

Influencing Factors of The Internalization of AKHLAK Culture at PT Telekomunikasi Selular

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Abstract

Organizational culture has a very important role for the company. PT Telekomunikasi Selular makes AKHLAK (Amanah, Competent, Harmonious, Loyal, Adaptive, Collaborative) from the Ministry of State-Owned Enterprises (BUMN) as an organizational culture. This AKHLAK culture certainly requires an internalization process so that it can be understood by all members of the organization.

This study aims to analyze the factors that influence the internalization of AKHLAK culture in PT Telekomunikasi Selular. The aspects studied include working groups, leadership styles, organizational characteristics, and information and their influence on the internalization of AKHLAK culture at PT Telekomunikasi Selular. The internalization of this AKHLAK culture is examined by looking at aspects of mission and strategy, leadership and management effectiveness, business and organizational intervention performance, and change readiness.

The phenomenon in this study was analyzed using descriptive analysis methods and using *Structural Equation Modeling (SEM)* based on *Partial Least Square (PLS)*. The collection of research data was carried out through survey methods by distributing questionnaires to 272 research samples from a total population of 760 people. The sampling technique of this study is probability sampling with a cluster sampling model.

The working group aspect includes commitment and behavior, while the leadership style aspect includes dictatorial, militarist, paternalistic, laissez faire, and democratic. For aspects of organizational characteristics consist of work areas and organizational structures, and information aspects include communication channels and communication lines.

The results showed that working groups, leadership styles, organizational characteristics, and information had a positive effect on the internalization of AKHLAK culture at PT Telekomunikasi Selular with the largest influence factor in terms of information. This result is expected to be used by PT Telekomunikasi Selular to improve the internalization of AKHLAK culture as an organizational culture.

Keywords: organizational culture, AKHLAK, SOEs, structural equation modelling (SEM), partial least square (PLS), cellular telecommunications, working groups, leadership styles, organizational characteristics, information, internalization.

1. Introduction

Dominating market share, quality products, good service systems, or high technology are the result of the concept, way of thinking, planning, and execution of a group of talented individuals. Competition that seems to occur at the market level actually occurs at the consumer level, where there are different perceptions of consumers towards products and services. That perception is what companies try to seize through their human capabilities in determining the quality of processes, the quality of products and services, and shaping consumer perceptions and even determining market *share*.

Talent management to achieve company targets is certainly the main thing in winning business competition. Managing the best people in the company is the key to winning the competition in the future. The real battle between one organization and another does not lie in products, processes, and technology. The real battle is over the quality of talent between one organization and another.

In producing the right talent to support the company's business, talent management is needed in such a way. Talent management is more than just hiring, succession planning, training, and putting people in the right jobs at the right time as well. Talent management is a very important strategy.

The Ministry of State-Owned Enterprises (BUMN) in managing its talents officially has organizational cultural values called AKHLAK. AKHLAK is a cultural value applied by the Ministry of SOEs to talents in serving the country. AKHLAK itself stands for Amanah, Competent, Harmonious, Loyal, Adaptive, and Collaborative. Each value has its own elaboration for the implementation of the code of ethics and code of conduct that will be applied in the Ministry of SOEs and companies under the auspices of this ministry.

Theoretically, organizational culture is defined or synonymous with corporate culture. If it is called corporate culture, it also means the culture that applies in the organization carrying out company activities. The terms organizational culture and the term corporate culture can interchange. Organizational culture can be defined as a set of values *system, beliefs, assumptions*, or norms that have long been valid, agreed upon and followed by members of an organization as a code of conduct and solution to organizational problems. In organizational culture, there is a socialization of values and internalization in the members, animating each person in the organization. In other words, organizational culture is the soul of the organization and the soul of the members of the organization.

Amanah which is the first value of AKHLAK means upholding the trust given. Then Competent means the willingness to continue to learn and develop capabilities. The next value, namely Harmonious, means caring for each other and respecting differences. While loyal means dedicated and prioritizes the interests of the nation and state above all else. Adaptive which is the fifth value means continuing to innovate and enthusiastic in driving or facing change, and collaborative means building synergistic cooperation.

In depth, Amanah has a code of conduct consisting of several things such as; fulfill promises and commitments, take responsibility for tasks, decisions and actions performed, adhere to moral and ethical values. As for Competent, it can also be seen some of the behavioral guidelines, including; Improve self-competence to respond to ever-changing challenges, help others learn, and complete tasks and top qualities.

For Harmonious values, the code of conduct set is to respect everyone regardless of background, like to help others, and build a conducive work environment. Furthermore, the value of Loyal has a code of conduct consisting of maintaining the good name of fellow employees, leaders, SOEs, and the state, being willing to sacrifice to achieve greater goals, obeying the leadership as long as it does not conflict with law and ethics.

Adaptive Values that are still part of AKHLAK also have several behavioral guidelines, including quickly adjusting to be better, continuously making improvements following technological developments, and acting proactively. Finally, Collaborative values are guided by behavior in providing opportunities for various parties to contribute, be open in working together to generate added value, and drive the use of various resources for common goals.

As said earlier, AKHLAK is applied by the Ministry of SOEs to companies under the ministry, including its subsidiaries. Telkomsel is one of Telkom Group's subsidiaries. As a subsidiary of SOEs,

Telkomsel certainly applies AKHLAK in its business activities both internally and externally. This is proven by the value of corporate culture called 'Living ACTION Thru AKHLAK'.

To implement AKHLAK through ACTION cultural values (*Agility, Customer Centric, Innovation, Open Mindset, Networking*), Telkomsel formed a team of *agents of change*. This team will shake up the AKHLAK culture in the company according to the data analysis carried out every year. This analysis is the basis for the change agent team to produce a program for implementing AKHLAK in Telkomsel's work environment which is grouped per directorate.

In collecting data on the effectiveness and success of the AKHLAK organizational culture development program, there are six areas analyzed, including positive energy index (analysis of the positive level of energy index that supports employee productivity in achieving set targets), values *internalization* index (analysis of the level of implementation of organizational values perceived by employees in daily work behavior), *balanced index* (cultural health index based on the distribution of values in 6 areas of awareness in the current organizational culture), personal-organization alignment index (analysis of the level of association of employee feelings with the current organizational work culture), organization *current-desired alignment* index (analysis of the level of trust that exists in employees towards the future business direction of the organization), and *total corporate culture health index* (The overall health level of organizational culture is based on a combined analysis of all five indices).

Based on the data, the analysis results show that the value internalization index is still in an unhealthy position. Researchers have also conducted interviews with a team of *agents of change* that the biggest challenge in shaking the AKHLAK culture is when internalizing this culture into each employee. From the data obtained and associated with previous theories and research literature regarding the factors that influence the internalization of organizational culture, the researcher wants to conduct deeper research on the issues that affect it. Therefore, according to the background and data submitted, researchers will conduct a study entitled "*Influencing Factors of The Internalization of AKHLAK Culture at PT Telekomunikasi Selular*"

2. Literature Review

2.1 Organizational Culture

Organizational culture is defined or synonymous with corporate culture. If it is called corporate culture, it also means the culture that applies in the organization carrying out company activities. The terms organizational culture and the term corporate culture can interchange. Organizational culture can be defined as a set of values system, *beliefs, assumptions*, or norms that have long been valid, agreed upon and followed by members of an organization as a code of conduct and solution to organizational problems. In organizational culture, there is socialization of values and internalization in members, animating people in the organization (Darodjat, 2015: 236).

Based on the explanation above, organizational culture is actually a force of the organization that is invisible but can move the people in it to produce or do something. Organizational culture becomes the basic philosophy of the organization that contains beliefs, norms, and shared values that become the core characteristics of how to do things in the organization. All processes carried out by members must be based on organizational culture because they contain values and norms that have been agreed upon as a guide to behavior.

2.2 Internalization of Organizational Culture

The process of internalizing values and culture usually begins with the delivery of information, namely introducing someone to the internalized values (Hakam and Nurdin, 2016: 7). The internalization process in research conducted by Abhima Yusuf (2020) occurs when the values and behaviors that exist in the

organization become a reference for members and become a system in the organization. Some aspects of internalization according to Ritchie in the same journal consist of accurate perceptions of expected behavior parameters, simple organizational schemes, and rewards from organizational culture run.

2.3 Internaliasais Indicators of Organizational Culture

Referring to the research journal Tintami et al. (2012), according to Jerome Want there are ten indicators for the internalization of organizational culture that can also be used to measure the internalization of organizational culture towards its members. The ten indicators include mission and strategy, leadership and management effectiveness, communication, organizational design and structure, organizational behavior, knowledge and competence, business and organizational intervention, innovation and risk-taking, performance, change readiness.

2.4 Factors Influencing the Internalization of Organizational Culture

Several factors influence the internalization of organizational culture according to expert Ritchie in the journal Yusuf (2020), namely working groups, leadership styles, organizational characteristics, administrative processes. In addition, the journal Noor (2011) states other factors that influence the internalization of organizational culture, including information, behavior, hierarchy, leadership, team or group.

2.5 Working Group

The characteristics of the work group will shape employee perceptions and motivations which are then manifested through the behavior of the organization's employees. The indicators that make up this work group consist of employee commitment, morale, work intensity, and *friendliness*. Indicators to measure commitment include commitment to implementing organizational culture and perceptions of the importance of implementing that culture. Meanwhile, the cultivation of morals and positive values regarding organizational culture is also a measure in the working group. Indicators of work intensity and hospitality encourage members of the organization to learn and communicate the organizational culture to the work group.

2.6 Leadership Style

Leadership style is a style that is formed from the way the leader solves organizational problems and the way the leader makes every decision that concerns the interests of the organization. This leadership style is divided based on several indicators, namely individualism, emphasis on output, *consideration*, and trust. This leadership style will also affect the communication of leaders with members of the organization during the process of internalizing corporate culture.

2.7 Organizational Characteristics

Organizational characteristics are inherent characteristics of the organization which are determined by the size of the scope or area of work of the organization, the complexity of the tasks carried out in the organization, and the structure that applies in the organization. Indicators for work areas are seen from the distance of organizational members to information sources that affect organizational communication patterns. For indicators of task complexity can be measured from the linkage of tasks with the value of the instilled organizational culture. While the organizational structure model affects the delivery of information to its members.

2.8 Information

Information in this case includes information technology along with all systems or communication lines (superior to subordinate or vice versa) used by the organization. In internalizing organizational culture, complete or comprehensive information is needed for all members of the organization so that the process can run quickly and precisely in accordance with organizational goals. Information delivery channels are also very important according to Liliweri (2013: 370) because organizations must have the right communication channels so that all information can be well received by organizational members.

3. Research Methods

This research is carried out using quantitative methods because it will formulate specific problems where the research design is structured and can be clearly defined and recognized from the beginning. The purpose of this study is explanatory in testing hypotheses or answering questions related to the research subject. The research took a direct background at PT Telekomunikasi Selular with a deductive approach and survey strategy. The units of analysis of this study are individuals with minimal researcher involvement. Based on time, this study was cross-sectional with only one data collection in a given period.

The variables in this study have two types of independent variables and dependent variables. Independent variables consist of work groups, leadership style, organizational characteristics, and information. While the dependent variable consists of internalizing the AKHLAK culture at PT Telekomunikasi Selular.

The study population is all employees of the Directorate of CEO's Office at PT Telekomunikasi Selular which amounts to 760 people, spread into 18 sub-directorates. From this total population, a sample of 272 was determined using the probability sampling technique of the cluster sampling model.

The data collection of this study was carried out through questionnaires distributed to 272 respondents who were employees at PT Telekomunikasi Selular. The sources of research data consist of two, namely secondary data from the Ministry of State-Owned Enterprises of the Republic of Indonesia regarding the policy of implementing AKHLAK culture and primary data felt from respondents through questionnaire surveys.

Data analysis of this study used the Likert scale method consisting of four answer choices, namely strongly agree, agree, disagree, and strongly disagree. Furthermore, the collected data were analyzed using quantitative descriptive analysis methods with score interpretation classification. The data analysis of this study is Structural Equation Modelling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.0 software. This technique is used to test validity, reliability, structure, and hypothesis.

4. Result and Analysis

The most influential factor on the internalization of AKHLAK culture at PT Telekomunikasi Selular is the information factor (T Statistics = 3,333). This shows that the accuracy of communication channels and communication lines will increase the effectiveness of information dissemination which has a positive impact on the internalization of AKHLAK culture as an organizational culture to employees. The company's internal application as a means of disseminating information that is most in demand by employees can be maximized to provide information about AKHLAK culture.

The working group became the next most influential factor (T Statistic = 3,273) on the internalization of AKHLAK culture in PT Telekomunikasi . If every employee has a good perception and understanding of AKHLAK culture as an organizational culture, then the culture naturally spreads in the work group. When the working group has the same view on AKHLAK culture, cultural internalization is already running properly.

The next factor that influences the internalization of AKHLAK culture in PT Telekomunikasi Selular is leadership style (T Statistic = 3,152). This research notes that leaders in organizations provide freedom for

employees in implementing organizational culture, so that the responsibility of leaders to evaluate the application of AKHLAK culture in their teams is considered minimal by employees. The intensity of discussions between leaders and teams is also still low, so that it can be increased so that the implementation of AKHLAK culture can slowly increase. One-way leadership style regarding the application of AKHLAK culture can also be tried as an alternative to accelerate internalization of employees.

Organizational characteristics are the least influential factor (T Statistics = 2,681) on the internalization of AKHLAK culture at PT Telekomunikasi Selular. From this factor, work location is the main concern of employees where the closer the area is to Jakarta (head office), the faster the internalization of AKHLAK culture. From this it can be seen that the internalization of AKHLAK culture has not been evenly distributed in each PT Telekomunikasi Selular work location throughout Indonesia. However, this can be solved by the existence of change agents who based on this research are also approved by employees of their existence. Change agents located at each work site can be an extension of the head office in internalizing the AKHLAK culture as an organizational culture.

5. Closing

AKHLAK culture as an organizational culture is worthy and should be the soul of employees and become the foundation of the company's business operations. Starting from determining the mission, strategy, problem solving, preferably based on the cultural values of AKHLAK as the soul of the organization itself. This can be started from the working group as the smallest organization in PT Telekomunikasi Selular can be encouraged and instilled AKHLAK cultural values in daily work activities.

Internal applications as the most effective communication channel according to respondents can be further enhanced in function for the dissemination of AKHLAK cultural information. Organizations can present information interestingly in this application so that it attracts the attention of employees to dig deeper into the AKHLAK culture. Email as the company's official communication channel is also still considered effective by respondents so that it can still be maximized to disseminate information about AKHLAK culture.

Although it has the least influence, organizational characteristics must still be considered to increase the internalization of AKHLAK culture as an organizational culture. Equalization of internalization activities must be increased to all work areas of PT Telekomunikasi Selular, so that it is not only felt by employees who are in locations close to the Head Office of PT Telekomunikasi Selular (Jakarta).

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