

CHAPTER I

INTRODUCTION

1.1 Research Background

Organizational communication is the process of creating, exchanging, and interpreting messages within an organization to achieve shared goals. It plays a crucial role in shaping the interactions, decision-making processes, and overall efficiency within a company. Miller (2015) defines organizational communication as the exchange of messages within an organization through various channels and structures to achieve common goals. Effective communication not only facilitates information dissemination but also enhances employee engagement, resolves conflicts, and strengthens corporate identity. The dynamics of organizational communication are influenced by factors such as organizational structure, culture, technology, and interpersonal relationships. Therefore, a well-structured communication strategy is essential to overcoming challenges such as differing perceptions, resistance to change, and organizational complexity.

In the context of internal employees, the dynamics of organizational communication determine how effectively policies and strategies are understood and implemented. Robbins and Judge (2013) assert that the success of policy implementation is highly influenced by how communication can foster employee involvement. In this regard, active participation from employees in communication processes enhances their

sense of ownership over the policies being implemented, which can strengthen their commitment to working together to achieve organizational goals. Employees must be well-informed about corporate goals, operational changes, and strategic initiatives to ensure smooth execution. According to Kreps (2011), communication within an organization is not only about delivering messages but also about fostering a collaborative environment where employees can actively participate in discussions and decision-making processes. This is particularly relevant when organizations introduce new policies that require widespread adoption and commitment.

PT Perusahaan Gas Negara (PGN) is currently focused on achieving the Net Zero Emissions (NZE) target of 2060 which aligns with Indonesia's sustainability agenda. As a leader in the gas industry, PGN has been successfully moving beyond a traditional natural gas distributor to a comprehensive energy solutions provider. To ensure the success of its NZE initiatives, PGN must effectively communicate its policies and strategies to its employees. The general problem is how the information about the NZE policy is spread in the organization and how the workers engage with and adopt these strategic goals. The quality of the internal communication within the company concerning this issue is connected to the existence of both the formal and informal communication networks. Among the formal methods, there are official announcements, structured meetings, emails, and training acts as primary means for transmitting vital data. However, informal networks for instance, peer conversations, internal social media,

and department level collaborations might significantly support the messages and eliminate the potential misunderstandings. A key aspect of successful communication is ensuring that employees not only receive information but also understand its implications and feel motivated to contribute to the company's sustainability objectives.

Similar challenges have been observed in other corporations implementing large-scale sustainability policies. For instance, Shell and BP have been also confronted by internal communication problems in the process of applying carbon reduction policies. BP has set a goal of net-zero in 2020 but did not rule out the possibility of reaching it even by 2050. It was a backbone of the company to employ employees who doubted the reliability of the corporate responsibility of the company. Following their successful approach, BP has organized specialized training, leader engagement forums, and produced real-time digital dashboards to create a more transparent and involving environment. To the same extent, Shell announced the target to reduce carbon intensity by 2030 at the level of 15-20% in comparison with the 2016 ones, however, it was not easy to communicate this to the employees. Shell reacted to the lack of communication by arranging town hall meetings, feedback surveys, and collaboration platforms to boost the employees' grasping of sustainability initiatives. In both cases, it is clear that nexus communication is necessary for these solutions to be embraced and acted upon throughout the organization.

The success of PGN's Net Zero Emissions strategy is heavily dependent on how well the company communicates its objectives and engages employees in the process. However, achieving net zero emissions requires more than just policy formulation, it necessitates widespread understanding, acceptance, and commitment from employees at all levels of the organization. A well-structured communication strategy will enable employees to understand their roles in achieving sustainability goals, minimize resistance to change, and foster a collaborative work environment. By utilizing both the formal and the informal communication channels, PT PGN can better communicate internally its sustainability vision and objectives. These channels provide a consistent message and also give the leadership team an opportunity to set the performance goals for employees. Let us then maintain that by keeping a clear and continuous communication it will indeed lead the employees to be more committed and as a result will lead to the long term success of PGN in sustainability.

1.2 Problem Definition

The successful realisation of strategic policies is hinged on a powerful organizational communication system that is crucial for decision-making and coordination. At PT Pertamina Gas Negara (PGN), effective communication is the key to reaching the Net Zero Emissions (NZE) aim by the year 2060. PGN is experiencing a business transition from a gas supplier to a composite energy. It is necessary that the company distributes information and communication internally in order to run all the cabinets

according to the NZE goals. At this point, the company has achieved some progress in this field, but on the other hand, it has some issues to address such as the lack of employees understanding and interdepartmental misalignment. The main aim of this study is to find out the PGN's communication strategies with an accent on their efficiency in involving the employees and their overcoming challenges in communicating Net Zero Emissions policy.

1.3 Research Purposes

This research aims to:

- a. To describe the communication strategies employed by PT Perusahaan Gas Negara (PGN) in delivering the Net Zero Emissions (NZE) policy to its internal stakeholders, focusing on how these strategies influence employee understanding and support for the policy.
- b. To investigate PT Perusahaan Gas Negara (PGN) internal communication tactics and channels contribute to the successful implementation of the NZE policy, with an emphasis on fostering engagement, collaboration, and alignment among employees.

1.4 Research Objectives

1.4.1 Theoretical Objectives

This research aims to provide an in-depth understanding of the communication dynamics within PT Perusahaan Gas Negara (PGN) in relation to the Net Zero Emissions (NZE) target policy. It will explore the communication strategies employed by PGN to ensure a shared

understanding of the NZE policy among employees. The study will investigate how these strategies align employee attitudes and behavior with the successful implementation of the policy.

1.4.2 Practical Objectives

1.4.2.1 For The Researcher

This research is expected to uncover the dynamics of communication within one of Indonesia's prominent energy companies. It is hoped this study could gain a deeper understanding on how the communicational dynamics within the organization influences employee engagement and alignment with organizational goals.

1.4.2.2 For The Company

Practically, this research is designed to offer PT Perusahaan Gas Negara (PGN) valuable insights into the effectiveness of their internal communication strategies related to the NZE policy. Through pointing out the strengths and weaknesses of current communication strategy, the research aims to present a workable plan that will contribute to the PGN company to adopt a more unison NZE concept among the staff. This might also result in better alignment, more involvement, and a partnership to achieve the company's NZE targets

1.4.3 Social Objectives

The study will provide a more in-depth analysis of the communication system within large energy companies with a focus on the goals of the climate. It will close the gap between communication patterns and the

company's intelligence of the NZE targets at PGN which will enable employees to also follow the company's direction in this direction. The research also seeks to raise awareness among the public about energy companies' role in the reduction of carbon emissions and promoting the development of clean energy sources. By highlighting the benefits and challenges faced by PGN in implementing renewable energy solutions, the study will promote greater social support for clean energy policies and initiatives.

1.5 Theoretical Framework

1.5.1 Research Paradigm

In general, a paradigm is a researcher's perspective on reality (Wahyuni, 2019: 16). A paradigm or worldview is also defined as a set of beliefs that base actions (Denzin & Lincoln, 2018: 195). In this research, a paradigm that will be used is constructivism that focuses on understanding how individuals or groups create meaning and construct their reality through social interactions and experiences. through a constructivist lens, the research can explore how employees interpret and make sense of the communication they receive about NZE policies and how these interpretations impact their attitudes, behaviors, and commitment to the organization's sustainability objectives. By focusing on how individuals within PGN construct meaning from their interactions, the study can identify how communication processes either facilitate or hinder alignment with the company's overarching sustainability goals. Understanding these

dynamics is essential for developing effective communication strategies that foster collective understanding and commitment to the successful implementation of the NZE targets and any kind of further issues in the future.

1.5.2 State of the Art

1. Dinamika Komunikasi Organisasi Pada Lumicos Dalam Mencapai Tujuan Perusahaan by Megi Cahya. (2023). Universitas Atma Jaya Yogyakarta

This research is a qualitative study using a case study method, with data collection through interviews. The findings reveal that Lumicos, as a structured company, has an interaction process involving communicators, messages, media, code interpretation, recipients, and responses. Lumicos employs cross-channel communication, where the open nature of organizational communication eliminates distinctions between superiors and subordinates, allowing all employees to share information with individuals who are neither their superiors nor subordinates, thus bypassing functional lines and engaging with both those they supervise and those who supervise them. The communication dynamics at Lumicos are shaped by seven organizational communication concepts: (1) Process, where individuals create and exchange information in the form of client briefs, evaluations, or employee stories; (2) Message, which includes task briefs, job deadlines, client revisions, evaluation notes, and fieldwork

regulations, along with information on equipment usage; (3) Network, as Lumicos has an organizational structure with distinct job descriptions, including positions like director, photo editor, video editor, admin, and freelance staff; (4) Interdependence, as employees rely on each other to complete projects or tasks; (5) Relationships, ranging from employee interactions to those between Lumicos and clients; (6) Environment, which involves employees, the office and its facilities, work tools, clients, and project-specific needs; and (7) Uncertainty, which includes barriers in organizational communication processes such as misperceptions, miscommunication, deadlines, brief changes, and communication with clients.

2. Komunikasi Organisasi Antara Pimpinan Asing dan Karyawan Lokal di PT Sunwood Timber Industries by Fitri Amalina dkk. (2024). *Jurnal Ilmu Komunikasi dan Sosial*

This research aims to examine organizational communication between foreign leaders and local employees at PT Sunwood Timber Industries, utilizing a constructivist approach and qualitative research methods, particularly a descriptive case study involving observation, interviews, and document analysis to understand communication patterns and identify barriers in the interaction between these two groups. The study's findings highlight the crucial role of communication in managing cultural differences in the workplace, with effective communication being key to creating an inclusive and

productive work environment. The research provides a comprehensive overview and significant contribution to improving organizational communication within the company, offering recommendations for enhancements to enhance the effectiveness of communication between foreign leaders and local employees.

3. *Dinamika Komunikasi Pemerintahan Kabupaten Klaten dalam Implementasi Kebijakan Keterbukaan Informasi Publik* by Diah Zamrudtin. (2021). UPN Veteran Yogyakarta

With the enactment of the Public Information Disclosure Act (KIP), its implementation process has shown positive results both at the central and local levels. This research uses a case study method to understand the dynamics of communication within the Klaten Regency Government in the implementation of the Public Information Disclosure policy. Data was collected through in-depth interviews with policy implementers, observations, and various documents. The findings show that there are actors, both internal and external to the government, each with their respective roles. In providing information, a rapid information pattern has emerged, resembling a wheel or circular model. Karl Weick's organizational information theory is used to explain how the Klaten Regency Government receives information in the face of KIP ranking issues and information disputes. There are weaknesses in the information management process between public bodies, as well as challenges such as work pressure and communication

barriers. Several recommendations are formulated, including aspects related to knowledge, human resources capacity, and the need for research.

4. Dinamika Komunikasi Korporasi dalam Meningkatkan Keterlibatan Karyawan Generasi Z by Rian Fikri dkk. (2024). Universitas Bina Bangsa

This study underscores the significance of strategic planning in attaining the Net Zero Emissions (NZE) objective by 2060 through the utilization of Biomass Co-firing technology. Employing a qualitative descriptive analytical approach, the research centres on the imperative of cross-sector collaboration essential for NZE attainment, particularly highlighting social and economic dimensions with a focus on stakeholder engagement, notably local communities. The study engages with various informants, including corporate leaders, support staff, and community representatives, to comprehensively understand the dynamics involved. The strategic approach aims to curtail biomass waste by 1% of the total environmental waste and reduce boiler emissions by 10-15%. Additionally, it recognizes the positive social and economic ramifications of such planning, such as bolstering income for biomass suppliers engaged in Cofiring. Nonetheless, the research underscores the challenges in organizational management the necessitate mitigation. Consequently, it advocates for a heightened commitment from entities like PT. PLN Energi Primer Indonesia to

foster robust community relations, thereby advancing the vision of sustainability and shared prosperity. This study furnishes crucial insights for stakeholders committed to NZE achievement while acknowledging the pivotal role of social and economic considerations in the process.

5. Organizational Communication Dynamics in the Process of Integrated Information System in Muhammadiyah Healthcare Charity Venture by Wuri Rahmawati, Erwin Rasyid. (2020). Universitas Muhammadiyah Yogyakarta

As a progressing Islamic movement and one of the most prominent Islamic organizations, Muhammadiyah does not only focus on the religious field but also charity ventures in the fields of education, social, and health. Muhammadiyah's potential in developing its charity venture in the health sector is enormous. This study aims to analyze the dynamics of organizational communication in the process of coordinating the integration of the Muhammadiyah health information system. This qualitative research used a case study approach and in-depth interviews, observation, and archival documents, as the data collection technique. This research showed that the integration of health information systems in Muhammadiyah is challenging to realize due to the high potential of the sectoral ego in the process of managing the Muhammadiyah Healthcare Charity Venture (AUMKES). Supervising Council of General Wellbeing (MPKU) as an assembly responsible for

planning, organizing, coordinating, and supervising the management of the health sector in Muhammadiyah needs to strengthen its capacity, especially in the area of organizational communication management. This is because MPKU PPM has not had enough power and legitimacy in uniting the perceptions of each RSMA manager.

1.5.3 Organizational Communication Theory (W. Charles Redding, 1972)

The theory formulated by W. Charles Redding in 1972 that concerns organizational improvement is one of the basic concepts for studying the role of communication within organizations. Communication tends to be the basic element that causes the structure, functions, and overall success of the organization through which it is used as a transmitting medium for sharing information and as a means of uniting individuals and motivating the people of an organization to collaborate. It stresses the importance of transparency, feedback, and flexibility in the flow of communication so that the information is properly transmitted and there is a smooth communication process between all levels of the organization, both horizontally and vertically. This theory describes communication functions as sharing of information, persuasion, command, integration, and innovation, offering an organized scheme to identify and develop communication dynamics within organizations. Thus, the framework would help in the situation where there are challenges in communication in an organization and when there is a need for the development of strategies that will enable an organization to operate effectively.

Empirical studies that have used Redding's framework to assess communication effectiveness. Chen and Tjosvold (2006) identified the fact that open communication was the main determinant for teamwork and the growth of the corporation in multinational corporations worldwide. Tourish and Robson (2006) pointed out feedback mechanisms were effective in reducing resistance to change, while Goodman and Truss (2004) showed the importance of interactive communication in employee commitment to sustainability policies. These studies depict the ways in which Redding's model can be effectively utilized to evaluate and enhance organizational communication strategies in various contexts. This research will also apply Redding's theory to analyze PT Perusahaan Gas Negara's (PGN) internal communication dynamics in disseminating its Net Zero Emissions (NZE) policy. It examines PGN's corporate communication strategies, focusing on information sharing, feedback mechanisms, and employee engagement.

1.5.4 The Communication Network Theory (Katz and Lazarsfeld, 1955)

Communication network theory offers a complete framework for understanding how information flows, within the formal and informal communication structures, in an organization. According to the Monge and Contractor (2003) *Theories of Communication Networks*, the communication networks are various relationships and connections between individuals or groups that affect the way in which information is transmitted, received, and interpreted by people. The communication networks have a direct effect on the communication efficiency,

collaboration dynamics, and the decision-making process of the organization. The theory focuses on the network structures as the ones that define the pathways of communication, speed of interaction as well as the levels of connectivity that in turn determine flexibility and organizational effectiveness. By examining these communication networks, the theory highlights power dynamics, key influencers, and potential barriers to effective information flow, making it a valuable tool for assessing and enhancing internal communication strategies.

There have been many studies that have used this theory as a means to analyze the communication effectiveness within the organizations. For instance, a study by Cross et al. (2002) on knowledge-sharing networks in multinational corporations has revealed that informal networks have been instrumental in the dissemination of the main information and fostering interdepartmental coordination. Additionally, the study by Stephenson and Zelen (1989) also demonstrated that strong internal communication networks can boost employee engagement and organizational commitment, particularly during strategic transitions such as mergers or policy shifts. This study has adopted communication network theory to examine the internal communication dynamics that PT Perusahaan Gas Negara (PGN) uses to spread its Net Zero Emissions (NZE) policy to its employees. The research, therefore, aims at conducting a thorough analysis of PGN's formal and informal communication networks, hence, trying to find the key

influencers, information bottlenecks, and levels of employee engagement surrounding sustainability initiatives.

1.6 Research Argument

Achieving the Net Zero Emissions goal at PT Perusahaan Gas Negara (PGN) is largely dependent on efficient organizational communication dynamics. The exchange of information, feedback systems, and interactions within both formal and informal networks influence employee alignment and teamwork toward NZE objectives. This research contends that the interaction between organized communication strategies and flexible communication networks will influence the efficacy of PGN's internal communication concerning its NZE policy. If PGN's communication approach effectively combines transparency, feedback mechanisms, and an organized network, it is expected to improve employee engagement, support policy implementation, and bolster the organization's dedication to sustainability. On the other hand, communication gaps may lead to misalignment, opposition, and disengagement with the NZE policy. This study seeks to offer practical insights into enhancing PGN's corporate communication approaches to aid its sustainability goals by exploring these elements.

1.7 Operational Concept

Organizational Communication Theory (Redding, 1972) includes recognizing essential communication components that influence an organization's structure, operations, and achievements while promoting

integration, cooperation, and behavioral impact. This encompasses evaluating formal and informal networks, feedback systems, and the exchange of information. Katz and Lazarsfeld's Communication Network Theory centers on examining information flow, network configurations, and significant influencers in communication processes. Integrating these viewpoints allows research to assess the effectiveness of internal communication, pinpoint obstacles, and evaluate the influence of connectivity on decision-making and employee involvement. Here are several steps for putting the concept into practice within the research context:

1. **Communication Structure:** Identifying how formal and informal communication structures function within the organization. The focus is on the vertical (top-down) and horizontal (across departments or employees) communication flow and how these channels support effective information exchange.
 - a. **Formal Communication Network:** To examine how information is transmitted through official channels (e.g., reports, meetings, emails) and whether these formal pathways are effective in ensuring clarity and alignment across the organization.
 - b. **Informal Communication Network:** To explore how information circulates informally, such as through word-of-mouth or social interactions. This helps to understand how employees share

information outside of official structures and its role in decision-making and collaboration

2. Communication Functions: Measuring various communication functions within the organization, such as:
 - a. Persuasion: Communication efforts to influence employee attitudes and behaviors towards organizational policies.
 - b. Integration: How communication helps employees collaborate and work together towards organizational goals.
 - c. Command: The use of communication to give instructions or guidance in achieving organizational goals.
 - d. Network Connectivity and Interaction: To assess how well different individuals or teams are connected within the organization. This involves understanding how frequent interactions are and how connectivity influences information exchange, collaboration, and problem-solving.
3. Barrier to Communication Flow: Identify the obstacles (such as hierarchical issues, cultural differences, or lack of resources) that hinder the efficient movement of information within the organization
4. Feedback and Evaluation: Assessing how feedback systems are implemented in organizational communication, such as through employee surveys or direct feedback sessions, to ensure that messages are received and understood.

5. **Communication Flexibility:** Measuring how well the organization adapts its communication strategies to changing needs, especially in the face of new challenges such as the transition to renewable energy or the implementation of the NZE policy.

1.8 Research Method

1.8.1 Research Type

This type of research is qualitative descriptive research involving data collection approaches such as case studies and interviews. This qualitative study involves considerable efforts like posing questions and following procedures, gathering specific data, analyzing data inductively starting with general themes, and interpreting the importance of the results. This research approach starts by observing and examining the subject of the phenomenon under study while also considering the subjective elements of the object's actions. Researchers subsequently seek out information that is significant or provides meaning to the phenomenon under investigation. The core of this method lies in the experiences and interpretations of the research subject concerning specific events, which are subsequently analyzed by the researcher. The final report for this research has a flexible structure or framework (Creswell, 2010). A qualitative approach was chosen because in this research the researcher wanted to conduct an in-depth study of social phenomena in society which are complex, dynamic and cannot be measured using numbers alone.

1.8.2 Research Subject

This study will involve two types of subjects to provide a comprehensive overview of the communication dynamics within the organization. The first type would be the representative from corporate communication division at PT Perusahaan Gas Negara (PGN) who is responsible for designing and implementing communication strategies related to the Net Zero Emissions (NZE) policy. Through interviews with this representative, the research aims to identify the strategic steps employed in delivering the policy, including the selection of communication channels, the conveyed messages, and the evaluation of communication effectiveness. The second type would be several of PGN employees who are the recipients of the NZE policy information. Data collection from employees seeks to understand how the messages are received, understood, and interpreted at various organizational levels.

1.8.3 Sources of Data

a. Primary Data

This primary data will be directly obtained from original sources through interviews with two key groups at PT Perusahaan Gas Negara (PGN). The first group is the Corporate Communication team, responsible for designing and implementing strategies related to the Net Zero Emissions (NZE) policy. The second group consists of PGN employees, who will provide insights into how the NZE policy messages are received and interpreted across organizational levels.

b. Secondary Data

This research uses secondary data obtained from observations and documentation from the company that related to the research topic. Also, books, journals, articles and other credible references relevant to the research topic.

1.8.4 Data Collection Technique

This research uses data collection techniques based on primary and secondary data:

a. Interview

An interview is a meeting between two persons to exchange information, data, and ideas through questions and responses to add meaning to a specific issue. Researchers collect data by conducting in-depth interviews with research participants to obtain as much information as possible from the research subject.

b. Documentation and Observation

Documentation is a record of past events. Documentation and observation can be in the form of writing, images, or reports regarding related issues.

1.8.5 Data Analysis and Interpretation

Due to the large amount of data, the process of analyzing and interpreting data in qualitative research requires a data grouping process. This research will use thematic analysis which is defined as a qualitative research method used to identify, analyze, and interpret patterns or themes

within collected data (Braun & Clarke, 2006). This approach helps researchers make sense of large amounts of qualitative information by systematically organizing and describing key insights. Thematic analysis involves several stages, including familiarizing oneself with the data, generating initial codes, searching for themes, reviewing and defining themes, and producing a final report. This method offers flexibility, allowing researchers to analyze data inductively (emerging from the data) or deductively (based on predefined concepts), making it suitable for various research contexts. There are approximately stages of analysis and interpretation of this thematic analysis, namely:

1. Understanding data as the initial step in thematic analysis, where researchers immerse themselves in the collected information. This involves repeatedly reading transcripts, listening to recordings, or reviewing videos to uncover deeper meanings and ensure accurate interpretation.
2. Coding, which involves labeling relevant data segments based on the research objectives.
3. Identifying themes or patterns within the coded data to develop meaningful themes. Rather than simply uncovering hidden themes, this process involves interpreting and shaping data like an artist sculpting a raw stone into a structured and coherent form.
4. Finally, the researcher will carry out an interpretation process regarding what is obtained from the research, both from the researcher's meaning

and literature study (Creswell, 2014: 318-325). This process will produce a synthesis of the meaning and essence of the research subject's experience (Moustakas, 1994: 103)

1.8.6 Data Quality

The quality of data in a study can be seen through validity and reliability tests. Findings in qualitative research are called valid if there is no difference between what is conveyed by the researcher and what happens to the research subjects. However, it is also necessary to ensure that reality in qualitative research is plural and dynamic. Data quality checks in qualitative research include:

1. Credibility Test

Some strategies for testing the dependability or trustworthiness of qualitative research data include extending observations, increasing perseverance in research, triangulation, talks with colleagues, negative case analysis, and member verification.

2. Transferability Test

In this case, the researcher creates a report with a detailed, clear, and systematic description so that it can be understood by others when conducting qualitative research. All of this is done in order to produce findings that readers can understand about the results of qualitative research. In qualitative research, transferability represents external

validity. External validity assesses the degree of correctness or relevance of research findings to the population and sample used. Transfer value refers to the extent to which research findings can be transferred or used in different contexts.

3. Dependability Test

The dependability test aims to ensure that the author gets research results in the field and can be accountable for all research data in the field. Dependability testing in qualitative research involves reviewing the entire research process, beginning with problem selection and ending with study results.

4. Confirmability Test

In this phase, the researcher tests the research results in a series of steps, beginning with the research process and ending with field research outcomes. Confirmability refers to the testing of study results in relation to the process used. If the research outcomes are a function of the research process used, then the study met confirmability norms.