

# CRISIS COMMUNICATION MANAGEMENT IN RESTRUCTURING PROGRAMS

## Moh. TOHA<sup>1</sup>, Mirza RONDA<sup>2</sup>, Dewi WIDOWATI<sup>3</sup>

<sup>1,2</sup>Sahid University Jakarta, Indonesia

<sup>3</sup>LSPR Institute of Communication and Business, Indonesia

Corresponding author: Moh. Toha Email: moh.toha1510@gmail.com

#### **Article History:**

Page: 1927 - 1939

Volume: 4

Number: 6

Received: 2023-10-06 Revised: 2023-10-22 Accepted: 2023-11-17

## **Abstract:**

One of the company's heavy burdens is being inefficient with an excessive number of employees, who ultimately become unproductive because they exceed the company's capabilities, namely both organic non-organic employees/outsourcing. The research aims to analyze the role and efforts made by the PTKS Corporate Communication Division in the Restructuring program. The theories used are co-orientation theory and adaptive structural theory (AST). The method used is a case study, with data collection techniques through observation and interviews with several credible informants who know and are involved in this problem. The research results show that the role of PTKS Corporate Communication in managing crisis communications tends to be limited by the principal director of PT Krakatau Steel in terms of communication and publication to the public, especially to the media, to ensure that restructuring program information is released from one door. In this case, the leadership of the PTKS President Director was very dominant; at that time, only a few employees were allowed to speak to the public. It shows that in this restructuring program, the role of the Corporate Communication Division is different from the task description set by the company.

**Keywords**: Outsourcing, Restructurisation, Adaptive Structurisation Theory, Co Orientation Theory.



Cite this as TOHA, M., RONDA, M., WIDOWATI, D., (2024). "Crisis Communication Management in Restructuring Programs." International Journal of Environmental, Sustainability, and Social Science, 4 (6), 1927 - 1939.

## INTRODUCTION

The existence of PT Krakatau Steel (Persero), Tbk, hereafter abbreviated as PTKS, has experienced ups and downs in its development as a business entity since the national leadership of the New Order era until now the reform era. The running of a company in the strategic industry (BUMNIS) category requires correct and professional management from the lower to the top management level (top management). In line with this, in 2018-2019, PTKS stated that it would restructure the company. It is by taking steps to reduce the number of employees. Meanwhile, at PT Krakatau Steel, Tbk, the problems started with company losses for eight years in a row, giving rise to vast debts of up to tens of trillions, so revolutionary steps were needed to save this state-owned steel factory as one of the national strategic industrial BUMNs. Sylmi Karim, as Managing Director of PT Krakatau Steel, Tbk, took steps with a business restructuring program, debt restructuring, and Human Resources and organizational restructuring. This restructuring step ultimately caused problems for the company considering a large number of employees, including employees outsourcing who will be reduced or laid off. The restructuring program is being carried out to save the company's financial condition. Efforts to save the company must be carried out immediately by involving subsidiaries through a comprehensive restructuring program, including restructuring debt, organization and human Resources, and business (ANTARA News, Thursday, July 4, 2019).



The management of PT Krakatau Steel, Tbk, carried out one case of layoffs. (PTKS) towards employee outsourcing in 2019. This layoff step was carried out considering the company's unfavorable conditions.

PT Krakatau Steel finally decided on employment relations (PHK) of 2,683 workers outsourcing (transfer) from nine collaborating vendors. The Cilegon Steel Workers Union Federation (SBKS) Chairman, Safrudin, said the workers were resigned and disappointed with the decision. There are two underlying causes for this. First, he said, the workers felt the local government needed to pay more attention to their fate. This can be seen, said Safrudin, by the need for more efforts by the regional government to delay or prevent companies from laying off their workers. The second disappointment was that the workers needed to talk with the company's directors. According to Safrudin, he and his friends have been fighting through demonstrations and communication with related parties for the last two months.

Events of demonstrations on the part of employees or workers outsourcing, which continues for Krakatau Steel, are part of the development of the issue, which can develop into a crisis if not handled or resolved properly and thoughtfully by management, including corporate work unit communications. In general, the crisis experienced by Krakatau Steel is a type of crisis management error (Crisis of Management Failures), the crisis that occurred as the accumulation of management activities that may result from mismanaging the business company or due to external factors that cannot be avoided, especially the consequences the world situation regarding the global abundance of steel products and the dumping problem done by several countries in the free trade system, which on ultimately weakening and reducing factory activity apart from that, because it is steel price competition from world steel companies resulting from the opening of the "faucet" for foreign companies as a result of globalization.

This situation requires PTKS to work hard to survive amidst this competition, which has resulted in falling world steel prices. This condition ultimately shook the company, mainly because of the weak value of the rupiah against the US dollar at that time, which impacted the selling value of steel on the market. Financially, PTKS is experiencing conditions that are not very favorable, and this has caused losses or its financial balance to continue to decline since 2012, which is even more worrying. The company's balance sheet shows that throughout 2018, PT Krakatau Steel Tbk (KRAS) recorded another loss worth US\$ 74.82 million, equivalent to Rp. 1.05 trillion (exchange rate Rp. 14,000/US\$). Since 2012, the company has continuously shown red report cards.

Since the situation and conditions above, internal dynamics have occurred, starting with a demonstration by outsourced employees on July 2, 2019, in front of the Technology building of PT Krakatau Steel, Tbk; they rejected the restructuring plan and unilateral layoffs that PT Krakatau Steel would carry out with a relatively large number of employees, especially employees outsourcing which reached 2683 people, as of June 1 2019 as many as 529 outsourcing employees had been laid off. There are two underlying causes for this. First, he said, the workers felt the local government needed to pay more attention to their fate. This can be seen, said Safrudin, by the need for more efforts by the regional government to delay or prevent companies from laying off their workers. The second disappointment was that the workers needed to talk with the company's directors. According to Safrudin, he and his friends have been fighting through demonstrations and communication with related parties for the last two months.

With the spread of news in the mass media regarding the company's plans to restructure and layoffs, there was increasingly much news in the local mass media, especially (Kabar Banten, Radar Banten, and Banten Raya Pos), several national newspapers, and social media. The demonstration was held in front of the Krakatau Steel Technology building. However, it was also held in front of the Cilegon City Government building to ask for help or support so that the Cilegon City



Government could influence the management of PT Krakatau Steel, Tbk, in order to abandon its intention to restructure and lay off employees, especially employees outsourcing. Along with information or news regarding the issue of layoffs, as part of the company's restructuring program, it has become a daily menu of conversation among all employees, which can be obtained via WhatsApp social media, company intranet, and internal communication media such as the KSG bulletin.

Employee outsourcing, who demonstrated against PTKS management's steps in carrying out layoffs, expressed dissatisfaction with this decision. However, layoffs were carried out within the framework of the restructuring program as one of the solutions taken, referring to Law Number 13 of 2003 concerning Employment in articles 150-152. Only some information regarding management policies is still being formulated and yet to mature, especially layoff plans or restructuring programs involving organic employees and outsourcing, which must always be conveyed to employees, especially outsourcing. Nevertheless, management efforts to improve the situation (the company is losing money) require concrete, planned, and definite steps to be taken. News of layoffs is constantly circulating because several months earlier, namely in June 2019, the company had laid off 529 people. Outsourcing, so these concerns make employees outsourcing held a demonstration in front of the PT Krakatau Steel Technology building, Tbk Cilegon. With the Corporate Communications unit, Krakatau Steel conducted CEO Notes, namely direct messages from the President Director to all employees via email to convey information or policies regarding this restructuring program. Then, Townhall conveys direct directions from management to all employees through online meeting media, publishing publications about company programs and activities and distributing press releases to the media. However, the steps PTKS took to reduce issues and demonstrations were not optimal enough, so PTKS management needed to take it seriously.

About this research, there is previous research that is relevant to serve as input or support, such as research conducted by Creszentia Nina Handoko-Widodo. My doctoral dissertation at the University of Indonesia Postgraduate is entitled Corporate Communication in Crisis. (Study of PT Newmont Minahasa Raya's Perceptions and Crisis Communication Strategy in the Case of Buyat Bay Pollution (2007), the method is a case study using the theory of cultural approach to organization with the interpretive approach paradigm. The findings are that the issue has become a crisis, with weak functioning warning monitoring Corporate Communication and no role in external Public Relations. The benefit of this research is the need to implement a corporate communications warning monitoring function so that issues do not develop into crises. Then, the research entitled Analysis of Crisis Management: Case Study of PT Garuda Indonesia, by Ibnu Nur Aziiz Islamic Communication and Broadcasting, Faculty of Da'wah and Communication, Walisongo State Islamic University, Semarang (2023). The qualitative descriptive approach uses news content analysis methods in various online media. The findings were that Garuda Indonesia responded quickly to the crisis by reducing operations, restructuring debt and cutting the number of employees. Open and transparent communication with stakeholders helps prevent speculation and builds trust. From this research, the findings are to respond quickly to the crisis, reduce operations, and carry out a restructuring program.

Another research is similar to that done by PT Krakatau Steel, Tbk. Reviewing and revising PT's public relations strategy is necessary when carrying out a restructuring process. Dirgantara Indonesia in Improving the Company's Post-Crisis Image (Case Study of PT. Dirgantara Indonesia's Public Relations Strategy for the 2017/2018 Period in Improving the Company's Post-Crisis Image); conducted by Mella Zulia Ependi, M. Subur Drajat (2018). In this research, PT. Dirgantara Indonesia (DI) experienced an economic crisis in 1998, which caused more than 6,000 employees to be laid off in 2004. Then, in 2007, PT DI was declared bankrupt by the commercial court. This research aims to



discover the beginning of the crisis and the strategy carried out by PT's public relations Dirgantara Indonesia evaluation carried out by the public relations of PT. Dirgantara Indonesia, and to find out the results of PT. Aerospace 2017/2018 period in improving the company's post-crisis image. The theoretical basis used in this research is crisis management theory and public relations theory. The research method used is qualitative through a case study approach (single case). The results of this research are the strategies used by PT public relations. Dirgantara Indonesia, namely the customer trust strategy, the 4-stage strategy of prevention, preparations, actions and recovery, media relations strategy, and the N219 program strategy. Then, the evaluation obtained from the public relations strategy is studying the crises that have occurred, anticipating crises that will occur, the need for closeness to the media, the emergence of public opinion, and a better image. This research at PT Dirgantara Indonesia shows that news of mass and social media layoffs can reduce the company's image. It can be used as experience and input for further research, especially at PT Krakatau Steel, Tbk.

These studies show the importance of the role of companies, in this case, the Public Relations Department (Corporate Communication Division), in overcoming company crises, where each company carries out communication strategies or management adapted to its organization's policies and culture. However, they have something in common, namely that companies face similar problems when it is known that the ratio between income and expenses shows an imbalance, so if restructuring steps are not taken, it will result in the company going bankrupt.

This research aims to analyze and understand the efforts made by PTKS in dealing with the company crisis when the restructuring program was implemented. When the program was implemented, there was resistance from outsourcing employees, which resulted in demonstrations in several places, including at PTKS locations and the Cilegon Mayor's Building. This incident ultimately gave rise to confusing reports in various media, so PTKS management at that time needed to make maximum efforts to handle issues and demonstrations carried out by outsourced employees.

This research uses the Co-Orientation Theory to analyze the issues circulating that have resulted in outsourced employee protests. Apart from that, it also uses Adaptation Structuration Theory (AST), with dimensions of agency, Reflexivity, Discursive awareness, and Practical awareness, to analyze the problems faced by PTKS and carry out restructuring steps.

Literature Review. The problems faced by PTKS in the restructuring program are analyzed through Co-Orientation Theory (2009) as the leading theory to map the issues that arise when a company announces a restructuring program. At the same time, the supporting theory is the Adaptive Structuration Theory. So, Adaptive Structuration Theory explains that examining or analyzing the interactions that occur in an organization requires an understanding of adaptation or adjustment to the values, norms, and resources of the organization, including adjustments to goals or goals decided by management. The relationship between these two theories is in mapping issues or information about the company, which is then adapted to be managed by company management. Co-Orientation Theory and Adaptive Structuration Theory support each other to find solutions when a crisis occurs. Theory Co-Orientation with the model can explain and describe the situation or position of an issue or a communication crisis in the organization. At the same time, Adaptive Structuration Theory can provide an explanation or description of how an organization or company should produce sufficient, correct messages or information while still relying on values or communication rules that are already working well to provide or convey decision-making from the organization in order to achieve the goals to be achieved. So, these two theories are connected and support each other.

Co-Orientation Theory. Theodore M. Newcomb initiated the theory of Co-Orientation in 1953 and discussed communication from the discipline of social psychology (Littlejohn, 2009), starting from Newcomb's thought that communication is an orientation process between individuals. Coorientation occurs when two or more individuals are simultaneously oriented toward each other and have a common interest (Littlejohn, 2009). Communication involves two goals: creating a relationship or general orientation between two or more individuals who respect each other and simultaneously connecting those individuals to an everyday object (Littlejohn, 2009). According to Theory, communication Is a means for individuals to convey their orientation (attitude or position) towards an object in their environment. Social interactions, including systems, include a balance of power between participants. If there is a change in the interaction and system, it will cause tension (conflict) regarding balance or symmetry. This conflict is caused by an imbalance that creates unpleasant feelings and psychological pressure on the individual. The heart of the Montreal School's CCO approach is the concept of "co-orientation" - the process through which people coordinate activity through interaction. Montreal School scholars see co-orientation as achieved through the interlinked ideas of conversation and text. (Miller, 2015). Co-orientation, seen as a concept, is a process through which people coordinate their activities through interaction, including examining how issues arise in the organization.

Adaptive Structuration Theory (AST). Adaptive Structuration Theory, which Marshal Scott Poole and Robert McPhee initiated, says that an arrangement manifests and results in organizational communication. Structuration is the unintended consequences of actions, creating norms, rules, and social arrangements that limit or influence future actions. Adaptive Structuration Theory uses basic concepts from Giddens's structuration theory but adapts them to a particular context and level of analysis, resulting in a situated theory of structuration. Specifically, the theory uses structuration ideas to explore micro-level processes (e.g., interaction processes) in group situations involving information and communication technology. As DeSanctis and Poole (1994) summarize, the theory "provides a model that describes the interplay between advanced information technologies, social structures, and human interaction" (Miller, 2005). This theory continues Giddens' Structuration theory, which was improved and developed by Poole and DeSantis. This theory prioritizes context and certain levels of analysis, especially in using structuration ideas to expand micro-level processes, which are interaction processes. It also explains how communication and information technology are used in groups and organizations.

Giddens's concept of structuration is the core idea spawned by adaptive structuration theory. Poole calls his theory adaptive structuration because he observes members of task groups intentionally adapting rules and resources to accomplish their decision-making goals. (Griffin, 2006). Assumption of Adaptive Structuration Theory This, according to Poole's observations, is that working group members (intentionally) intensively adopt rules and resources in order to complete/refine them for decision-making purposes. While the fundamental assumptions that guide the theory Adaptive Structuration theory This is according to West & Turner (2008) that:

- Groups and organizations are produced and reproduced through rules and resources.
- Communication rules function as both the medium for and the result of interaction.
- Power structures exist within organizations and guide decision-making by providing information on how to achieve our goals best.

So, Adaptive Structuration theory explains that examining or analyzing interactions that occur in an organization requires an understanding of adaptation or adjustment to the values, norms, and resources of the organization, including adjustments to goals that have been decided by management. The elements in adaptive structuration theory consist of agency, reflexivity, discursive awareness, and practical awareness. Agency is defined as behavior or activities used in a social



environment. Meanwhile, an agent carries out behavior or activities in a social environment. Reflexivity refers to a person's ability to monitor his or her actions or behavior. Discursive consciousness is a person's ability to express personal goals or behavior, whereas Practical awareness refers to a person's inability to express personal goals or behavior (West & Turner, 2008).

Communication Management. Communication management is a study that consists of two concepts, namely, the management concept and the communication concept. Management is a term that is very familiar in the life of an organization or company, which seeks to organize, manage, plan, and direct the activities of an organization or company. Meanwhile, communication is a field of science that discusses conveying messages or information that flows within a company vertically (downward and upward), horizontally, and diagonally. Meanwhile, communication is defined as conveying messages from one person to another, both in the form of verbal and nonverbal symbols, to change other people's behavior (Hovland)

The term communication management was defined by Harry Irwin (Soedarsono, 2009): "is the process of using human, financial and technical resources in understanding and performing the communication function within corporations and between those and their publics. Thus, communication management involves administering and managing communication resources (personal, group, organizational and technical) and communication processes to facilitate communication in a corporate context". Another opinion from Michael Kaye (Soedarsono, 2009), the definition of communication management: "Communication management implies the optimal use of human and technological resources to promote dialogue between people."

According to Henry Alber, the model of the relationship between the management process and the communication process shows how the processes in communication management are related, namely the flow of work carried out as a whole through vertical, downward, and horizontal communication. Meanwhile, communication from below and in the same direction is helpful for management to determine organizational performance. Also, upward communication flows through feedback, where managers get information about performance and problems or issues with subordinates. It makes managers play a role in carrying out control functions. According to Irwin (1994), communication management activities, including corporate communication, cannot be separated; both are applications of management functions.

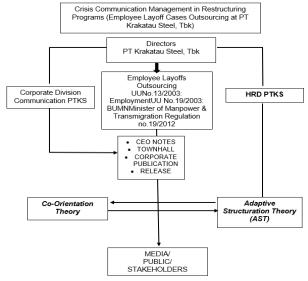
Communication Management makes it easy for managers to control the company with a different approach, namely using effective communication in conveying "assignment messages" so that the atmosphere is more pleasant and comfortable and the work climate is conducive to completing work well. Managers can understand what their subordinates face when they have to complete work without judging adversely when subordinates face obstacles when carrying out their duties and can overcome company crises (Widowati, 2016).

Public Relations (PR), which has now metamorphosed into Corporate Communication (Cor.Com), is an essential field for companies. The activity carried out by Public Relations is image building. From an organizational standpoint, public relations aims to convey a favorable message to maintain or enhance the company's reputation. However, companies are not always surrounded by only positive information; sometimes, it alternates even with negative information. Unclear information or issues can disrupt the company's operations; PR, as the spearhead of the company, is expected to be able to handle this (Widowati, 2019).

Management in communication activities is carrying out communication activities in a structured and systematic manner. The existence of an organization is determined by the interaction of all its members, which is called organizational communication. So, this interaction must be managed by implementing communication management. Meanwhile, management implementation

in organizational communication involves aligning management functions, namely planning, organizing, directing, and supervising, with communication within the organization (both in positions as superiors and subordinates), including forward communication, which flows downwards (from top to bottom). In the form of tasks, orders, delegation), producing effective communication and achieving organizational goals (Fauzi et al., 2020).

Based on the presentation of the problem and the theory used, the following is a research framework that reveals the reality of the problem.



Source: Results Processed by Researchers (2023)

**Figure 1.** Thinking Framework Chart

## **METHODS**

This research uses a case study method, with data collection techniques through observation, interviews with sources, and literature studies relevant to the research problem. In this case, the technique for determining sources is using techniques purposive sampling. The sources for this research are:

Table 1. Interview Sources		
1.	Mr. Agus Sutan Kaharudin	He served as Manager of the Corporate Communication Division when the restructuring program was carried out and knows how PTKS carries out the restructuring process.
2.	Mr Seno Wahyurinarso,	He once served as Corporate Communications Manager, and during the restructuring program, he was instrumental in carrying out this task.
3.	Mr. Alfauzi S. Salam,	Previously served as Public Relations Manager of PT Krakatau Steel, who has been involved in corporate public relations/communications for quite a long time and still follows developments in the company where he previously worked.



4.	Mr. Tantra Maulana	Currently, he serves as General Manager and Corporate Secretary of PT Krakatau Steel, Tbk; because of his strategic position, he knows a lot about the development of this state-owned company.
5.	Mr. Handim	Members of the SBKS (Krakatau Steelworkers Union) received layoffs (PHK) but were re-elected as casual daily workers (PLH) in the steel factory.

Furthermore, the researcher also made observations at PTKS to better understand the PTKS situation from the researcher's perspective, which was then recorded as supporting data when the researcher cross-checked the results of interviews with sources. Meanwhile, literature was obtained from books relevant to the research problem, the PTKS website, detik.com (internet), and the PTKS Annual Report book.

## **RESULT AND DISCUSSION**

Restructuring is a program carried out by a company to reduce budgets deemed not in line with income, thereby burdening the company. It was done by PT Krakatau Steel (Tbk) in 2019 by laying off employees. Outsourcing provided by Vendors. In line with the layoff decision, demonstrations emerged as a forum for conveying the aspirations of employees who claim they can still work. In this study, researchers obtained data from several sources, both from management and employees outsourcing who were laid off, so that opinions can be obtained that can reveal the actual situation and conditions when the restructuring program was implemented.

Co-Orientation Theory on Restructuring Issues at PT Krakatau Steel, Tbk. When PT Krakatau Steel, Tbk, carried out the restructuring program. (PTKS), an issue that caused unrest in various circles, significantly, of course, outsourcing employees directly affected by the program. It makes PTKS management have to take a responsive and fast attitude because it is feared that it will affect the company's reputation. In this case, the board of directors and staff then take action to overcome the issue and the consequences of its development.

Regarding the issue that emerged, Agus Sutan Kaharudin, Corporate Communication manager at that time, stated: "The issue that emerged exists; PTKS always said that there were no such large-scale layoffs. It was just that this was a restructuring, as previously stated, employees of these units are merged into other units, distributed to subsidiaries or other existing units so that other units are found so they are not laid off, for employees are safe". From this statement, the media conveys information that does not follow what was decided by PTKS. The media should have confirmed the PTKS restructuring program in advance, so when the program was presented, it was not only outsourced employees who were worried but also the company's permanent employees. It caused quite a chaos at that time. The company restructured by stopping the extension of contract periods for outsourced employees to maximize the company's operations so that the ratio of income to the HR expenditure budget could be balanced.

According to Agus Sutan Kaharudin, as often stated by PTKS Management, the Board of Directors has stated that outsourced employees have a contract period during which the company has the right to evaluate their performance. In addition, companies need to adjust their financial capabilities to balance the ratio between income and expenses. Apart from that, the company has also provided solutions by distributing them to several subsidiaries. However, it can only fulfill some outsourced employees who are laid off. "In the end, the media reported this matter with excessive information, namely that permanent PTKS employees were also dismissed so that this growing issue cornered PTKS." This growing issue has hurt PTKS. Agus Sutan Kaharudin stated:



"The public has become untrustworthy of KS. For PTKS investments, the impact decreases. At that time, the issue developed quickly, which seemed judgmental, distrustful, and untrusted, then joined in spreading the issue with added hatred. So, PTKS management must immediately reduce this issue by taking quick steps to provide a clear explanation.

The steps taken by PTKS, namely employing several outsourced employees, for example, cleaning workers in the company environment, are managed by the only Affairsomeivision. These workers are placed in locations that still need cleaning workers. This way, outsourced employees can be distributed, and the environment is neatly maintained. Based on information from Handim informants, they were re-employed after going through quite strict consideration and selection, considering the large number of outsourced workers who volunteered individually as daily freelance workers who work independently from any vendor and are automatically no longer tied to the Krakatau Steelworkers union (SBKS).

Socialization regarding restructuring is continuously carried out, such as hearings and meetings with Cilegon city business associations. The Board of Directors regularly holds hearings with the heads of profitable subsidiaries, then continues with hearings with the company's outsourcing supplier. There are six labor supply vendors, and many people are affected by the termination of employment contracts. This step is significant because the circulating issues are extraordinary, so at that time, it was not easy, and you had to be careful in making decisions. The main principle carried out by the PTKS Directors at that time was to resolve internally, namely related to employee legal contract issues outsourcing, which contains the contract period and field of work. The meeting agenda discussed the possibility of changing work contracts to be adjusted to new policies related to restructuring.

Meanwhile, a meeting with a profitable subsidiary discussed the possibility of accepting several employees outsourcing affected by work termination, so PTKS provides a solution for employee outsourcing. As stated by Agus Sutan Kaharudin, "At that time, the situation was still volatile, so there was a need to distribute permanent employees to several subsidiaries so that it could show that PTKS cared about the impact of restructuring by providing the best solution first, namely by distributing work to subsidiaries." This step is to attract their sympathy and change their opinion on PTKS.

As stated by Tantra, General Manager Corporate Secretary PTKS, The role of Corporate Communication as a communication medium and information bridge during the PTKS restructuring and transformation period is essential. Internally, management programs must be able to be implemented and implemented by all levels of employees. Meanwhile, good information must be communicated externally to all parties to avoid misperceptions.

PTKS management also conveyed the actual condition of PTKS, that restructuring was carried out to balance its capabilities owned by PTKS at that time, so it was not an arbitrary action but an effort so that the company could continue to operate and survive to save thousands of other employees. It was also conveyed to outsourcing employees and the public that restructuring must continue. When the company is stable again, it will re-evaluate whether it can attract employees outsourcing who have been dismissed. This statement can provide hope and reduce the negative issues surrounding PTKS restructuring. Seno Wahyurinarso's statement strengthens this step: "PTKS is national and industrial asset strategies that need to be saved."

The Agency Dimension of Adaptive Structuration Theory. The restructuring actions or steps PTKS took were a program carried out in 2019. Decided to carry out a financial restructuring with a Restructuring Credit Agreement amounting to USD 2.3 billion because the short-term debt that was due was huge and exceeded PTKS' operational capabilities. One of the requirements for restructuring its debt is to carry out a transformation program, where PTKS makes efforts to improve



operational performance, carry out business and cultural transformation, and improve organizational governance by establishing a holding. PTKS General Manager Corporate Secretary Tantra Maulana stated: "In carrying out this transformation, of course, communication is one of the keys so that the entire program runs well and gets support from all stakeholders (Interview, 20 November 2023).

The delivery of information regarding restructuring is only conveyed by the President Director of PTKS. According to Alfauzi Salam, who once served as PTKS's public relations manager, what the President Director did in conveying information to the public was the right step. At that time, the President Director should only convey information about restructuring because it is a sensitive issue. Information should be released from one door only, namely from the Main Director of PTKS, so that it is hoped that there will be no information bias; besides, it also has high news value.

Meanwhile, according to Agus Sutan Kaharudin, former Manager of Corporate Communication (Corcom) PT Krakatau Steel, Tbk for the period (01.08.2018-30-07.2019) when the restructuring program was implemented, stated that: "The restructuring program had been launched 5 to 6 years earlier. Information has circulated in the community regarding the basis for the KS restructuring program. "At the time of replacing the previous board of directors, he was tasked with completing the BUMN to continue leadership at PTKS, where conditions at that time were very worrying." It means that in terms of business development, PTKS has experienced consecutive losses for almost eight years. Shareholders feel this condition is a heavy burden, and changes must be made. Therefore, the new board of directors, led by Mr. Sylmi Karim, was assigned to look at the entire PTKS business and restructure it in various fields to save PTKS so that it can return to existence and contribute to the country.

From a financial perspective, restructuring steps were taken to reschedule debt payments in national banking. Financial restructuring is the main program. Then, it cannot be separated from this; it also concerns the business restructuring program because PTKS manages many businesses, and then we look at which businesses are still efficient and can generate profits that can be saved or businesses that are no longer relevant to the current condition of KS. Furthermore, apart from business and financial restructuring, namely HR and organizational restructuring, it involved a lot of human resources at that time, especially employee outsourcing. Seno Wahyurinarso added, "Since the change in PTKS leadership occurred, the restructuring program is still ongoing, starting with the main thing, namely organizational restructuring related to Human Resources (HR) and financial restructuring.

It was detected that many jobs that should have been done by permanent (organic) employees were done by outsourced employees, so this gap was ultimately used as the basis for restructuring, as well as the financial burden that the company had to incur in paying salaries for outsourced employees. Permanent employees should do the work.

Dimensions of Reflexivity in Adaptive Structuration Theory. Agus Sutan Kaharudin explained that for this program, PTKS created Taskforce, a work team involving all related units led by relevant directors, to monitor the restructuring program selectively because this program is considered very sensitive. Every movement and issue that arises will go directly to the Board of Directors and be immediately processed to find a solution. Because this program concerns issues within and external to the company, it will surely be an easy target for the media.

Taskforce carries out one communication: information only comes out of one door. So, this entire program is delivered when communicating with external parties. Information is conveyed directly by the President Director, but if it is deemed light enough, it is conveyed by the Corporate Secretary, then Corporate Communication. In this way, communication does not stop because if while this program is being implemented, communication stops, the risk will be more dangerous.



There may be rumors, and so on, there will be unrest internally and in the environment. In this case, PTKS management continues to monitor the process so that it continues and then evaluates the restructuring program.

According to Seno Wahyurinarso, program monitoring uses KPM (critical performance measurement) and KPI (key performance indicator). Moreover, there is a unique monitoring team, namely the task force, and a monitoring room at Wisma Baja, equipped with communication media, such as television and monitor screens. You can find all the company's activities in this room: production, business, and financial. So, the Directors were also accompanied by Mc consultants in the Monitoring Room. Kenzie could easily find out the company's condition at that time.

Dimensions of Discursive Awareness in Adaptive Structuration Theory. In this regard, Agus Sutan Kaharudin stated that technically, the Board of Directors conveys policies or information that needs to be known to employees at a meeting in each directorate, based on position level, accompanied by an explanation of the steps taken. Then, it is also carried out through internal media such as printed PTKS Bulletins and online media, apart from that via SSO (single sign-on). Seno Wahyurinarso said he did not know because this is related to human resources.

From a business process perspective, meetings between PTKS and vendors and outsourced employees should involve the KS Labor Union (SBKS), but only in solidarity, in the sense of not being directly involved. So, when demonstrations occurred at that time, SBKS could become a communication bridge (communication bridge) between protesting outsourcing employees and PTKS management. At the meeting, PTKS Management conveyed the reasons or considerations regarding carrying out a restructuring program, where, for eight consecutive years, PTKS experienced losses, and the company was in an unhealthy condition. Ultimately, the meeting resulted in vendors and outsourcing employees understanding the company's conditions.

Dimensions of Practical Awareness in Adaptive Structuration Theory. According to Agus Sutan Kaharudin, good communication and socialization occurred at the beginning of the restructuring process. This socialization was extraordinary then because dissatisfied parties could automatically write or complain anywhere to the DPR, the Mayor, and the media. Therefore, PTKS also does the same thing: conducting outreach to related environments and stakeholders by explaining the restructuring program to regional governments, especially the central government, to the Ministry of BUMN, the central DPR. However, there was more excitement in this area because they went straight to the location. Hence, PTKS management also visited the Cilegon City Government, Cilegon City DPRD, and business associations.

Seno Wahyurinarso said that in the dynamics of a company in a restructuring program, some refuse. However, ultimately, it is left to their superiors to find the best solution without reducing the take-home pay accepted at that time. Dynamics in organizations exist, but whether they like it or not, they have to participate. Only later will it be returned to their superiors, who can guide them and provide wise explanations to their subordinates, so their superiors do the talking.

Agus Sutan Kaharudin says, "The goal has been achieved. It is proven by PTKS performers, which means there are objective program targets that must be carried out, including how to objectively address financial, business, and human resource issues, including indicators regarding demonstrations, legal issues, and so on, where all are running smoothly, so far it has been successful. Initially, the Vendor wanted a contract model that could be extended for the same amount, but in the end, it was explained that the SIUP (company business license) has changed and is no longer used by PTKS. Seno Wahyurinarso reinforced it; however, after PTKS management carried out communication, providing an understanding of the situation and also regarding the losses experienced by the company and its business processes, which continued to suffer losses, in the end, the party Vendors can understand the condition of Krakatau Steel. On the practical side, the



objectives of the restructuring program have been achieved, there is progress, and the stated goals have been achieved.

## **CONCLUSION**

Role Corporate Communication PTKS is essential as a communication medium and an information bridge during the PTKS restructuring and transformation period. Internally, management programs must be able to be implemented and implemented by all levels of employees. Meanwhile, good information must be communicated externally to all parties so that everything runs smoothly and everyone understands the information conveyed.

In crisis communication management in cases of employee layoffs, outsourcing is an effort by Corporate Communication to make a positive contribution, even though it has to fight hard within the company aimed at employees, not to convey or inform about the restructuring program being carried out to the media or the public. It also means following the directions or instructions conveyed by the Managing Director of PT Krakatau Steel, Tbk (PTKS) Sylmi Karim, by communicating and publishing to the media only through a release that the Main Director of PTKS already approves. Meanwhile, communication with the public, especially with the media, is carried out only by the principal director of PTKS. It is done so that all restructuring programs, including restructuring in the organizational and HR fields, are particularly relevant, outsourcing no mess and according to plan, and this move worked. In this case, PTKS management succeeded in restructuring with revolutionary or radical actions, which at that time were necessary to save the company so that it could survive and exist.

#### **REFERENCES**

- Aziz, N. I. (2023). Crisis Management Analysis, PT Garuda Indonesia Case Study, Islamic Communication and Broadcasting, Faculty of Da'wah and Communication Walisongo State Islamic University Semarang.
- DeSanctis, G., & Poole, M. S. (1994). Capturing the Complexity in Advanced Technology Use: Adaptive Structuration Theory. *Organization Science*, 5(2), 121–147. <a href="https://doi.org/10.1287/orsc.5.2.121">https://doi.org/10.1287/orsc.5.2.121</a>
- Fauzi, F. (2020). Implementasi Manajemen Komunikasi dalam Organisasi. *JIMMA-Jurnal Ilmiah Manajemen Muhammadiyah Aceh, Vo.10* No2, 2020. Aceh: Faculty of Economics University of Muhammadiyah Aceh. <a href="https://doi.org/10.37598/jimma.v10i2.896">https://doi.org/10.37598/jimma.v10i2.896</a>
- Griffin, E. M. (2006). A First Look at Communication Theory. Sixth Edition. Printed Singapore. McGraw Hill.
- Irwin, G. (1994). *The Prehistoric Exploration and Colonisation of the Pacific*. Cambridge University Press. Littlejohn, S. W., Foss, K. A. (2009). *Communication Theory*. 9th Edition. Jakarta. Salemba Humanika Publishers.
- Littlejohn, S. W., Foss, K. A., Oetzel, J. G. (2017). Theories of Human Communication. Eleventh Edition. Waveland Press. Inc USA.
- Miller, K. (2005). Organizational Communication: Approaches and Processes. USA, Thomson/Wadsworth.
- Nina, C., & Handoko, W. (2007). Study of the Perceptions and Crisis Communication Strategy of PT Newmont Minahasa Raya in the Buyat Bay Pollution Case. Doctoral Dissertation at the Postgraduate University of Indonesia.
- Soedarsono, D. K. (2009). Sistem Manajemen Komunikasi: Teori, Model, dan Aplikasi. Bandung. Simbiosa Rekatama Media.





- West, R., & Turner, L. H. (2008). *Introduction to Communication Theory, Analysis and Applications*. Edition 3. Jakarta. Salemba Humanika Publishers.
- Widowati, D. (2016). Dialektika Manajemen Komunikasi di Perusahaan. An-Nidhom Journal Management Pendidikan Islam. Vo.1 No.2, Juli-Desember 2016. Serang: Islamic Education Management Department Postgraduate Program UIN Sultan Maulana Hasanudin BANTEN.
- Widowati, D. (2019). Peran Corporate Communication PT Karakatau Steel dalam Mengatasi Krisis. *Jurnal Communicare: Journal of Communication Studies, Vol.6* No.2, Juli-Desember 2019. Jakarta: LSPR. https://doi.org/10.37535/101006220196
- Wulandari, M. R., Jimad, H., & Ribhan, R. (2023). The Influence of Organizational Commitment and Training on Employee Performance at Perum Bulog Makassar with Job Satisfaction as an Intervening Variable. *International journal of environmental, sustainability, and social science, 4*(5), 1345-1351. https://doi.org/10.38142/ijesss.v4i5.780
- Zulia, M. E., M. Subur, D. (2018). Public Relations Strategy of PT. Dirgantara Indonesia in Improving the Company's Post-Crisis Image (Case Study of PT. Dirgantara Indonesia's Public Relations Strategy for the 2017/2018 Period in Improving the Company's Post-Crisis Image), Public Relations Study Program, Faculty of Communication Sciences, Bandung Islamic University.
- Zunizar, R., Ribhan, R., & Mardiana, N. (2023). The Influence of Competence and Job Satisfaction on the Performance of Employees in Indonesian Educational and Professional Development Institutions (LP3I) Through Organizational Commitment as a Mediation Variable. *International Journal of Environmental, Sustainability, and Social Science, 4*(6), 1847-1858. <a href="https://doi.org/10.38142/ijesss.v4i6.918">https://doi.org/10.38142/ijesss.v4i6.918</a>