

## **Optimization Strategy Regional Water Company in Business Communication Perspective: Study in West Java**

IwanSukoco  
Department of Business Administration, Padjadajaran  
University

— *Review of* —  
**Integrative  
Business &  
Economics**  
— *Research* —

### **ABSTRACT**

Research on optimization strategy of the Drinking Water Regional Company (*Perusahaan Daerah Air Minum*/PDAM) in West Java showed that an effective and streamlined business communications strategy in one of the support system are necessary for the optimization of PDAM. PDAM in West Java established communications with various stakeholders in various forms and diverse communication media. Forms of communication that are being used include personal communication, group communication, public communication, organizational communication, and mass communication. The media being used includes mass and non-mass media, in both electronic and printed. PDAM in West Java communicated with many stakeholders with various quality and intensity depending on their needs. The quality and intensity of such communications can improve the optimization of PDAM in West Java and thus the company's business strategy, which provide reinforcement to its communication aspect and is vital in achieving the company's goals.

**Keywords:** optimization strategy, effective business communications strategy, stakeholders, personal communication, group communication, public communication, organizational communication, mass communication

### **INTRODUCTION**

Water is the source of life and essential to all living beings. Access to clean water is currently a national problem that is rising along with population growth and density, as well as competition to use water for countless purposes. Perpamsi (2010) stated that the access to safe drinking water in Indonesia within 2013 alone is 67.73%; which means around a third of Indonesian population do not have such access. If compared to the Indonesia's Plan of Universal Access to reach 100% by 2019, this problem has become a paramount concern. In regards to access to drinking water, 17.9% of the total access is accessible through the water pipeline network system to which 97% of it is served by the PDAM. However, in reality, approximately only half of the PDAM's system is in healthy condition.

West Java has only 64.39% of the total access to safe drinking water necessary in 2013. It means that 35.61% of households in West Java does not have access to safe drinking water. This current access level is even lower than the national level. Urban coverage is 71.71% and 50.94% for rural areas. The scope of the pipeline network system in West Java is 13.5%, 17.9% in urban areas and 5.7% in rural areas. Thus, when compared to the national coverage, the one in West Java is relatively lower and it includes the pipeline network system access. This means that the level of problems of access to drinking water in West Java is still relatively low, especially on the pipeline

network system access. This problem is getting even more severe when taken into account the number of households that do not have the access to safe drinking water. Approximately 20.63 million households that do not have such access, as many as 4.16 million or 20.15% are in West Java. This is the largest number in Indonesia.

The problem of access to drinking water in West Java relies on the effort to establish such access at the household level and increase the currently low capacity of PDAM to serve its customers through the pipeline network system. In West Java, there are 21 PDAM owned by the Regency/City Government. The total number of customers in West Java reached 1.17 million, with the total production capacity installed of 19.054 liters per second and the effective production of 14.524 liters per second, or 76.2% utilized. Most of the PDAM in West Java has been able to achieve its profit margin when compared to other PDAMs in Indonesia. However, the ability to increase its service has not been experiencing a steady growth, given the problem of access to drinking water in West Java is enormous. Another issue that the PDAM in West Java has is the loss of water rate, which reached 30.4 % of the total water produced.

Based on the above mentioned data, the issue of PDAM in West Java can be viewed from two aspects: (1) Although the performance is adequate when compared within the national level, its ability to provide and improve service coverage is far from being optimal, and (2) the potential customers who are mostly living in urban areas and relatively great in numbers in West Java is a challenge for the PDAM business development, as well as a great magnet for investors in the drinking water infrastructure business.

PDAM management at Regency/City level is related to water resource management in general. It is because in many cases, the main sources of water for the PDAM are either come from spring or river water originated outside the working area or administrative regions of the said PDAM. These conditions often lead to conflicts between local governments and agencies. Therefore, this would be a concern in the research in relations with the existence of such spring or river that crosses the Regency/City border.

One of the important issues relating to the optimization strategy of PDAM management in West Java is to establish an effective communication strategy for the PDAM in West Java with its various stakeholders; especially communication with the Regency/City government, the People's Regional Legislative Council (*Dewan Perwakilan Rakyat Daerah/DPRD*) of the Regency/City and other agencies associated with the water management, such as the State-owned Forestry Public Corporation (*Perhutani*), the Ministry of Energy and Mineral Resources (*Kementerian Energi dan Sumber Daya Mineral/ESDM*) and the Department of River Region (*Balai Wilayah Sungai/BWS*).

In connection with the effective communication strategy in optimizing the management of PDAMs in West Java, there are several connecting factors that needed to be answered in this study:

1. How is the communication between PDAM and the DPRD of the Regency/City in West Java?
2. How is the communication between PDAM in West Java and the regional governments and agencies associated with water management in West Java?

The study was conducted with the aim of discussing the important aspects related to communication of PDAM in West Java with the DPRD of the Regency/City, the regional government of the Regency/City, and agencies related to the water

procurement and management so as to describe the condition of the current communication to create more effective communication strategy for PDAM.

The result of this study is projected to contribute to the business development of PDAMs in West Java, especially those related to effective communication between PDAMs in West Java and the DPRD of the Regency/City, the regional government of the Regency/City, and agencies related to the water procurement and management. In addition, the result of this study is also expected to contribute to the development of the concept/theory of business communications.

## **LITERATURE REVIEW**

Research on optimization strategy of PDAM in West Java can be analyzed from various perspectives and theories. According to the author, in the perspective of communication and business, optimization strategies of PDAM in West Java can be analyzed based on the following theories and concepts:

### **1. Theory of Stakeholder**

The introduction to the concept of corporate organization that is developing along with the development of management system has changed the view of manager and management theorist of organization, especially in regards to how a corporate organization can achieve its objective effectively. The emphasis on the recognition of various elements, both inside and outside the corporate environment will have an impact to the current and future effort to achieve the corporate adjective.

Edward Freeman promoted the Stakeholder Theory. He explained that when the company satisfies the stakeholders' interests, then the company has a greater likelihood for success. Freeman (1984:46) defines stakeholder as "any group or individual that affects or is affected by the achievement of company objectives". In the beginning, stakeholders include shareholders, employees, customers, suppliers, lenders, and society, but this is a growing concept.

Jones (in Kartini, 2009:8) classifies stakeholders into two categories, i.e. the inside stakeholders and outside stakeholders.

- 1) Inside stakeholders are the stakeholders within the company, consist of people who have interest and demand for company resources. It includes the shareholders, managers, and employees.
- 2) Outside stakeholders consist of people and/or parties who are neither the owners of the company, the leaders of the company, nor the employees of the company, but has an interest in the company and influenced by the decisions and actions of the company. This group of stakeholder can influence the company. It includes customers, suppliers, government, local communities, and the general public.

With a different standpoint, Post et.al (in Kartini, 2009:8-9) divides stakeholders into two categories, i.e. primary stakeholders and secondary stakeholders.

### **2. Theory of Public Relations**

According to Grunig (2009), there are two dominant paradigms in studying and practicing public relations: (1) Symbolic or interpretive paradigm and (2) Behavioral or strategic management paradigm. The symbolic or interpretive paradigm refers to the view that public relation is the activity of creating messages, publicity, and media relation function. The practitioner who uses or works based on this paradigm emphasizes the importance of publication, news, communication campaign, and media contact in their work. Public relations are in fact very often placed as marketing support

function that help marketing through media publicity or by combining it with advertisement to support integrated marketing communication program. They believe that the public can be persuaded and controlled via messages. Therefore, it was assumed that the public relations work to build an image or the image of the organization or company. Public relations are the image-makers that assist the organization in controlling the public, in the form of a positive image among the public.

On the other hand, within the behavioral or strategic management paradigm, public relations in organizations are usually involved with making strategic decisions to manage organizational behavior. Public relations are liaison activity that builds relationship between the organization and the stakeholder. This particular paradigm emphasizes the importance of mutual communication that facilitates the dialogue between the organization and the public. Thus, in considering the impact of public relations, this paradigm focuses on behavioral changes as a result of negotiations that occurred between the organization and the public.

Initially, Elizabeth Toth (in Ngurah Putra, 2011:11-14) divides the approach in the study of public relations into three approaches, i.e. rhetorical approach, system approach, and critical approach. Rhetorical approach interprets public relations as a tool or mechanism used by corporate organization to induce or persuade other concerned parties (public) faced by the organization. Its focus lies on the use of discourse to persuade the concerned parties. The critical approach is based on a political economy approach. In this approach, public relations are being seen in the context of its relevance to whose interests is being served by practitioners of public relations or corporate communications. The primary role of public relations in an organization is to maintain the "well-being" of the organization through controlling effortstoward the organization's environment, especially the symbolic environment. Furthermore, if a critical approach interprets public relations as nothing more than an instrument for the dominant groups in society to maintain its dominance, then the system approach observes public relations as a function within the organization to adapt and adjust to the environment where it is located. System approach perceive an organization as a unit consisting of parts that interact with each other and the unit itself is also interacting with the surrounding conditions in an attempt to achieve certain goals. Ideally, public relations, in addition to defend the interests of the organization also defend the interests of stakeholders.

In reference to the systems approach, Grunig and Hunt (1984) consider public relations personnel are within the limits of an organization. They act as a liaison between the organization and its environment. Thus, the public relations practitioner should be able to control the conflict and negotiation between the demands of the environment on one hand with the need for the organization to survive and thrive on the other.

Moreover, Grunig and Hunt state that the action or behavior of the organization will always have an impact on their stakeholders. The consequences of such actions can be positive for the public or vice versa. However, it should be noted that when the public or stakeholders starting to realize about the consequences, the public can also react to either benefit or hurt the company. The organization needs to adapt to its environment and public relations practitioners should play its role in helping that adaptation, as any organism would need to adapt to a changing or dynamic environment.

Grunig and Hunt (1984:13) introduce four models in the development of public relations practice for decades, i.e. the press agent/publicity model, the public

information model, the two-way asymmetric model, and the two-way symmetric models. Furthermore, Grunig and Hunt (1984:21-23) also describe all four models, as follows:

“The models first differ in purpose – the function they provide for the organization that sponsors them. Although public relations developed as a persuasive communication function, not all of these models use public relations for that purpose.

Public relations serve a propaganda function in the press agent/publicity model. Practitioners spread the faith of the organization involved, often through incomplete, distorted, or half-true information.

For the public-information model, the purpose is the dissemination of information, not necessarily with a persuasive intent. The public relations person functions essentially as a journalist in the residence, whose job it is to report objectively information about his organization to the public.

Practitioners of two-way asymmetric public relations have a function more like that of the pressagent/publicist, although their purpose can best be described as a scientific persuasion. They use what is know from social science theory and research about attitudes and behavior to persuade publics to accept the organization’s point of view and to be have in a way supports the organization. The press agent/publicist’s attempts at a persuasion, in contrast, are more intuitive, set of-the-pants rather than scientific.

In the two-way symmetric model, finally, practitioners serve as mediators between organization and their publics. Their goal is mutual understanding between organizations and their publics. These practitioners, too, may use social science theory and methods, but they usually use theories of communication rather than theories of persuasion for planning and evaluation of public relations.”

Thus, the press agent model describes the activities of people who do certain actionsto get their organization, event,or product the attention it needed. The public information model describes public relationsas a more sophisticated and evolved into one-way public relations. The two-way asymmetric model describes public relations activities in two directions, being biased; it becomes propaganda in describing the organization, compared to the response to messages from the public. Then the two-way symmetric model is an ideal model from Grunig and Hunt for public relations. In this case, the public is described as respected and gives something important as pictured organization that supports the work of public relations.

Grunig and White (in Yudarwati, 2011:113) also emphasizes the two-way symmetrical model of public relations as a public communication model that is able to balance personal values and professional values, as well as organizational values and public values. This model enables public relations practitioners to play a role in an effort to align the decisions and actions of the management with the public interest. Additionally, Grunig and White (1992) claims that the two-way symmetrical model emphasizes the importance of two-way communication and highlights the role of public relations practitioners to meet public interest as well as an advisor to the management. The responsibility of the company ideally is the realization of the organization's understanding toward the needs of the public as well as the organization's commitment to social action. Thus, public relations practitioners can support the organization in

achieving its corporate social responsibility when applying the two-way symmetrical model.

Public relations is a specific managerial function that supports the development and builds mutually beneficial effort through two-way communication in order to obtain the understanding, acceptance, and good cooperation between the organization and the public.

Grunig and Hunt (in Baskin, Aronoff and Lattimore, 1997:5) define public relations as communication activity, "the management of communication between an organization and its public". In line with Grunig, Jefkins (1999:9) view public relations to include all planned communication activities with all its public in order to achieve specific goals. Although, Harlow (in Ruslan, 1999:102) argues that public relations is a two-way communication between the organization and the public on a reciprocal basis in order to support the function of management objectives by increasing the development of cooperation and the fulfillment of mutual interest.

The above definitions clearly explain that public relations are communication activity undertaken by an organization with its various public. In principle, public relations activities are reciprocal two-way communication to build a harmonious relationship. On one hand, the organization conducts information dissemination to the public. On the other hand, the organization also seeks and absorbs information, listen to what the public desires.

Another definition conceptualize public relations is more than just communication activity. Public relations is a management function that is related to the effort to establish a mutually beneficial relationship between an organization and its publics. Cutlip, Center, and Broom (1999:6) states "the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depend".

Public relations in its essence is relations with public. When organization talks about relations with the public, it must be understood that each of the interested parties are building relationships. Organization has an interest, as well as the public. The relationship within must be performed well, as well as with the outside world because of the organization implies that it must be intact, united, and harmonious in achieving its goals. Relations between the two sides will work in harmony when every party can mutually consider the interests of the other party. If the definition of public relations is synthesized, it can be concluded that the communication activities carried out as part of public relations are not only stopped when the message or the information is scattered, but the communication that occurs between an organization and its public must be able to create changes in both the public and the organization. The organization will adjust to public demands, so that there will be a harmonious relationship, mutual support between the both parties. Since the organization is assumed to operate as given its right by the public and to which cannot be avoided, the management of each organization has the obligation to provide services to the public as satisfactory as possible. At this point, the urgency public relations is found. It was born for a strategic function: to be representation of the organization in establishing and maintaining relationships with the public.

The main function of public relations is to help organizations so that it will always have a harmonious relationship with the public through a variety of communication activities. The concept of public relations as a two-way communication accentuate the importance of exchange of communication or mutual understanding with

an emphasis on organizational adjustment. The public relations function will be more optimal and achieve the targeted goals when supported by the function and structure of the organization as part of the top management.

## RESEARCH METHODOLOGY

This research is a descriptive research using the qualitative method. Operating data is collected directly and indirectly in several PDAMs in West Java Operating purposively. The author used in depth interview, passive participation observation, and documentation study in collecting field data. The data analysis in this study refers to the qualitative data analysis model by Miles and Huberman, which includes three steps: data reduction, data presentation, and conclusion. The test for the credibility of the research data was conducted by triangulation process, a discussion with the head and members of the team, and focus group discussion (FGD).

## DISCUSSIONS AND RESULTS

Based on the results of the field research, the business communication performed by PDAM in West Java can be described as follows:

### PDAM in Tirtawening, Bandung

1. Communication between PDAM in Tirtawening, Bandung and the City Government of Bandung

Communication between PDAM in Tirtawening, Bandung and the City Government, in this case the Mayor of Bandung, are generally divided into two sections, i.e. routine communication and incidental communication. The routine communication between the PDAM with the Mayor of Bandung are in the form of board meetings that are held weekly in Bandung City Hall, which address any problems to the City's program. In the board meeting, the Mayor of Bandung delivered an explanation to the City's program and its problems that might be related with other activity sectors within the Regional Organization (*Organisasi Perangkat Daerah/OPD*) and Region Owned Enterprises (*Badan Usaha Milik Daerah/BUMD*) in Bandung.

This is consistent with the explanation given by the Head of Public Relations of PDAM in Tirtawening, Bandung, Mr. Tarsum, to the author:

"All this time the company was mandated by Mr. Mayor to manage this regional company. Every once a week our board conducted a board meeting directly headed by Mr. Mayor, attended by the head office, as well as the directors of regional companies, for example the PDAM, the Hygiene Regional Company (*PD Kebersihan*), and the Market Regional Company (*PD Pasar*) to discuss on the activities of each agency. Mr. Mayor asked us, for example, the reason why the water on this particular road is not flowing, the reason of any leaks, or in the case of murky water. The main point of the Mayor's questions is about the condition of PDAM. That is the one that was directly implemented by the director".

Other routine communications that are conducted by PDAM in Tirtawening, Bandung with the Mayor of Bandung are when PDAM in Tirtawening, Bandung submit their budget plan and annual report. This is in accordance with what was mentioned by the Head of Public Relations of PDAM in Tirtawening, Bandung:

"There are also communications at the beginning of the year and at the end of the year. At the beginning of the year, our Board of Directors meet with the Mayor to submit our work plan, our budget plan, or in the case where there are additional capital from the City Government. There is also the budget report, how much of it being used".

Incidental communications are depending on the needs and can be done at any time if necessary. Communications between PDAM in Tirtawening, Bandung and the Mayor of Bandung discuss the additional capital of the Government of Bandung, talks on tariff escalations, and cooperation activities with outside parties in accordance with the needs. "The inclusion of government capital in PDAM is carried out by the Board of Directors. That is, if the public accountants have not audited it, then it would not have been allowed to be blown out", said Mr. Tarsum. Furthermore, Mr. Tarsum said:

"If the tariff adjustment was several months earlier and there was a notice because it is tariff, which concerns the citizen of Bandung, up to several times, sometimes even a year before was being discussed, socialized, planned, made into paper, reported to the Mayor. That is when we were called to discuss it. It had to be approved by the Mayor prior to the meeting with the B Commission. The public relations perform its duty, for example, when we have guests or cooperation with the Netherlands and with the Manila Water, we always come over there to inform. The Mayor has previously informed it, and then we did the follow up and hold meetings. It was not limited on a weekly basis, mostly it depends on the necessity".

Communications between PDAM in Tirtawening, Bandung and the Mayor of Bandung, in this case the OPD, at any time required. Communication coordination was run by PDAM in Tirtawening, Bandung with almost all of OPD in Bandung, such as the Department of Communications and Information, the Public Works Service Office, the City Traffic and Land Transportation Agency, the Parks and Funeral Agency, the Tourism Agency, the Social Services, etc., so that all programs can run smoothly and synergized. This communication is done both formally and informally. This is consistent with the explanation given by the Head of Public Relations of PDAM in Tirtawening, Bandung, Mr. Tarsum, to the author as follows:

"Communication with the OPD is always conducted on every activity, for example with the Department of Communications and Information, will inform them of anything new, or customer complaints through the website, Facebook, Instagram, etc. There is always information which invites us in, so if there is a complaint, they do not need to come directly to the office of PDAM, through our website, Instagram, and/or Facebook would be enough. In addition, with relevant agencies, for example with the Public Works Service Office, we often communicate in the case of where there is a leak in the street then we would report it to the Public Works Service Office for permission to dig up the road. Another example is when the Public Works Service Office would conduct road elevation and there might be one of our water pipes beneath it, they also coordinate with us. All of the OPDs must be coordinated. Further, we often coordinate with the Department of Environmental Affairs in relations with waste, environmental sustainability, and integrity of our water resources. Our coordination with the City Traffic and Land Transportation Agency is in the case

of road excavation that involves their Department. Another example is with the Social Services, for example, once a year before Eid Al-Fitr, we coordinated donation for the recommended charity. Moreover with the Regional Development Planning Agency, we were always informed for new hotels or restaurant developments. In the case of new hotel development, we always coordinate with the Tourism Agency in connection with the hotel's water supply and waste management system. In regards to the Parks Agency, for example is when our pipelines coincidence with the garden area and to avoid flooding and other dangerous situation, we always coordinate to avoid such situation. There were no significant obstacles for such communication, as long as the proper procedure was implemented and given the appropriate license. Additionally, we also communicate and coordinate in formally when we meet at the City Hall, because we already knew each other, so when there is new information it could be delivered directly without going through the mail, it could also be delivered through social media, or the local forums. So the complaints can be conveyed to anywhere, our door is wide open. This will be easier for us and it has been up and running".

## 2. Communication between PDAM in Tirtawening, Bandung and the DPRD of Bandung

Communication between PDAM in Tirtawening, Bandung and the DPRD of Bandung conducted incidentally as needed. The DPRD of Bandung paid a direct visit to the PDAM in Tirtawening, Bandung or the DPRD invite the PDAM over to its office. The DPRD of Bandung comes directly into directly visit the PDAM in Tirtawening, Bandung to ask about any issue related to PDAM.

This is consistent with the explanation given by the Head of Public Relations of PDAM in Tirtawening, Bandung as follows:

"They come here once in awhile. In accordance with their duty, the B Commission come here to supervise or else, we are called into their office. It is a routine visit, at least every quarterly. If not then we paid them a visit. Mostly it is us who visit them, rarely the other way. If for some reason there is a problem that is being highly exposed in the media, then we are going to be called to the DPRD office. One of the examples is the recent case of replacement for the main director that has been in the office for too long, where the B Commission spoke about the issue in the newspaper. They came here to control any urgent issue. That is in addition to giving approval for the government capital and adjustment to the increase of PDAM tariff. The B Commission also examines the important issues the PDAM is facing, for example, when the long drought almost dry out the water source. The PDAM can not optimally process the water to be distributed to its customers. So far the communication with the Commission went well. The B Commission always guide and provide related information along with complaints from the public".

## 3. Communication between PDAM in Tirtawening, Bandung and relevant agencies in Bandung

Communication between PDAM in Tirtawening, Bandung and relevant agencies outside the OPD has been running. Related agencies outside the OPD associated with PDAM in Tirtawening among others are the State-owned Electricity Company

(*Perusahaan Listrik Negara/PLN*), the Regency Government of Bandung, the Regency Government of West Bandung, the DPRD of Bandung Regency, the DPRD of West Bandung Regency, the BWS of Citarum, and Perhutani. The way it is conducted is because the water used by PDAM in Tirtawening, Bandung comes from the territory or agencies related to it.

This is in accordance with what the Head of Public Relations of PDAM in Tirtawening, Bandung said as follows:

"The PDAM in Tirtawening, Bandung source of the water is from the Cikapundung River, but 80% of its water resources have come from the Bandung Regency and West Bandung Regency, and it is located in Perhutani, in Indonesia Power. On the other hand, Situ Cileunca are in the area own by PLN. So the water is owned by PLN but also belongs to BWS of Citarum. We always coordinate with the agencies and Bandung Regency Government. There is coordination with the local DPRD, smaller local government, and the local community, including the police. Then the water source in West Bandung is in the area of Perhutani to which we also coordinate with them. In fact, because the Indonesian Army Special Forces group also used the area for a firing range, we also coordinate with them. In the area of Dago Pakar, we coordinate with Perhutani to do corporate social responsibility by planting trees to preserve the forest. This was a priority area for our corporate social responsibility action because we get our water from their sources".

### **PDAM in Tirta Kahuripan, Bogor Regency**

#### **1. Communication between PDAM in Tirta Kahuripan, Bogor Regency and Bogor Regency Government**

PDAM in Tirta Kahuripan, Bogor Regency communicate intensively and incidentally with the Regent and its staff, as well as Regional Work Unit (*Satuan Kerja Perangkat Daerah/SKPD*) in Bogor Regency. The routine activity that is being held twice a year is conducted by the PDAM as the drafting team for the work plan and budget of the company. (*Rencana Kerja dan Anggaran Perusahaan/RKAP*). It is as stated by the Head of Public Relations of PDAM in Tirta Kahuripan, Bogor Regency, "a routine activity as the RKAP maker with the Head of Regency". Other activities with the Head of Regency and its staff discuss the regional government capital and the new tariff adjustment.

Communication between PDAM in Tirta Kahuripan, Bogor Regency with SKPD, among others, along with the Regional Disaster Management Agency (*Badan Penanggulangan Bencana Daerah/BPBD*) for supplying clean water, then with the Department of Health in the control of water quality and sewage treatment socialization with the Regional Environmental Agency. Additionally, cooperation with the Department of Public Works is in the provision of clean water in the new residential development area and coordination in overcoming interference problems or installation of pipes in the streets.

#### **2. Communication between PDAM in Tirta Kahuripan, Bogor Regency and the DPRD of Bogor Regency**

Communication between PDAM in Tirta Kahuripan, Bogor Regency and the DPRD of Bogor Regency intensively linked in connection with the approval of the DPRD of Bogor Regency to local government capital in the PDAM and approval for the

new PDAM tariff adjustment. Other communications forms between PDAM in Tirta Kahuripan, Bogor Regency and the DPRD of Bogor Regency are through public hearings when there are problems associated with the PDAM, such as clean water service to the community, which has not been optimal, bulk water problems that destroy public roads, and so forth.

3. Communication between PDAM in Tirta Kahuripan, Bogor Regency and relevant agencies in Bogor Regency

PDAM in Tirta Kahuripan, Bogor Regency also establish communication with entities associated with the supply of water for the PDAM, such as Perhutani, Institute for Water Resources (*Balai Sumber Daya Air/BSDA*), and the ESDM. In addition, there is also communication established with the prosecution related to consulting and legal assistance in regards to financial institutions.

### **PDAM in Tirta Jaya Mandiri, Sukabumi Regency**

1. Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and Sukabumi Regency Government

Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and Sukabumi Regency Government on average is once a month in the form of coordination meeting and synchronization of the regional government of Sukabumi. The coordination meeting is usually led by the Regent and attended by the relevant officials and the OPD in Sukabumi Regency. This is in accordance with the statement from the Head of General Department of PDAM in Tirta Jaya Mandiri, Sukabumi Regency, Budiarkah as follows:

"Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and Sukabumi Regency Government on average is once a month in the form of coordination meeting led by the Regent. It delivers the regional government programs that must be implemented by all the OPDs, including PDAM in Tirta Jaya Mandiri, Sukabumi Regency. The result is then synchronized with the PDAM in Tirta Jaya Mandiri, Sukabumi Regency existing program to create good output".

The communication with the agencies and other OPDs conducted an average of about 10 times a month. Its activity is to implement inter-agency coordination and to discuss clean water for the needs of the community; for example with the Regional Development Planning Agency we need to discuss the assistance program. This is consistent with what Budiarkah mentioned.

2. Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and the DPRD of Sukabumi Regency

Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and the DPRD of Sukabumi Regency conducted an average of five times per month. It consists of Commission Meetings and Plenary Meetings that discuss regional legislations that will be ratified by the legislative body. This is consistent with what Budiarkah mentioned. He added, "The result is that the regional legislations will be the basis for any activity by the Regional Companies and other OPDs.

3. Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and relevant agencies in Sukabumi Regency

Communication between PDAM in Tirta Jaya Mandiri, Sukabumi Regency and relevant agencies in Sukabumi Regency among others is with the ESDM and BSDA to

addressed the issue of water resources. It is usually no hassle at all, and even if there is, it usually easily resolved, as mentioned by the Head of General Department of PDAM in Tirta Jaya Mandiri, Sukabumi Regency, Budiarkah.

Based on the results of the research, communication between the PDAM in West Java with the Head of the Regional government is divided into two groups, the routine communication and incidental communication. Routine communication is generally conducted in the form of monthly or annual meetings. The monthly meeting conducted to discuss the issues related to local government programs related to PDAM and OPD/SKPD, whereas the annual meeting is for the budget proposal and annual report. Incidental communication is not time specific but it is tailored as necessary. On the other hand, PDAM communication with the OPD/SKPD is conducted for coordination and cooperation.

Further based on the research, communication between the PDAM in West Java with the DPRD is made directly when the members directly visit the PDAM and when the PDAM is invited to attend a hearing. The issues discussed by the DPRD are usually a matter of PDAM associated with the public interest, for example the water crisis, approval for government capital, and adjustment to new tariff.

Moreover, communication between the PDAM in West Java with relevant agencies is to expedite the performance of PDAM in serving its customers and the society, particularly in relations to the procurement of water sources and clean water services to the public. PDAM communication with relevant agencies includes Perhutani, PSDA, BWS, ESDM, the Attorney General Office, the Regent/Mayor, the DPRD, the Army, and the Police Department. It is usually in connection with the water sources, licensing, and other type of cooperation.

Judging from the provisions on the powers and responsibilities of the regional governments that is regulated under the Government Regulation No. 16 of 2005 on the Development of Water Supply System (the GR 16 of 2005), the regional governments can establish a BUMD to organize and develop PDAM. In accordance with the GR 16 of 2005, the regional government can authorize a BUMD to perform the service of providing drinking water within its territory and the said BUMD will answer to the regional government. PDAM as a BUMD established by the Regency/City Government, other than being a public service company is also a company whose capital was obtained from the previously separated State's assets. Thus, the PDAM must not only gain profit, but also must provide good services to the public.

In carrying out its activities, PDAM is constantly in touch with the people or institutions that has the same interest and concern with the activities undertaken by PDAM, which is known as stakeholders. Freeman (1984:46) defines a stakeholder as "any group or individual that affect or are affected by the achievement of corporate goals". Stakeholders in PDAM are, among others, the Regent/Mayor, the DPRD, OPD/SKPD, Perhutani, ESDM, PSDA, BWS, the Army/the Police Department, the customers, the employees, and so forth.

Communications between PDAM in West Java with its stakeholders have been conducted with a different intensity and frequency, tailored to the needs and purposes of each PDAM. The communication between PDAM in West Java with its stakeholders should run smoothly, so mutual understanding and cooperation that could benefit both parties can be achieved. As stated by Freeman, "that the more stakeholders' interests are satisfied by the company, the company has a greater likelihood of success". The

communications between PDAM in West Java with its stakeholders are generally run by the public relations department and then specifically by the sections or organizational units that exist in the PDAM.

One of the crucial problems that need PDAM's and stakeholders' attention is the lack of similar understanding and comprehension of water and its management. The Law No. 7 of 2004 on Water Resources regulates the management of water resources from upstream to downstream on the basis of the river region to be in the same water resources management without being affected by administrative boundaries. The regulations on the water resources management that is not affected by the limits of administrative areas is intended for each and every regions in charge of the water resources to have the same perception, that is that water is an essential need for human beings without putting their own interest first, to which at the end will hamper the clean water service to the public. This particular situation in Indonesia, where a lot of water resources are crossing administrative boundaries, will potentially give rise to a conflict if it is not communicated properly.

Water resources will become a scarce resource over time and the growing population will multiply the need for clean water. If the current management of water resources is not distinct and well planned, it is safe to assume that in the future it will lead to water crisis.

## CONCLUSIONS

Based on research and discussion, the research on the optimization strategy for the PDAM in West Java from business communication perspective can be concluded as follows:

1. Stakeholders of the PDAM in West Java are the people who are both personally or institutionally have an interest and connection to the business of PDAM. In this research, the stakeholders of PDAM are including the Regency/City Government, the DPRD of the Regency/City, Perhutani, PLN, and BWS;
2. PDAM in West Java establish communication with different stakeholders using different forms of media and communications. The forms of communications used are including personal communication, group communication, public communication, organizational communication, and mass communication. The media used for coverage are the mass media and the non-mass media, both electronic and printed;
3. PDAM in West Java establish communication with various stakeholders in different quality and intensity, depending on the interest and need of each stakeholder; and
4. The quality and intensity of the business communication conducted by PDAM can optimized PDAM in West Java itself and therefore the company's business strategy that highlight the communication aspect is becoming increasingly imperative in achieving company's goals.

## REFERENCES

- [1] Cutlip, Scott M., Allen H. Center and Glen M. Broom. 1999. *Effective Public Relations*, 6th Edition, London: Prentice - Hall International

- [2] Freeman, E. 1984. *Strategic Management: A Stakeholder Approach*. Boston: Pittman Publishing Inc
- [3] Griffin, EM. 2006. *A First Look At Communication Theory*, 6th Edition. New York : McGraw-Hill
- [4] Grunig, J.E and Hunt, T. 1984. *Managing Public Relations*. New York: CBS College Publishing
- [5] Kartini, Dwi. 2009. *Corporate Social Responsibility, Transformasi Konsep Sustainability Management dan Implementasi di Indonesia*. Bandung: Refika Aditama
- [6] Kementerian Pekerjaan Umum. 2013. *Meretas Jalan Menuju Jaminan Layanan Air Minum*. Jakarta : Badan Pendukung Pengembangan Sistem Penyediaan Air Minum
- [7] Putra, I Gusti Ngurah. 1999. *Manajemen Hubungan Masyarakat*. Yogyakarta: Penerbit UAJ
- [8] Ruslan, Rosady. 1999. *Manajemen Humas dan Manajemen Komunikasi*. Jakarta: PT Raja
- [9] Grafindo Persada

**Legislations and other**

Government Regulation No. 16 of 2005 on the Development of Water Supply System

Law No. 27 of 2009 on the People's Consultative Assembly, the House of

Representatives, the Regional Representative Council, and the People's Regional  
Legislative Council

[www.perpamsi.or.id](http://www.perpamsi.or.id)