR policies related to human resources development PT. Telkom itself. This facilitates HR Com efforts to plan and manage the messages delivered. On the other hand, Corcom staff will undertake a program of dissemination of information as appropriate mix of corporate information. This process appropriate with the theoretical
assumptions of organizing information Karl Weick (1976) that: "Organizations need to decide member or division most knowledgeable or experienced in handling information for the advancement of the organization."

For the smooth flow of information, PT Telkom develop an internal portal that can be accessed together. The goal is that all parties have the same meaning and reduce uncertainty. Internal portal provides several advantages, namely:

1) Facilitate all the information to be managed and controlled.
2) Everyone in the company can interact, share information and even can directly communicate with the CEO
3) Menu or columns can be accessed by all employees.
4) The CEO could easily convey important messages directly and quickly to all employees.
5) The feedback from employees immediately known.

This program consistent with the third assumption of Organizing Theory of Karl Weick (1976):

“All parts of the organization depend on each other in order to reduce uncertainty. Not all interactions within the organization is just as important in reducing uncertainty, but every effort made to contribute its share.”

Developing a communication strategy is inseparable from the philosophy, vision, mission, corporate culture and climate as well as situations that affect the company's strategy. The role of strategic communication seen in the communication of what should be done, who is doing, how to do it and what results are wanted to be expected from a communications effort. Such a framework is quoted from Eva Governance, a consulting agency that;

“Communication strategies are plans for communicating information related to a specific issue, event, situation, or audience. They serve as the blueprints for communicating with the public, stakeholders, or even colleagues.”

Operationally, the communication strategy defines the institution needs to communicate the philosophy, values, and goals into the various components in a simple communication. Communication strategy should show:

“Outline the objectives/goals of the communication, identify stakeholders, define key messages, pinpoint potential communication methods and vehicles for communicating information for a specific purpose, and specify the mechanisms that will be used to Obtain feedback on the strategy.”

The role of the communication strategy has been designed in such a way at PT. Telkom,. The communication strategy in the establishment or implementation phases of culture is done in three stages, namely stage; Learning, Loving and Living. Formulas L indicates three stages of each of the main goals to be achieved, and suggests strategies and approaches worked.

All stages have a communication strategy implementable respectively. Internal communication strategy of the company in the transformation of the organization is a key effort of the management in conveying important messages to all employees. However, a very distinctive aspect of the company's efforts in developing a formulation of three L it is strengthening the human element which is supervised by the Director of HCM. The task of Director HCM is formulating a development strategy for people who are needed.
The framework of Director HCM was formulated in the concept of 3C’s. Three C include Character, Competence, Compensation. It is a master plan of development of human capital in Telkom. They call it the Integrated Human Capital Service and Development Program, (IHCSD). In every development there are initiative strategy which converging on a core value of all the developing of Human Capital. The core value is Ihsan.

The role of communication is crucial, when philosophy is so well developed, but can’t be communicated in full and build a deep meaning. In the case of this communication, the master plan Integrated Human Capital Services and Development Program, encourages the strategic role of the unit is called HR Communications. The task of HR Communications is a strategic initiative to deliver a message of human resource development PT. Telkom.

The concept is in line with the Pacanowsky Theory(1989) that the importance of the development of the basic strategy of the organization (including communication strategy) lies in the constituent’s philosophy, values and the products itself in the form of intrinsic value.

The communication strategy undertaken in the cultural transformation of PT Telkom more dominant Strategic Top Down Approach. The reason of the company, is the culture will be faster scrolling from top to bottom. Structurally, all elements ranging from the CEO down to the bottom, will be more receptive to the new corporate culture.

Development of communication strategy itself, PT Telkom using formula 4 M. In it covers; Message, Media, Method, Role of Map. While the agency has the authority to formulate 4 M is HR Communication PT Telkom.

If using analysis of communication planning of Smeltzer et all (2009), PT Telkom embracing strategy analysis component. Strategy analysis includes analysis communicator, message analysis, media analyst and minus analysis of the effect or impact analysis. Although in some particular cycle, they conduct evaluative analysis online via the internal media network. An institution that conduct analyzes the effectiveness of communication is the Corporate Communication PT. Telkom.

Firstly, communicator analysis or known as the Role of Map although these components are placed at the end of the sequence. Activity Role of Map will assign a suitable message conveyed by whom. Communicators can order from the CEO, Board of Director, VP, AVP and underneath. So technically the important information can be directly delivered by the CEO or leader directly related to messages to be delivered.

Secondly, Message as the next element. It was formulated in such a way. Because of the policies it had a thoughtful message. However each substance should be formulated in such a way, especially regarding the structure, type, systematic and formulation appropriate for the target. Consideration of the message planner in environmental Telkom is so important to pay attention to what to say its of the communication activities.

Regarding the corporate culture of planning message becomes unique for corporate communications manager in it. The number of issues that should be worked by HR Communications is a challenge for HR Communications. They should compose messages easily understood and attracted the attention of employees. The challenge for HR Communications is more creative attempt to explain something. For examples, the core values was formulated in the 3S factors, ie Solid, Speed, and Smart. Then, We also known the 3C formulation of human capital improvement, ie Character, Competence and Compensation. While efforts to disseminate itself (of the message) that
was formulated into 4R. This formula involve message management, namely *Rasa* (feeling), *Rasio* (brain/mind), *Raga* (Body) and *Ruh* (soul or spirit). By creating the message short and clear, it’s easier remembered and understood.

Thirdly M is the Method of communication. They have two classifications for establish a method of disseminating the message. It includes direct and indirect method. They create that term to be near with the media advertising, above the line and below the line. The reason is, each message that is developed will be adjusted with character and essence.

The final M is the media used. Borrowing the concept of media mix, PT Telkom used the concept of above the line media and below the line media. The composition of the media usage can be 60%-80% using above the line or the 20% -40% below the line. According to the company, the media mix PT. Telkom was felt quite complete. Telkom Digital Signage (TDS) as TV network of Telkom internal was spread the message highly efficient. Likewise, the messages that are uploaded, everyone can see. Eg for Youtube, PT Telkom has Telkomtube. Furthermore, through the internal portals via text uploaded, anyone can read the running text.

The figure of the development of communication strategy as follow:

![Figure 4. Model of The Communication Strategy](image-url)
Conclusions

1. Transformation of corporate culture at PT Telkom use model of construction Architecture Leadership and Corporate Culture (ALCC). Basic belief Always the Best, with *Ihsan* spirit is the core of the corporate culture of PT. Telkom. The role of the employee with the spirit of *Ihsan* (Always the Best), with the spirit Solid, Speed and Smart into things to be believed together. In practice, the values will be defined in the form of a corporate culture that makes all employees will know, understand and can implement these values in their work.

2. The Leaders make a major contribution in the formation of corporate culture. Thirsty leaders recognize the situation and the external and internal conditions, and has the capability to recognize the company's business direction that will give birth to the values of corporate culture in accordance with the conditions of the company itself. The name of the model is The Architecture of Leadership and Corporate Culture. (ALCC). Ability to communicate in socialization and internalization of the values of the corporate culture of a leader is very important, because these values must be known, understood by all employees. All of it is done through effective communication management. The communication effort should be able to create a working system that more clear. Finally, these values will become spirit in every employees/staffs that will provide acceleration to increase performance to the maximum to achieve the targets.

3. Development of the communication strategy of PT Telkom in the transformation of corporate culture is based on the vision; to be the star, to be the best and to be the winner. The institutionalization process through the stages of learning, loving and living. While the communication process was done through top-down approach from the manager to the staffs or employee. The reason of the company, is the culture will be faster rolling from top to bottom. The Strategy of Communication using formula The 4 M Communication Messages-Centered Process which include message development, media, method and Role Map.

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