ORGANIZATIONAL CULTURE TRANSFORMATION IN DEVELOPING DIGITAL COMMUNICATION STRATEGIES AT ALFAGIFT COMPANY

Fanny Agustina Nababan[*1], Lasmery RM Girsang[2]

Universitas Bunda Mulia Tangerang[*1,2]
Email: fannyponta09@gmail.com

Abstract

This research aims to contribute to changes in an organizational culture that is influenced by certain factors, such as in this research, namely due to factors developing communication strategies and changes towards digitalization. This research is descriptive qualitative research using direct observation methods and in-depth interviews in Alfagift. This research uses phenomenological research with the Kurt Lewin Model (unfreezing, changing, and refreezing), and based on the results of this research it shows that the unfreezing process is a process of acceptance of the transformation that will be carried out in an organizational culture by all its members, then in the transformation process to its implementation is carried out by all members of the organization by carrying out their duties and obligations and being ambitious about the change process, and the last is the process of refreezing or mixing/merging attitudes and behavior towards the new culture. Therefore, the role of management is very important to provide support for every process of transformation that occurs carried out to increase the chances of success in creating a new organizational culture towards digitalization**.**

Keyword: Transformation, organizational culture, digitalization

Abstrak

Penelitian ini bertujuan untuk memberikan kontribusi terhadap perubahan dalam suatu budaya organisasi yang dipengaruhi oleh faktor-faktor tertentu, seperti pada penelitian ini yaitu karena faktor mengembangkan strategi komunikasi dan perubahannya menuju digitalisasi, penelitian ini merupakan penelitian kualitatif deskriptif dengan metode pengamatan secara langsung dan wawancara mendalam di Alfagift. Pada penelitian ini menggunakan penelitian fenomenologi dengan Model Kurt Lewin (unfreezing, change and refreezing), dan berdasarkan hasil penelitian ini menunjukkan bahwa pada proses unfreezing yaitu adanya proses penerimaan terhadap transformasi yang akan dilakukan pada suatu budaya organisasi oleh seluruh anggotanya, kemudian pada proses transformasi untuk penerapannya dilakukan oleh seluruh anggota organisasi dengan menjalankan tugas dan kewajiban serta ambisius terhadap proses perubahan, dan yang terakhir adalah proses refreezing atau pembauran/peleburan sikap dan perilaku terhadap budaya baru, Oleh karena itu peran manajemen sangatlah penting untuk memberikan dukungan terhadap setiap proses dari transformasi yang dilakukan untuk

memperbesar peluang keberhasilan dalam menciptakan budaya organisasi yang baru menuju digitalisasi.
Kata kunci: *Transformasi, budaya organisasi, igitalisasi*

INTRODUCTION

Along with technological advancements and changes in people's lifestyles, organizational culture has become a key element in achieving competitive advantage in the digital age. Organizations that can adapt to culture quickly and intelligently will have a great opportunity to grow and achieve long-term success. The transformation of organizational culture in the digital era is a necessity. Organizational culture includes norms, values, attitudes, and behaviors that define the identity of an organization (Hanelt dkk., 2021). In the context of the digital era, an organizational culture that is rigid, resistant to change, and closed will be a major obstacle to growth and adaptation (He dkk., 2022). Therefore, changing organizational culture to one that is more open, innovative, and customer-oriented is a must.

Organizational culture change is not just a temporary trend or policy, but a key factor in enabling companies to face increasingly dynamic challenges. A culture that supports innovation, collaboration, and a better understanding of the market are key elements that need to be embedded in organizations to achieve long-term success (Albukhitan, 2020). Technology plays a central role in facilitating organizational culture transformation. Digital tools, collaboration platforms, and cloud-based solutions enable cultural change more efficiently. With technology, organizations can connect team members located in different parts of the world, share ideas, data, and understanding, and design more innovative and adaptive solutions.

Kurt Lewin described the planned change model as having three stages that describe taking an initiative, managing, and stabilizing the change process. The three stages are expressed by Robbins as unfreezing, movement, and refreezing which describe a way to take the initiative, manage and stabilize the process of change. The three stages of the change model are: (1) Unfreezing, namely search, is a phase where the goal is to generate motivation for change. Individuals are encouraged to replace previous behaviors and attitudes with those desired by management. Thawing is the organization's attempt to overcome individual resistance and group conformity. The search process is a power struggle between drivers and inhibitors for change in the status quo. To accept change, individual preparation is required. This search should serve to ensure that a person is not bound by the desire to defend themselves from the status quo, but is ready to be open, (2) Movement or Changing is a learning phase in which employees receive new information, new behavior models or new points of view. The goal is to help workers learn new concepts or viewpoints. Experts recommend that the best way to convey to workers is the idea that change is a continuous learning process, not a passing event. Therefore, it is necessary to realize that life is essentially a continuous process, (3) Refreezing is the stage where the changes that have occurred are stabilized by helping workers integrate changes in behavior and attitudes into their normal way of doing things. This is done by allowing workers to demonstrate new

behaviors and attitudes. The restored attitudes and behaviors should be frozen, so that they become the new, recognized norm. With the formation of new attitudes and behaviors, attention must be paid to whether they are still by ongoing environmental developments. However, it turns out that when changes are needed again, the unfreezing process will begin again (Ifenthaler & Egloffstein, 2020).

Martínez-Caro dkk., (2020) introduced the concept of disruptive innovation. This concept reminds entrepreneurs to quickly adapt when new, unnoticed, and unrecognized innovations emerge, as they can rapidly challenge established businesses that are unwilling to change (Brunetti dkk., 2020). In summary, according to Christensen, the digitalization of technology is something that disrupts established technologies and upends an industry or product, leading to the birth of new industries (Brockhaus dkk., 2023). This term marks the beginning of what is meant by technological disruption, a term still used today. In the context of the 21st century, the importance of technological disruption means continuous technological change occurring rapidly without boundaries. This era is characterized by constant changes and surprises for people today (Rajagopal dkk., 2022).

Cultural transformation is an organizational challenge aimed at enhancing capabilities in terms of knowledge, technology, and innovation. This is done with the realization that to maintain an organization's existence, credibility, and reputation, positive changes must occur to adapt and follow unpredictable developments. Cultural transformation within an organization involves many strategies, planning, and well-thought-out changes to achieve the desired organizational goals. Of course, all members of the organization collaborate and carry out their tasks effectively. Therefore, research is needed to provide contributions to the transformation of organizational culture by developing digital communication strategies. This study focuses on the strategies, stages, and implementation of cultural changes within a company through the concept of digitalization and the use of media and technology.

One of the major retail companies that has successfully undergone cultural transformation in the digital era is Alfagift. Alfagift is an online shopping application from Alfamart that offers a wide range of products to meet daily needs. From groceries and snacks to household necessities, these items are available through this app. Alfagift currently has 235 employees across several divisions. With Alfamart as the parent company, Alfamart is a minimarket brand providing daily necessities, owned by PT Sumber Alfaria Trijaya Tbk. In 1989, Alfamart was founded, starting with the trade of cigarettes and consumer goods by Djoko Susanto and his family. PT Alfa Minimart Utama (AMU) was established on July 27, 1999, and later opened Alfa Minimart on October 18, 1999, located on Beringin Raya Street, Karawaci, Tangerang. The name Alfa Minimart was then changed to Alfamart on January 1, 2003.

After its initial launch in 2015, the upgraded application now offers various features for easier shopping for daily needs. As of now, Alfagift, which started under the name Ponta and was fully acquired by Alfamart in 2019, has undergone significant cultural changes in recent years to face the challenges of the digital era. As a company based on

digital innovation and ranked among the top 3 most downloaded e-commerce apps, the company has realized that the digital era brings significant changes to how people work and interact with technology. Alfagift felt the need to adapt to these changes and take the lead in cloud computing, artificial intelligence, and subscription-based services. Based on the description above, the author aims to explore how organizational cultural transformation develops digital communication strategies at Alfagift.

METHOD

The qualitative descriptive research method will certainly be used in this study. Qualitative research refers to a type of research that involves interpretation and multiple methods, known as triangulation, to examine a problem within the research. The goal is for the researcher to gain an understanding that is comprehensive (holistic) of the phenomenon being studied. Based on epistemological principles, qualitative research typically investigates something within its natural environment, aiming to understand and interpret phenomena related to the meanings that people assign to it (Jaya, 2020).

In this study, the researcher is actively involved in the data collection process, conducting in-depth interviews with selected informants, participatory observation, and the conclusion-making process. This approach not only requires explanations of what the research subjects say and do but also explanations of how they voluntarily behave in their natural environment. The purpose of observation is to determine whether the subjects choose certain behaviors, not other behaviors, that are appropriate to the existing situation. This provides a comprehensive picture of the topic and a more detailed view. It also allows comparisons between what is said and done under specific circumstances (Purwanza, 2022). Most qualitative research takes a considerable amount of time because its goal is discovery and not merely hypothesis testing (Winarni, 2021). The researcher has chosen the Alfagift Headquarters at Alfa Tower as the research location since it serves as the main site for this study. From the perspective of its purpose, this research is classified as descriptive.

This study uses Kurt Lewin's model (unfreezing, changing, and refreezing), where Lewin's model of change is widely accepted in psychology for implementing change. The implementation of change involves altering the current state of the organization into the desired state, but this will not happen quickly; it occurs simultaneously. Beckhard and Harris identified three activities to implement change: activity planning, commitment planning, and change management structure. Activity planning establishes a path for organizational change, with specific events and activities required to ensure the success of the change (Purwanza, 2022). Additionally, this research also applies phenomenology theory, where the basic principle of phenomenology according to Stanley Deetz is that knowledge is found directly in conscious experience, the power of things in a person's life can hold meaning in one's life, and language is the connector of meaning (Purwanza, 2022). About the above description, the objective of this research is to describe the extent to which organizational cultural transformation can be developed through the digital communication strategy implemented by Alfagift.

RESULTS AND DISCUSSION

The organizational culture transformation and Lewin's "unfreezing" model at Alfagift, besides focusing on Alfamart's omni-channel in digital retail, also provide customer services such as data solutions, merchant partners, customer relationship management, and digital activation & communication. As part of the Alfamart group, Alfagift upholds a corporate work culture with values embedded in the 2i 3k principles

Integritas yang Tinggi

Jujur, disiplin, dan konsisten dalam bekerja berlandaskan etika serta bertanggung jawab terhadap pekerjaan.

Inovasi Untuk Kemajuan yang Lebih Baik

Kreatif dalam bekerja, berkomitmen untuk melakukan perbaikan cara kerja secara terus menerus.

Kualitas dan Produktivitas yang Tertinggi

Mampu menjalankan tugas serta fokus pada pencapaian hasil kerja yang lebih baik.

Kerja Sama Tim

Terlibat aktif serta mendorong terciptanya semangat dan kekompakan tim.

Kepuasan Pelanggan Melalui Pelayanan Terbaik

Berinisiasi tinggi memenuhi kebutuhan dan memastikan terciptanya kepuasan pelanggan

Image. Alfamart Culture (Alfamart.co.id)

Based on one of the company's cultural values, innovation for better progress, it is known that employees are expected to continuously improve their work by embracing every advancement in the work system toward digitalization. Naturally, the initiation of transformation refers first to the digitalization of its internal organization. The phenomenon of organizational culture transformation within a company not only involves IT, media, and technology but also needs to consider the individuals or employees and other factors that influence the transformation process. As a company engaged in online retail, data, and management services, the current era of digitalization presents both challenges and opportunities for Alfagift. There are various challenges, and within them, many strategies are constantly being prepared. Based on an interview at Alfagift's office with Mr. Effendy, the Technical Lead, he revealed that:

"As a technical team, the adaptation and implementation process is certainly not an easy task because this transformation must be considered from all aspects. Initially, internal meetings or those with external clients and business partners, which were usually held directly or face-to-face, have since 2020 transitioned online. Meetings can now be held online using technology and leveraging various platforms. It's important to note that the technical team's duties are not limited to meetings; even the service implementation for customers regarding a solution provided can be done remotely, of course, by utilizing technology and a team that continuously innovates. In terms of effectiveness, Mr.

Effendy mentioned that this transformation has been quite effective and efficient in communication with the team. He also emphasized that coordination is now more frequently done through media and technology like WhatsApp and video conferencing. It is also essential to use a provider with a strong and stable signal to avoid ineffective communication or miscommunication."

Based on direct observation, this digital transformation has been gradually implemented since the Indonesian government's work-from-home (WFH) directive. All human resources involved agreed to and openly embraced the changes, continually innovating and sharing knowledge to achieve efficiency. Openness to the transformation process can support the early stages of change. It is not only about accepting change; every employee must also be prepared to face and navigate any changes that may occur.

Implementation of Change

According to Stephen, openness in the context of employee change should be a focus throughout the transformation process. Leadership in terms of change can be defined as the process of diagnosing where the working group is now, where it needs to be in the future, and formulating strategies to get there. Leadership also involves implementing change by developing a foundation of influence with followers, motivating them to commit and work hard in pursuing the goals of change and working with them to overcome obstacles to change (Singh dkk., 2020). In an in-depth interview with Mrs. Rina, the Sales Manager, she stated:

"In any transformation or change that occurs, employees should be ambitious in all aspects, such as being committed to continuously learning and improving their skills, both in terms of job responsibilities and adapting to changes. A manager should not only provide motivation but also guide and work together to minimize any potential discrepancies that may arise. In this case, the manager's role is crucial in supporting the change process."

Meetings between clients and the company are conducted using media, technology, and online applications such as Google Meet, Zoom, and Microsoft Teams. In the process of implementing change, direct participatory observation of the digitalization transformation revealed significant changes needed to achieve digitalization at Alfagift. These include: (1) Initiating changes division by division, ensuring each process is controlled, (2) Division leaders enforcing rules for their teams to embrace digitalization through technology use and innovation enhancement, (3) Maximizing media or platforms that support the change process in work activities for communication, such as WhatsApp, video conference applications, and Microsoft Office, (4) Providing support from company management, including motivation, guidance, and training when necessary, (5) Management being open to receiving feedback on any obstacles during the implementation process, with initial mitigation being discussion and subsequent problem-solving, (6) Organizational members, in this case, employees, are committed to self-improvement and knowledge sharing as part of their readiness for any changes that may occur at any time.

In managing change through the model approach, there are eight steps: (1) Creating a sense of urgency for the need for change, (2) Forming a coalition supporting the change, (3) Creating a vision and strategy for change, (4) Communicating the vision for change, (5) Empowering members to take action toward the change, (6) Achieving short-term wins, (7) Consolidating the results of the change achieved and continuing with subsequent changes, (8) Embedding the new approaches into the organizational culture (AlNuaimi dkk., 2022).

In the era of digitalization and from the perspective of organizational culture transformation, Mr. Nugroho explained that:

"One example of the change is that activities that were typically done face-to-face in the office can now be adjusted with the conditions of the implementation of change by utilizing technology, whether it's communicating or coordinating through email, WhatsApp, or video conference. The communication strategy is crucial to keep track of all progress. I instruct the team to submit weekly reports, and in terms of adaptation, we've been very capable of adapting to this transformation because it is highly flexible. However, consistency and commitment from every employee must also be maintained. The hope is to have or find a single platform that integrates communication and coordination features like chat and email into one."

Bechard and Harris identified three activities for implementing change: activity planning, commitment planning, and changing management structure. Activity planning creates a roadmap for organizational change, where specific events and activities must occur for the success of the organizational change. These activities involve integrated task changes, temporal orientation, and explicitly binding tasks according to organizational change priorities and goals. Commitment planning identifies the people and groups whose commitment is required for organizational change (Konopik dkk., 2022). An in-depth interview with Mr. Fransin, the Digital Marketing Manager, revealed:

"In today's digital technology era, the positives outweigh the negatives. By using technology, activities, and communication are faster, cost-efficient, and time-efficient. Another advantage is having a digital record, such as WhatsApp or email, where old data can be retrieved when needed. However, the downside is digital communication distortion, such as signal interference. Therefore, I always advise the team to have a strong signal connection. In this digitalization era, we realize that we cannot survive without technology. However, the company's management already has well-prepared plans for transformation. In the digital era, strategies and support from the company, such as providing training to employees to continuously innovate and keep up with technological developments, are ongoing."

According to Mugge dkk., (2020), every organization experiences change, and organizational change can only occur if every member recognizes the importance of the change and participates in it. Organizational change will not materialize without the involvement of all organizational members. A good organization is sensitive to changes

and can predict organizational changes at any time. Change also requires visionary leadership because one of the factors driving organizational change is the leader's desire and motivation to realize the organization's vision and mission into goals and achievements. Only a leader who understands future concepts can bring about transformation in an organization.

Alfagift employees are now accustomed to online meetings using Google Meet or Zoom for daily or weekly discussions. This is in line with management's approval and full support of the company's digital transformation. Based on direct observation, the integration of behavior and attitudes toward the transformation is the next step after implementing change, where new methods and norms must align with what has been transformed. Acceptance and commitment to the newly implemented changes are two necessary components to continue fostering the new organizational culture.
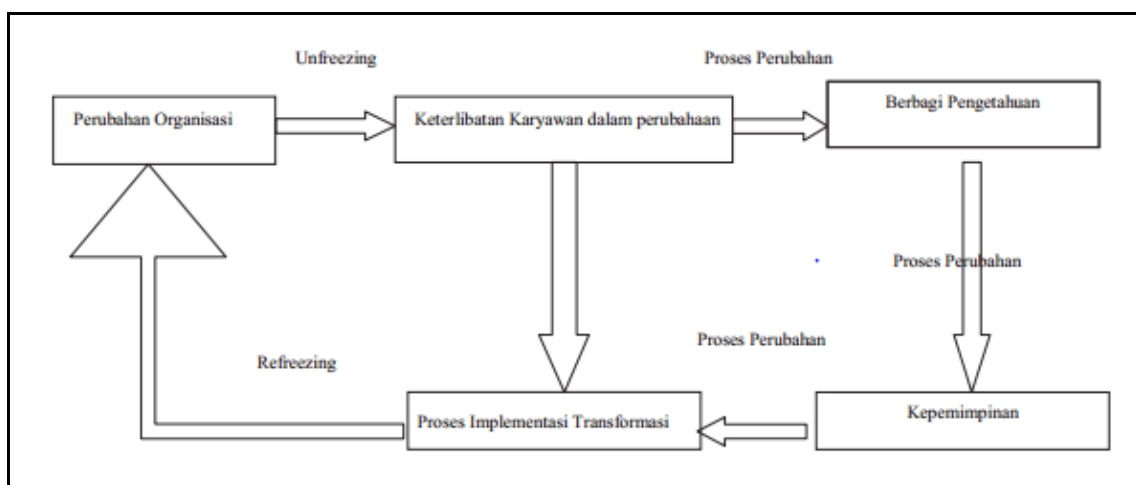

Image. Organizational Change Process shows different stages (Trenerry dkk., 2021)

In the image above, the organizational culture transformation model demonstrates the three stages of Kurt Lewin's change model. The organizational culture transformation towards digitalization has been successfully implemented at Alfagift, where work and communication methods are now based online. For example, team coordination is done through WhatsApp groups, meetings with clients or internal teams are conducted via video conferences, and face-to-face meetings or going to the office are scheduled once a week or flexibly when needed. Interestingly, this organizational culture transformation towards digitalization is highly efficient as employees have flexibility in terms of time and location. To ensure effective communication in this era of technological disruption, it is essential to maximize the use of media for communication, adopt appropriate communication methods, and ensure clarity in delivering the messages to be communicated.

CONCLUSION

The process of organizational culture transformation involves complex stages that must be carefully considered to increase the chances of achieving the desired goals. During the unfreezing stage, individuals within an organization should be open to accepting changes that can occur unpredictably at any time, not close themselves off to change,

and motivate themselves throughout the process. In addition to openness, self-awareness to adapt and a desire for continuous innovation are also required. The transformation process involves all members of the organization agreeing to accept the change. The initiation stage in this transformation includes activities such as adjusting to new things, enhancing capabilities, supporting each other, sharing knowledge, and receiving significant strategies and support from management or leadership within the organization so that the transformation process can achieve its desired goals. To minimize potential obstacles, the role of leadership is crucial. A transformational leader with a central and strategic role greatly influences the transformation process. Once the change process runs smoothly and aligns with the objectives, stabilization is achieved through integrated attitudes and behaviors and a commitment to the new organizational culture. This helps create opportunities for success in the transformation process.

BIBLIOGRAPHY

Albukhitan, S. (2020). Developing Digital Transformation Strategy for Manufacturing. *Procedia Computer Science*, *170*, 664–671. https://doi.org/10.1016/j.procs.2020.03.173

AlNuaimi, B. K., Kumar Singh, S., Ren, S., Budhwar, P., & Vorobyev, D. (2022). Mastering digital transformation: The nexus between leadership, agility, and digital strategy. *Journal of Business Research*, *145*, 636–648. https://doi.org/10.1016/j.jbusres.2022.03.038

Brockhaus, J., Buhmann, A., & Zerfass, A. (2023). Digitalization in corporate communications: Understanding the emergence and consequences of CommTech and digital infrastructure. *Corporate Communications: An International Journal*, *28*(2), 274–292. https://doi.org/10.1108/CCIJ-03-2022-0035

Brunetti, F., Matt, D. T., Bonfanti, A., De Longhi, A., Pedrini, G., & Orzes, G. (2020). Digital transformation challenges: Strategies emerging from a multi-stakeholder approach. *The TQM Journal*, *32*(4), 697–724. https://doi.org/10.1108/TQM-12-2019-0309

Hanelt, A., Bohnsack, R., Marz, D., & Antunes Marante, C. (2021). A Systematic Review of the Literature on Digital Transformation: Insights and Implications for Strategy and Organizational Change. *Journal of Management Studies*, *58*(5), 1159–1197. https://doi.org/10.1111/joms.12639

He, Z., Huang, H., Choi, H., & Bilgihan, A. (2022). Building organizational resilience with digital transformation. *Journal of Service Management*, *34*(1), 147–171. https://doi.org/10.1108/JOSM-06-2021-0216

Ifenthaler, D., & Egloffstein, M. (2020). Development and Implementation of a Maturity Model of Digital Transformation. *TechTrends*, *64*(2), 302–309. https://doi.org/10.1007/s11528-019-00457-4

Jaya, I. M. L. M. (2020). *Metode Penelitian Kuantitatif dan Kualitatif: Teori, Penerapan, dan Riset Nyata*. Anak Hebat Indonesia.

Konopik, J., Jahn, C., Schuster, T., Hoßbach, N., & Pflaum, A. (2022). Mastering the digital transformation through organizational capabilities: A conceptual framework. *Digital Business*, *2*(2), 100019. https://doi.org/10.1016/j.digbus.2021.100019

Martínez-Caro, E., Cegarra-Navarro, J. G., & Alfonso-Ruiz, F. J. (2020). Digital technologies and firm performance: The role of digital organisational culture. *Technological Forecasting and Social Change*, *154*, 119962. https://doi.org/10.1016/j.techfore.2020.119962

Mugge, P., Abbu, H., Michaelis, T. L., Kwiatkowski, A., & Gudergan, G. (2020). Patterns of Digitization: A Practical Guide to Digital Transformation. *Research-Technology Management*, *63*(2), 27–35. https://doi.org/10.1080/08956308.2020.1707003

Purwanza, S. W. (2022). *METODOLOGI PENELITIAN KUANTITATIF, KUALITATIF DAN KOMBINASI*. Cv. Media Sains Indonesia.

Rajagopal, N. K., Qureshi, N. I., Durga, S., Ramirez Asis, E. H., Huerta Soto, R. M., Gupta, S. K., & Deepak, S. (2022). Future of Business Culture: An Artificial Intelligence-Driven Digital Framework for Organization Decision-Making Process. *Complexity*, *2022*(1), 7796507. https://doi.org/10.1155/2022/7796507

Singh, A., Klarner, P., & Hess, T. (2020). How do chief digital officers pursue digital transformation activities? The role of organization design parameters. *Long Range Planning*, *53*(3), 101890. https://doi.org/10.1016/j.lrp.2019.07.001

Trenerry, B., Chng, S., Wang, Y., Suhaila, Z. S., Lim, S. S., Lu, H. Y., & Oh, P. H. (2021). Preparing Workplaces for Digital Transformation: An Integrative Review and Framework of Multi-Level Factors. *Frontiers in Psychology*, *12*. https://doi.org/10.3389/fpsyg.2021.620766

Winarni, E. W. (2021). *Teori dan Praktik Penelitian Kuantitatif, Kualitatif, PTK, R & D*. Bumi Aksara.