

## The Role of Communication Corporate To Save the Reputation of PT. Garuda Indonesia, Tbk (BUMN Companies Restructure & BJR Implimentation)

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**ABSTRACT :** Reputation is the backbone for every company, the company's vision and mission is built to determine the direction and targets to achieve the sustainability of the company and the reputation/credibility of the business. In its journey, not everything will run smoothly, of course there will always be challenges, even failures that result in corporations having to save and evaluate and reorganize their corporate governance with restructuring so that they perform better and fulfill the company's goals according to the vision and mission. This article is to find out the Role of Corporate Communication of PT Garuda Indonesia Tbk in the Process of Saving Corporate Reputation, by implementing restructuring and implementing the Business Judgment Rule. This research method uses a qualitative approach and the type of research is descriptive. This study aims to determine the role of Corporate Communications PT. Garuda Indonesia, Tbk in Reputation Saving by Restructuring and implementing the Business Judgment Rule (BJR). Data collection method with library research and field work research by conducting direct interviews with informants. Respondents in this study were the Directors and restructuring team of PT Garuda Indonesia and stakeholders: service users, government and investors. The data analysis used is an interactive model, presenting research results showing that Corporate Communication has an important role in the process of saving the reputation of PT Garuda Indonesia Tbk as a state-owned company (State Owned Enterprise), especially through an organizational restructuring. Meanwhile the Business Judgment Rule is a strategy communication tool that is carried out to oversee the financial restructuring process at the Commercial Court.

**KEYWORDS:** *Corporate communications, reputation, restructuring, BJR*

### I. BACKGROUND

Maintaining reputation and maintaining it is the goal of every line of business formed. Reputation is so important in the business process of a corporation or organization as a form of achievement and prestige. The life and sustainability of an organization will be bland without presenting a reputation as the credibility of the business being built. Any field of business will make efforts and efforts to get maximum performance achievements to get strong recognition in the midst of the general public, because no company is built to fail and even go bankrupt. PT. Garuda Indonesia Tbk, is one of the group companies that has a solid corporate reputation at the global level. There is no doubt about the reputation of this state-owned airline as the nation's property, it already holds the title of Five Star Airline, and has even recorded the history of the airline business as the Biggest Airline in the Southern Hemisphere.

It becomes a matter of pride for every government and private company, both group and non-group, when it has a good and solid company/corporation reputation. Reputation is a real benchmark that is felt and seen by its customers. All products/brands that are launched always get proper attention and look forward to their presence.

The heyday of this oldest airline seems timeless and perfect in corporate governance. Garuda Indonesia's achievements have not always been smooth, it has experienced ups and downs many times, during the Bali bombings 1 & 2, the reform period, SARS, and rising during the 2011-2013 quantum leap era. In fact, at the beginning of 2020, in the first half of the covid attack, Garuda Indonesia began to find it difficult to take off, with so many rules in terms of someone traveling by air during the PSBB (Large-Scale Social Restrictions) implementation.

Entering the 2nd semester of the covid era during the PPKM (Implementation of Restrictions on Community Activities), it is increasingly clear that economic conditions are gradually stagnant and tend to decline. All business sectors were affected, the tourism sector and its supporters were greatly affected: hotels, airlines, restaurants, tourist centers and SMEs. Entering the 3rd semester of the covid era, Garuda Indonesia's wings have grounded to fly high and this is the toughest crisis for the nation's airline.

This condition hit all airline companies in the world. There are not a few other global airlines, which have had to give up their fleet to be reduced and returned to the lessor because of their inability to pay their obligations, such as: Thai Airline, Singapore Airline, Malaysian Airline. Garuda must face the same problem, the fleet strength from 142 aircraft to 82 aircraft, and it is possible to reduce the number again. Unproductive routes are trimmed and frequency (fleet) must be rescheduled.

The increasingly stringent covid protocol, due to the high spread, has caused Garuda Indonesia to become limp & entangled in debt obligations which are increasingly difficult to pay. It is inevitable that Garuda Indonesia will enter a critical stage: reputation in crisis. Garuda's financial condition continues to deteriorate, even operationally it has entered the category of bankruptcy.

A financial rescue plan (RPK) was announced immediately, the restructuring process began with a financial restructuring related to the postponement of debt payment obligations to creditors. Then proceed with a comprehensive restructuring. Confusion of news & information that Garuda will go bankrupt, bankrupt like a snowball without direction in the wider community. Internal anxiety, in this case employees began to emerge, not even a few who tried to provide relative assumptions.

At this stage it was decided to accelerate debt restructuring through court proceedings (PKPU) in order to save the nation's assets which had been established since 1949. The strength of internal & external communication of a corporation played by public relations plays a very important role in smoothing all stages of restructuring. The implementation of restructuring as a BUMN company (State Owned Enterprise), is stated in Law number 19 of 2003 concerning BUMN (article 1 paragraph 11), restructuring is an effort made in the context of restructuring BUMN which is one of the strategic steps to improve the company's internal condition to improve performance and increase corporate value.

A restructuring & rescue team was formed between the BOD and the SOE ministry led by the CEO. It was decided to resolve debt issues through court proceedings by adhering to the Business Judgment Rule doctrine, the doctrine of protection for business decisions made by directors, which is a study in the field of economic law and risk management.

This doctrine was proposed by Prasetyo as Director of Finance & Risk Management. In his book entitled Garuda Inside Story (2022), it states that the application of the BJR doctrine, provides protection for the directors in carrying out their role, the BJR principle promotes the principles of good faith, honesty, compliance and prudential values and is documented in an appropriate manner and aims for the sustainability of the company in the future. It is said further, BJR principles are also stated in the Limited Liability Company Law no. 40 of 2007 article 97 paragraph 5.

In this rescue step, the restructuring team agreed to take the court route, namely through the PKPU (Suspension of Obligations for Payment of Debt) agreement process, bearing in mind that the majority of company assets are owned by the government. In addition, it was explained that the PKPU process does not always translate the bankruptcy or bankruptcy process of a company, as many people suspect. This requires the right communication strategy to educate the audience.

PKPU is an effective step to carry out a peace process with a large and varied number of creditors. At that time the number of creditors that had to be faced in negotiations was 780 parties. Right on June 17, 2022, the Central Jakarta Commercial Court announced the results of Garuda Indonesia's voting with the vote reaching 97.46%, which means that creditors agree to this PKPU agreement and still have high trust in Garuda Indonesia.

Since this victory was decided, Garuda has rushed to devise a more qualified management strategy plan, implement a strategic communication pattern that is oriented towards sound corporate governance, one of which is discipline in carrying out the business plan that has been agreed upon at the Board of Directors meeting, to be more careful and not repeat mistakes. the same as in the past, and restore the corporate reputation as soon as possible.

This paper is a simple and basic discussion of the role of corporate communication in restructuring to save corporate reputation. Systematic understanding, the discussion will begin with the science of communication as a theory, the concept of corporate communication, then proceed with the meaning and scope of understanding reputation, restructuring and then discussing what is meant by the BJR (Business Judgment Rule).

Company reputation is something that needs attention. Companies that have a good reputation can be interpreted as having superior, valuable, competitive and specific/unique resources, which are not owned or cannot be imitated by other companies (Hunt & Morgan, 2005). A good reputation is a business attraction for investors to invest, collaborate, or other forms of cooperation (Linuwih, 2014).

Garuda Indonesia is a nationally owned airline with world achievements and has a strong image in the minds of its customers. This is a strong reason to save the reputation of this state-owned airline. The process of agreeing on the Postponement of Debt Payment Obligations through the courts, is not intended to damage Garuda Indonesia's reputation, but is the beginning of the process of saving reputation through restructuring.

## II. DISCUSSION

### Communication Studies

Communication is the process of delivering messages to predetermined targets. In communication, it is hoped that the message conveyed to the target can be in accordance with the actual intent. This explanation is in accordance with Effendy (2005, p. 9) which explains that communication is carried out by communicators to be able to convey messages of meaning to the communicant so that they can be received in accordance with the intended meaning, so that a communication can run well and effectively.

Rahmat (2002, p. 129) explains that communication can work well if the communicator and communicant have a sense of openness and mutual acceptance of one another. Harold Lasswell in Effendy (2005, p. 10) explains five main elements of communication, namely: (1) Source (communicator) source or communicator is the party that has the initiative to convey the message to the recipient of the message, (2) Message Message is a series of verbal symbols and non-verbal symbols that represent the intent of the message to be conveyed by the communicator, (3) Channels Channels are tools used by communicators to convey messages to recipients. Channels can be done directly or indirectly, (4) Recipients Recipients, namely the target party who receives messages through the channel sent by the communicator, (5) Effect Effect is the impact that arises after the recipient of the message receives the message verbally or non-verbally. The impact can be realized from the existence of responses or changes in attitudes, perceptions and behavior.

Widjaja (2000, p. 13) explains that communication within an organization is needed to convey ideas, hopes and messages. Communication is needed to be able to know and understand each other what to do, what to aim for and how to achieve these goals. That way communication has an important role in creating a conducive work environment to build cooperation.

Thus it can be stated that communication is an appropriate means for exchanging and delivering information or messages within the community, organizations and companies or a corporation. The information or message can be in the form of a decision, decree, suggestion or policy, which functions to have a positive impact.

In an organization, the flow of communication plays a very important role, internal relations between leaders and subordinates as well as fellow employees become the backbone of the company. Miller (2012) stated that top down, bottom up and horizontal communication patterns within the organization must be managed properly, because it involves various resources (human resources) with various backgrounds and the interaction of interpersonal relationships (human relations).

Organizational communication plays an increasingly large role in an increasingly turbulent business environment, because it has to carry out "security brand image" which is the main task of a company.

Thanks to adequate security, the brand image will develop into a corporate reputation, so it is not surprising that the company's reputation is then trusted as a powerful weapon to win business competition and ensure survival in the midst of global turmoil.

In his article entitled *The Enduring Corporation*, a well-known writer emphasized that "a sustainable company is one that has great adaptability and is always able to reinvent itself for the global economy" (Anthony Bianco, 2000). The expression "always able to find yourself" means that with care the organization is able to build on the reputation that has been achieved. The discussion about reputation is basically a communication approach

based on a positive thought about environmental turmoil and future uncertainty, especially after the Covid era, because basically reputation is the result of healthy life actions to avoid crises.

In this crisis-filled era (era of crises), a good organization must be prepared with strategic planning, especially planning to deal with the worst situation (contingency planning: preparing for the worst). (Lerbinger, 1997: 19). Furthermore, in the book *The Crisis Manager: Facing Risk and Responsibility*, the main book for crisis management by Otto Lerbinger (1997), explicitly explains that a crisis can only be handled adequately if the organization has a complete 'strategic management plan'.

One of them is restructuring, in strategic management literacy, restructuring is the main of the company's efforts to improve performance in the future. According to Norley (2012), restructuring includes acts of changing ownership structures, responses to crises or major changes in business, for example: bankruptcy, repositioning or purchases.

### Corporate Communications

Corporate or company communication which is often called Corporate Communication; in the daily actions of a corporation, corporate communication plays an important role as the lifeblood of the company, both internally and externally, integrated efficiently and effectively in order to build business relationships, good performance and sustainability of an organization. Goodman (2000), defines corporate communication as an overall effort to communicate effectively and has a positive function in fostering internal and external organizational relationships.

*Corporate Communications* responsible for preventing and resolving crises that can harm or even kill the corporate reputation. Semantically, 'corporate communication' actually contains the same meaning as the term organizational communication, because both corpus and organum, which are the roots of the two terms, both mean 'body'.

Organizations or corporations are basically social institutional 'body', so in fact these two terms can be used as equivalent and interchangeable. However, technically these two terms have different histories and basic meanings. The term 'organizational communication' as an academic scientific term was born in the US. It has become big and widely accepted as the name of a 'field of study', both within the Departments of Communication Studies, Journalism, and the College of Management and/or Business Administration in the US.

However, the term corporate communication seems to be more popular among British practitioners and academics. One well-known communication practitioner from England, Peter Jackson (1987: 4), for example, in his book *Corporate Communication for Managers* provides the following understanding of corporate communication: "Corporate communication is the total communication activity generated by a company to achieve its planned objectives. " (Corporate communication is the overall communication activities of the company carried out in order to achieve the goals that have been planned).

As the application of communication strategies related to corporate strategy, corporate communication, according to Argenti (1998) determines the competitive advantage of business organizations in this globalization era. Regarding the understanding of corporate communication, Argenti specifically writes as follows:

*"By creating a coordinated, coherent corporate communication system, an organization will be able to face the new century with the strategies and tools that few companies in the world have at their fingertips."*

In a strategic approach according to Argenti, the corporate communication function covers many sub-functions from image and identity communication, advertising and advocacy, marketing communications, financial communications, media relations, political and government affairs, communication to employees, to crisis communication activities.

Of all the strategic functions of corporate communication, what is most feared is when the company is not in good condition, such as: experiencing a decline in performance, the company's financial condition continues to decline and even has difficulty resolving its debts, so it is necessary to take crucial actions to save and maintain a reputation, namely through the process of restructuring.

The Strategic Communication Model in the corporation must link every interested party involved in the sustainability of the company, as shown in (figure 1). Every organization depends on constituencies, namely various interest groups that support the survival of the organization. Constituencies are popularly known as: groups with interests (stakeholders), namely customers, communities, suppliers, shareholders and employees.

Based on its perceptions and understanding of all its support groups, what are the expectations of each of these groups, the quality of available resources, funds, manpower and time and by relying on its image and credibility in a changing environment, the organization develops a communication strategy. dynamic. The intended dynamic communication includes: effective message content, appropriate message recipients, appropriate communication channels and can support the response/execution of the message content or the purpose of the communication made.

In the digitalization era, it is very easy to carry out communication interactions with many choices of media/means such as: email, website, call center, etc. Messages in communication determine a response, it is important to determine how to convey messages through several channels that can be used, such as: mass media, opinion leaders, special events, and new media (Broom & Sha, 2013, p.323).

The response determines the follow-up of the organization to develop strategic steps by considering the existing resources in the company (funds, time, human resources), including the readiness of internal and external communication systems. In the book *Credibility* by James & Posner, this book describes the study of leadership, mentioning that a response can determine the level of credibility of the sender of the message, in this case the communicator. Accuracy and speed in providing appropriate responses or answers, is an indication that the communication flow is running well and proves the positive image of the communicator (leader). The successful implementation of strategic management of a corporation/company is determined by the success of its strategic communication.

**Gambar 1. Komunikasi Korporasi 'Model Strategi'**



**Sumber:** Argenti, *Corporate Communication* (1998: 33).

### Communication and Reputation

The corporate communication system has a definite goal, which is to build a solid reputation for the company. The book *Reputation: Realizing Value from the Corporate Image* by Charles Fombrun (1996: 5-6) explains reputation as follows: Reputation is a source of competitive advantage. In companies where reputation is valued, managers take great pains to build, sustain, and defend that reputation by following practices that (1) shape a unique identity and (2) project a coherent and consistent set of images to the public”

Fombrun also mentioned that reputation is a source of competitive advantage without hard competition, reputation will not be a problem. Image is an identity and is partly obtained from the success of management efforts in communicating with the public of all constituencies that have an interest in the company. Image is the 'whole picture' of someone or something.

The complete picture starts from the perception of the organization and its products and develops through intensive and repeated communication of experiences and interactions, so that the initial impression that the public has grows solid and helps the organization as a frame of reference in times of doubt among constituents.

The more frequent and consistent the experience of public communication with superior product quality and company behavior, the stronger the company's image will be embedded in the minds of its constituencies. A positive image that consistently appears strong because it is supported by consistency between credibility and dynamic experience ultimately results in a company's reputation.

Martin & Susan (2006) in their book *Corporate Management of Reputation*, defines that the strength of a company's reputation must be supported by appropriate strategic management, including: (1) product image and business orientation, (2) internal communication relationships and employee behavior culture must be aligned with (3) corporate identity (figure 2). In addition, there are 3 interrelated strategic benefits and objectives from a strong corporate reputation, namely: (a) in competition among similar products and similar quality levels, corporate reputation gives preference to building business relationships; (b) when the company faces a controversial situation, reputation is able to attract support; and (c) in the money market, reputation is the company's value.

A leader as an opinion leader is very influential in changing the level of corporate reputation (Bode & Rogan, 2015) and there are six important things to include in a strategic management plan (business plan) related to reputation: (a) Competitive effectiveness, which includes management caliber, development strategy through research & development, financial soundness, conducive industrial relations, (b) market leadership, which involves industrial leadership, firm product differentiation, and close proximity to the market, (c) Orientation to customers (customer focus), including superior quality or value for money, commitment to customers, and a clear and clear image, (d) Familiarity and favorability, familiar to customers/constituents/stakeholders, (e) Organizational culture (corporate culture), including high ethical standards, social responsibility, and qualified and qualified employees, (f) Communications (communications) including promotion, effective advertising and sponsor important events that have positive benefits for the corporation and customers, Reputation results from a series of complex and multidimensional interactions. Reputation results from a series of complex and multidimensional interactions.

Figure 2: Define of Managenet Reputation



Source: Martin & Susan, *Corporate Management of Reputation* (2006)

There are many ways a company can take to increase its reputation, of course always maintaining good external communication relations. When a product and service competes strictly in price and quality of service, which of course becomes a customer benchmark, then a company that has a stronger & stronger reputation and is capable of giving instructions on what should be the customer's privilege, even customers are made to fall in love until it's hard to turn away.

In its implementation, building and saving a corporate reputation is the responsibility of public relations (PR). The Public function is to be a good liaison and moderator (gate keeper), play a role in preparing strategic management plans and being able to carry out strategic communications to internal and external parties.

Planning is a series of preparatory actions to achieve goals.

Planning is a guideline, outline, or instructions that must be followed if you want good results. In preparing a plan, the first thing that must be done is to focus and be based on the company's vision and mission by setting short-term and long-term goals and preparing for conditions when strategic management planning does not go smoothly (management & communication crisis). Planning is something that is needed to achieve goals by identifying various organizational performance goals, deciding tasks and using resources in the future. Planning is the selection of a set of activities and the next decision what to do, when, how, and by whom (Richard L. Daft, 2010: 212).

*Public Relations* is a management function that builds and maintains good and beneficial relationships between an organization and the publics that influence its success or failure (Cutlip, Center & Broom, 2006, p. 6). According to Cutlip, the definition above places public relations as a management function, which means that management in all organizations must pay attention to public relations. This definition also identifies the formation and maintenance of mutually beneficial relationships between organizations and the public as the moral and ethical basis of the public relations profession. The public relations function in BUMN companies is mandated by a corporate secretary (corsec).

In the above sense, public relations carries out the management function of a strategy that is planned and implemented on an ongoing basis in public and private, group & non-group organizations and institutions, in order to foster mutual understanding, sympathy and support from interested parties (constituents). ), including communicating effectively & efficiently all information needed by the general public, regarding the good and bad conditions of the corporation.

### **Corporate Restructuring**

Corporate restructuring is common in today's business world, companies are rearranging their business divisions, restructuring assets and updating company operations to improve company performance. These actions facilitate companies to react more quickly and more effectively to new opportunities from unanticipated pressures (Lebans & Euske, 2006; Burnes, 2004). Restructuring occurs due to a shift in corporate strategy (strategy shift) or a new corporate strategy design that prioritizes competitive advantage and is based on external and internal conditions of the company.

Restructuring as an alternative to the company's strategic management plan to help companies that are experiencing a decline in performance, there are new strategic opportunities that can be adopted and the company's trust in the capital market increases. It can also have a major impact on a company's market value and reputation (Bowman & Singh, 2013). Not only limited to changes in financial structure, changes in organizational structure, efficiency, sales of business units and even termination of employment (PHK). Restructuring, often referred to as downsizing or delaying, involves reducing the company's workforce, work units or divisions, or reducing the level of positions in the company's organizational structure. This reduction in company scale is necessary to improve efficiency and effectiveness (David F., 1997). Carrying out a restructuring for the company, can be caused by a reaction to a crisis or part of the company's plan to survive or to improve performance and change the organizational structure to make it more agile and competitive.

Restructuring is a long and tedious process, it makes many tasks challenging and requires an analysis of the social impact, benefits and costs. Maria (2015), said that based on: analysis, there are types of appropriate strategies to choose from, including: (1) financial restructuring, (2) portfolio restructuring, (3) operational restructuring and (4) managerial restructuring. While the aspects that affect the implementation of the restructuring: assessment and funding; legal and procedural issues; taxation aspect; accounting aspects; competition aspect; and human and cultural synergy.

Every act of restructuring, the company must inform transparently and put forward the principle of improvement, so it is necessary to build proper communication to the parties who will be involved and affected, so that misunderstandings do not occur. Companies can determine the type of restructuring to be carried out by adjusting their urgent needs, by conducting an internal environmental analysis (ALI) in this case all employees and external environmental analysis (ALE), namely constituents (customers, stakeholders and investors), so that the objectives of the restructuring are effective. Restructuring isn't just for troubled companies, it can also be used to convert an underperforming company into a better company. It is not uncommon for conflicts internally and externally to occur in the restructuring process. To avoid this condition, it is highly recommended that the presence of PR and assistance from business law experts be highly recommended. The success of the restructuring is supported by a good management strategic plan and appropriate strategic communication.

From the explanation above, it can be stated that restructuring is a message that is the goal of strategic management planning for a corporation and must be communicated strategically to stakeholders.

### **Implementation of the Business Judgment Rule (BJR)**

*Business judgment rules* This is a doctrine that teaches that the decisions of the board of directors regarding the company's activities cannot be directly blamed by anyone even if the decision is detrimental to the company. The provisions that must be met by the board of directors in order to implement the business judgment rule fulfill the requirements, namely: the decision is in accordance with applicable law; done in good faith; carried out with the right purpose, the decision has a rational basis (rational basis); done with due care as done by

someone who is quite careful in a similar position; carried out in a way that is worthy of trust (reasonable belief) as the best (best interest) for the company.

Initially the business judgment rule was a doctrine derived from the common law system and was a derivative of Company Law in the United States as an effort to prevent courts in the United States from questioning business decision-making by directors. Stephen M. Bainbridge in Boen (2008), explains the function of the business judgment rule is to reach a middle ground in the event of a conflict between the authority of the directors in running the company and the accountability demands of the directors towards shareholders.

In Indonesia, more about the business judgment rule is regulated in Article 97 paragraph 5 of Law no. 40 of 2007 concerning Limited Liability Companies which stipulates that members of the board of directors cannot be held accountable for losses as included in Article 97 (3) if they can prove:

- a. Losses arise not because of mistakes or negligence.
- b. Has conducted management in good faith and prudence for the benefit and in accordance with the purposes and objectives of the Limited Liability Company.
- c. Does not have a conflict of interest, either directly or indirectly, for management actions that result in losses.
- d. Have taken action to prevent the loss from arising or continuing.

In short, the principles of the BJR doctrine as a very useful tool are applied and assist company leaders in carrying out their duties, this doctrine adheres to the principles of honesty, prudence and is oriented towards positive corporate sustainability (sustainability).

### III. RESEARCH METHOD

This type of research is descriptive using a qualitative approach. In qualitative research, data collection methods utilize in-depth interviews, observations, and concrete documents as primary data (annual reports). Qualitative research is research that examines and understands the attitudes, views, feelings and behavior of individuals or groups of people, and presents the truth of research not based on assumptions and follows good rules so that research results are trusted. (Moleong, 2018).

The researcher determines the right informants who can provide concrete, reliable data and according to the objectives and research questions. Informants were determined based on research topic criteria, namely the highest position holder: CEO of PT Garuda Indonesia, head of the PKPU peace team: Director of Finance & Risk Management & head of implementation of the restructuring team of PT Garuda Indonesia followed by Public Relations of PT. Garuda Indonesia and SOE ministry staff.

### IV. RESULTS

The restructuring event in the body of PT Garuda Indonesia is a great history for a state-owned company. PT Garuda Indonesia Tbk, which is 74 years old, a national asset belonging to the Indonesian people who already has a worldwide reputation, must be saved and this is prestigious, said CEO Irfan Setiautera. Developed countries are taken into account by the world community, when the country has a global standard national airline.

The era of the Covid -19 pandemic, was not only a natural revolution, there was an upturn in the global economy, changing the face of the world and the behavior patterns of its people. Unexpectedly, in this era, it became the right entry point to save the continuity of PT Garuda Indonesia, Tbk. In fact, its corporate governance has long been in a bad state. Having achievements and reputation at the global level, is a big consideration for carrying out a comprehensive restructuring. The process begins with financial restructuring through the court with an agreement on Suspension of Debt Payment Obligations (PKPU), said Prasetyo.

In the aviation business, the participation of all personnel, in this case the restructuring team supported by all levels of employees led by the CEO, plays a very important role in ensuring the company's profitability, this was conveyed by Aurelius, a staff member of the Ministry of BUMN. The best decision that must be followed up immediately and becomes a big job for both PT Garuda Indonesia Tbk and BUMN.

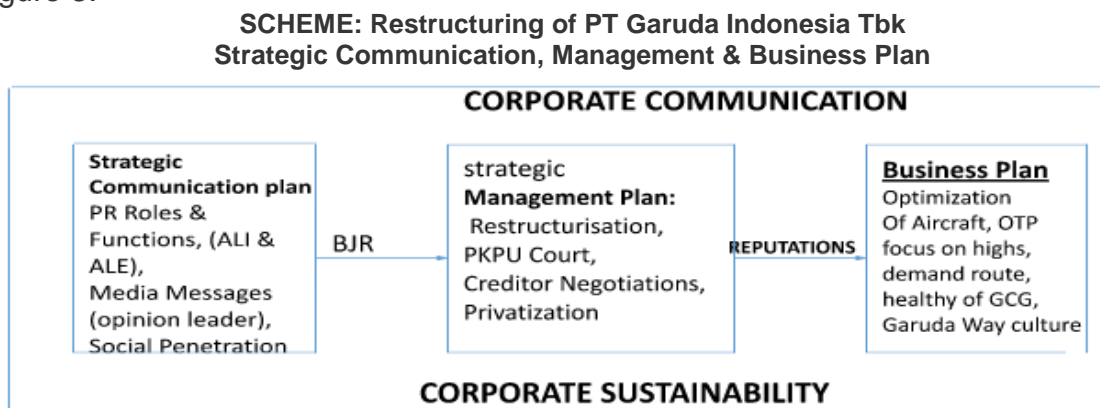
With a strategic communication approach, a negotiation process and messages of peace are carried out to constituents, especially regarding funds. The restructuring team formed was led by the CEO of Garuda Indonesia as an "opinion leader" figure to convey the message of "restructuring" to the stakeholders as constituents, namely: customers, investors, employees and the government. This message became the core of the strategic management planning and restructuring team, explained Mitra as Public Relations staff.



Informing transparently that the act of financial restructuring through the courts was not to bankrupt PT Garuda Indonesia, instead to protect the rights of stakeholders, including creditors and save Garuda Indonesia's reputation, explained Prasetio. This is proven by the perfect voting of creditors, supporting PKPU's steps and giving Garuda Indonesia an opportunity to improve its business governance.

The public relations function carried out by a corporate secretary as a center of information is very influential for the success of the restructuring. Preparation of strategic management of PT Garuda Indonesia Tbk, covering 5 aspects: (1) Debt restructuring, (2) Peace with creditors with PKPU agreements, (3) consistency of OTP (on time performance) services with the concept of Indonesia Hospitality, prioritizing passenger comfort during flights with a sense of security during a pandemic, (4) Optimizing routes that are profitable and have high demand, controlling the use of operational costs as effectively as possible (5) Maintaining good relations with customers and fellow employees, implementing corporate culture: Garuda Way with service drivers: because you matter, I am in charge, I am with you, final explanation from Irfan Setiaputra

Figure 3.



Source: **Researcher, 2023**

## V. CONCLUSIONS & SUGGESTIONS

It can be concluded (Figure 3): (1) crisis management of a corporation is not the end of corporate activities, (2) a sharp needs analysis is needed internally and externally (ALI & ALE), to find the whole of the problem (leakage). These findings become a topic for (3) designing a strategic communication & management plan along with the right tools to complete it and determine future business plans.

The success of the restructuring process is not the end of the process of saving Garuda's reputation, by continuing the next management strategy, namely the process of privatization. Altman and Taylor in Stephen W. Littlejohn & Karen A. Foss, John G. Oetzel (2021), *Theories of Human Communication*, the discussion regarding the strength of a communication strategy is declared successful when a point of self-disclosure is obtained by *Social Penetration Theory*.

### Suggestion

In the PR context, the Public Relations function is a concern and is urgently needed to approach all constituents so that openness is established, not only with regard to corporate characteristics, but making constituents part of the success of the corporation, it is necessary to determine: (1) the pattern of communication formed (2) routinely providing information on the development of corporate conditions in a professional manner internally and externally along with fostering a solid media network with (3) appropriate strategic communications, including: reputation management design, branding plans or corporate culture, in order to produce good, sustainable and provide benefits for corporations and the general public.

Garuda Indonesia's biggest hope is to have a stronger reputation, healthy business management, to become a reliable airline and to restore the nation's image will keep going sustainable.

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