

Implementing OJK Communications



Creating a Strategic Communications Roadmap to reach all Indonesians

Prepared February 2013 by Sheena Thomson

Background

Organizational reputation and credibility is largely contingent on how an organization is perceived. This perception is directly influenced by how its leadership and its organization activities are built, communicated, and from this trust is earned.

The communications functions within any organization are the main public facing employees that have a mandate to directly reach people, both internally and externally, to help build this trust. This is achieved through clear strategic direction and guidelines from the organizational leadership and organizational goals and mission. The communication functions are the leaderships' messengers, so providing communications staff with the guidance and tools to do this is crucial to the success of any organization.

Complex organizations and government departments tend to have a multi-layered approach towards delivering communications, due to the sophistication and complexity of subject matter. As standard best practice, all organizations have high level strategic communications direction. This provides communications staff with the essential guidance on which to build their message and activities on, so that they accurately reflect the leadership thinking and business priorities.

Strategic Communications - some definitions and perspectives:

1. *"We define strategic communication as communications aligned with the company's overall strategy, to enhance its strategic positioning."*

Paul A. Argenti, Professor of Corporate Communications at Tuck School of Business, Dartmouth College.

2. *"Strategic Communication (SC) provides a conceptual umbrella that enables organizations to integrate their disparate messaging efforts. It allows them to create and distribute communications that, while different in style and purpose, have an inner coherence."*

Wikipedia

3. *"Campbell doesn't denigrate the role of messaging or tactics in communications, just*

that they had to be subordinate to the overall strategy. So whether it was the daily meeting with Whitehall colleagues to review the news agenda and deciding what responses needed to be made, maintaining the 'grid' of forthcoming communications activities (something he now sees in "all major organizations"), or responding to departmental initiatives, they should all be co-ordinated to the strategic goals."

Extract from the blog of Alastair Campbell, Director of Communications and Strategy for Prime Minister Tony Blair between 1997 and 2003.

In short, strategic communications creates alignment between strategy and execution. The best way to articulate this is to have an overall strategic communications roadmap on which to build organizational communications activities.

Creating a Strategic Communications Roadmap connects strategy with implementation through developing appropriate messages and themes, identifying audiences, activities and tools then how its impact is measured.

Conclusion

An integrated communications framework and detailed scope of work is urgently required to support communicating the OJK Mission.

Recommendations

1. Develop, review and adopt an OJK Strategic Communications roadmap.

DRAFT OJK Strategic Communications Roadmap



NB; FULL DEVELOPMENT OF THE STRATEGIC COMMUNICATIONS ROADMAP IS THE RESPONSIBILITY OF OJK DUE TO THE MORE INDEPTH UNDERSTANDING OF ORGANISZATIONAL STRATEGIC OBJECTIIVES

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1. Introduction

The OJK was established in July 2012 and began operations on 1 January 2013 as Indonesia's newly mandated financial regulator.

The OJK leadership recognizes and embraces the importance of communicating its existence and purpose to a diverse set of stakeholders. This facilitates a better understanding, greater transparency, increased trust and credibility, influence and behavior change, particularly with consumer stakeholder groups.

To achieve this effectively and credibly, the OJK seeks to leverage the OJK organizational communication function to reach and influence all that are impacted by the Indonesian financial regulatory framework.

The OJK Strategic Communications Roadmap clearly states how OJK will leverage communications to support achieving organizational strategic objectives and making an impact to realize its mission.

2. Decree and Mandate

The legal mandate for the OKJ was issued by PERATURAN DEWAN KOMISIONER OTORITAS JASA KEUANGAN, NOMOR 01/PDK/IX/2012 TENTANG ORGANISASI OTORITAS JASA KEUANGAN.

This decree specifies the role and primary function of communications within the OJK.

**Directorate of
International Relations
and Communications
(DIRC)**

**The Directorate of
Consumer Protection
and Education (DCPE)**

Both Directorates has two clear areas of responsibility; these are detailed in PERATURAN DEWAN KOMISIONER OTORITAS JASA KEUANGAN, NOMOR 01/PDK/IX/2012 TENTANG ORGANISASI OTORITAS JASA KEUANGAN

The Directorate of Communications and International Relations (DIRC)

The mandate states that the DIRC has primacy for all corporate communications within the OJK and is specifically mandated to:

“Provide OJK with the functional management and administrative support to coordinate and implement all OJK corporate communication and international relations activity.”

The DIRC comprises of the following three divisions, with responsibilities divided accordingly:

- a. Communication Strategy and Management Division (Decree Article 38)
Configure and coordinate communication activities and dissemination of information relating to regulatory policy and supervision of financial services sector; coordination, compilation and implementation of an integrated and sustainable corporate communication strategy.
- b. Communication Division (Decree Article 41)
Implementation of corporate communication activities and providing information services internally within OJK, the media, the wider community and institutional library management.
- c. Division of International Relations and Cooperation (Decree Article 44)
“Fundamental formulation of international cooperation a multilateral, regional, bilateral framework, to include international institutional Review of international cooperation related to Banking Industry, Capital Market industry and Non-Bank Financial Industry, and the study/ review of information exchange agreement in the field of supervision in banking sector, capital market and international IKNB.”

The mandate of DIRC is explained in part Five, articles 35 – 46 of PERATURAN DEWAN KOMISIONER OTORITAS JASA KEUANGAN, NOMOR 01/PDK/IX/2012 TENTANG ORGANISASI OTORITAS JASA KEUANGAN.

The Directorate of Consumer Protection and Education (DCPE)

The mandate states that the DCPE has primacy for all public education initiatives and community outreach within the OJK and is specifically mandated to:

Execute and provide support for well planned public information programmes, including measurement, information and education activity targeting consumers and the public to increase the financial literacy, consumer knowledge and a greater understanding of financial services regulation and consumer protection.

The Directorate comprises three main divisions, with responsibilities divided accordingly:

- a. Information Division (Article 10)
The Information Division has a main duty to perform program implementation and to gather necessary information for consumers and develop a strategy of information dissemination through publications and socialization.
- b. Education Division (Article 13)
Division of Education has a fundamental duty to conduct research, development, and preparation of educational programs, making cooperation with educational and training institutions, organize and making socialization to educate public, conduct outreach programs and become a member of the working group and attending forum of national and international financial inclusion.
- c. Administration Division (Article 16)
Division of Administration has the task of making coordination in relation with human resources affairs, organization, finance, information technology, and logistics for Education and Consumer Protection sector and the Directorate of Information and Education.

It is acknowledged that other Directorates have communications responsibilities with their respective external stakeholders, particularly to communicate law and regulation. This too is an integral part of the strategic communications roadmap as it too has an impact on the reputation and credibility of OJK, so timing, co-ordination and alignment of activity and message needs to take place within the OJK.

2. B. OJK Vision and Mission

OJK's vision is:

To become **a reliable inspector in financial services industry, protect the interests of consumers** and the public, and be able to actualize the financial services industry into a pillar of a **globally competitive national economic** and to **promote general welfare** (of the public).

OJK's mission is:

- I. To actualize the implementation of all activities in the financial services sector is performed in a fair , transparent and accountable way
- II. To perform the financial system in a sustainable and stable growth
- III. To protect the interests of consumers and society.
- IV. Maintaining public confidence in the financial sector

The OJK's organizational vision and mission communicates the high level strategic intent of the organization, as well as key areas on which to base corporate communication and consumer education themes.

The Vision and Mission are reference points for all OJK staff who have a communications function or task whether it is full time, part time or ad hoc.

The DIRC is responsible for ensuring this vision and mission is communicated accurately, consistently and in a coordinated manner.

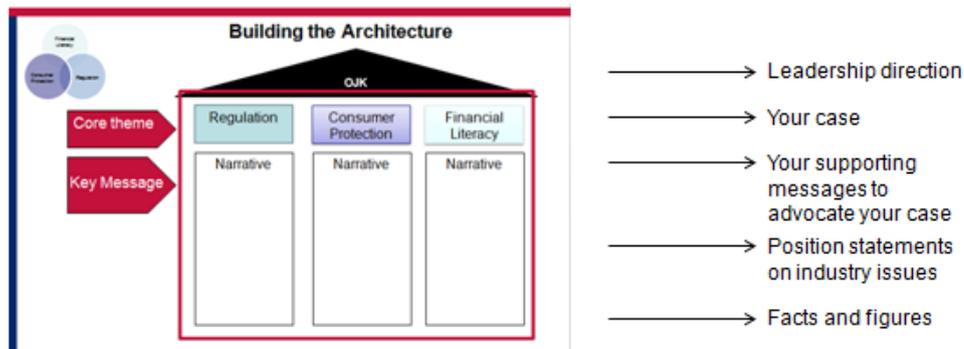
3. Communication themes and messages

The OJK has a number of themes and messages under which all communication activity is based on. These themes and messages are directly aligned with the OJK vision and mission as well as KPI's – message and impact of delivery can be measured and assist with leadership and assessing their priorities.

The following model explains how the OJK key message platform has been developed and is used:

The OJK Key message Platform:

How it works – using it in everyday OJK communications



An illustrative example of corporate key messages:

Core Theme:

Building Public awareness of the OJK

Tag Line

“OJK - advancing the Indonesian Financial Services Sector with robust and credible regulation.”

Top Line message:

Indonesia’s economic position nationally, regionally and globally is an essential part of the growth of the nation. The Government of Indonesia recognises the importance of financial services sector in generating economic growth and prosperity. Regulation and supervision is part of maintaining confidence in the financial services sector, which in turn leads to growth and prosperity. The OJK is the independent regulatory body that is responsible for communicating and implementing the financial services regulatory framework and its ongoing supervision.

Supporting messages and themes:

1. The Financial Services Sector is regulated through a number of laws and supervision frameworks that is appropriate for each sub- sector. The OJK is the independent body responsible for implementation of these laws and frameworks.
2. As regulators, all financial services products come under one of three Directorates tasked with supervision; Banking, Non-Banking Financial Institutions and Capital Markets
3. The OJK has a pivotal role in generating confidence in the financial services sector and with the consumers that underpin its growth. This is delivered through the consumer protection that our regulation and supervision provides.
4. The OJK regulate these industries through a number of activities and operations:
 - Communicating with industry to explain the regulatory regime and their obligations
 - Implementation and enforcement of the regulatory regime through a robust audit and inspection program
 - Taking appropriate action in cases of non-compliance
 - Ongoing mitigation of risk to economic stability, markets and consumers through market research and surveillance

Key facts and talking points

- For example, this can be the number of audits and inspections carried out, compliance rate etc

The Directorate of Communications and International Affairs is responsible for managing and editing the OJK key message platform every two months, or as required, managing input from all relevant Directorates. Key words form an essential part of key message development, with the most fundamental in the vision and mission.

Core themes will also provide the main source of guidance for individual campaign themes, or banners. This is especially important in the area of public education, where the most effective campaigns adopt a single campaign theme e.g. save more, budget well.

Guiding Principles for delivery of key messages

For delivery of the OJK key messages

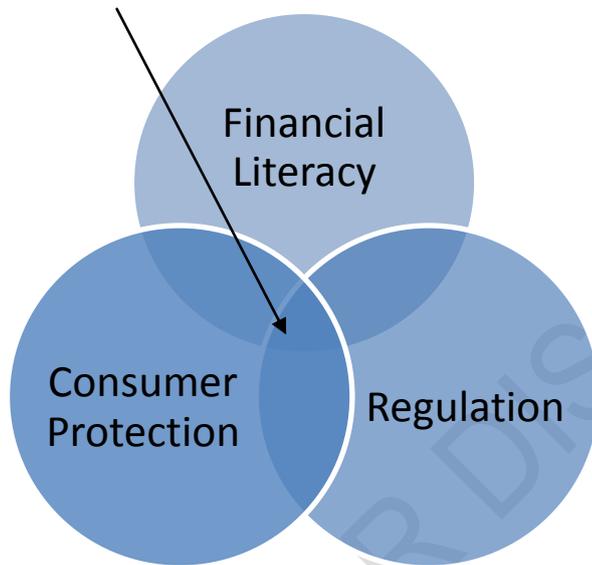
The four main guiding principles to communicate these themes and messages are:

- Message selection
- Audience
- Outcome
- Timing

Message selection:

Due to the complexities and different areas of operation within the OJK, it is important that each communication initiative and activity has the right message and supporting facts. This increases the effectiveness of the activity, as well as enabling a higher degree of understanding within the audience. The risk of too many messages and facts in a speech or media placement may overwhelm or confuse the targeted audience. Additionally, there are several areas of overlap within the OJK, and that overlap must be considered and agreed when preparing OJK communication products, activities and events:

Area of common ground:

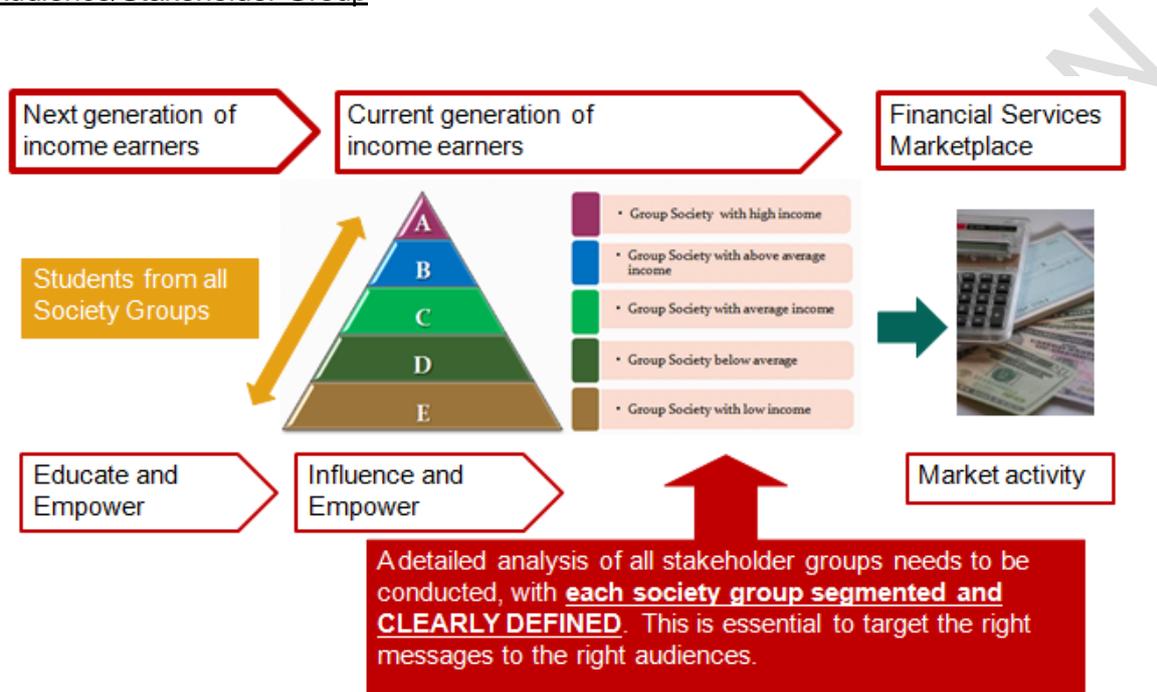


As a guiding principal, all OJK communications activity must consider, identify and select the theme, message and facts used, referencing the key message document and leadership direction.

Audience:

Five tiers of Indonesian society have been determined, from research data relating to income. The levels of financial literacy, ability to make informed decisions and means to execute these decisions will determine which message is delivered to each respective audience. These are closely aligned, as previous research and developed models have revealed:

Audience/Stakeholder Group



As a guiding principal, all OJK communications activity must consider and identify which AUDIENCE they wish to target.

Outcome:

Communications activity has a purpose, with a specific desired outcome. This is broadly defined as any or all of the following:

- Announcing news
- Disseminating information
- Seeking influence
- Driving cultural or behavioural change

The outcome of communications activity also provides clear parameters for Divisional and Organizational performance analysis and evaluation activity. What impact is sought? It is not simply the activity taking place that should be measured; it is the impact that activity has had in achieving the outcome. Activity outcomes should be measured both qualitative or quantitative analysis. This in turn gives the leadership a clear indication on the impact of implementing their strategic objectives and operations.

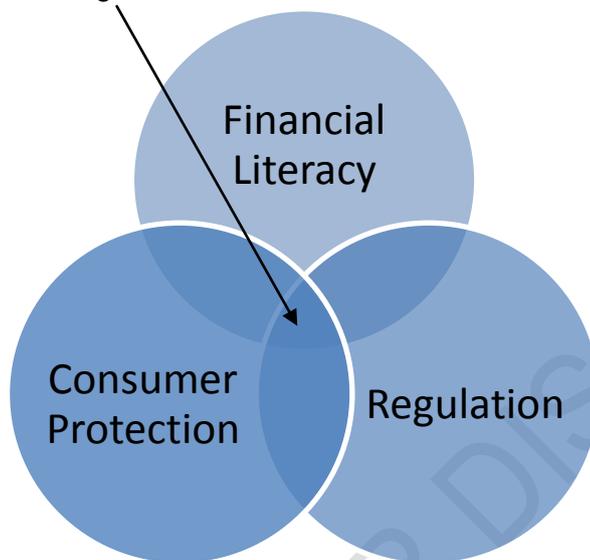
As a guiding principle, any communications activity must identify the desired OUTCOME, closely aligning this with the message, the audience and its subsequent impact.

Timing:

Communication is a time sensitive area of business. The timing of communication activity has a direct impact on the credibility of the organization and the message. As a regulator, it is crucial that OJK leads in areas of operation that has a direct impact on both organizational credibility and consumer confidence.

Due to the complexities and different areas of operation within the OJK, on some days will be multiple and overlapping communication activities – this is inevitable. This model also applies:

Area of common ground:



It is important that all activities are coordinated and planned so common ground is identified can be leveraged, as well as any risk mitigated.

Recognising common ground and working together is pivotal in creating synergy with activity, so jointly a bigger impact can be achieved. For example, the Chairman can be talking about consumer Education initiatives at industry gatherings if it coincides with public education campaign activity, thereby demonstrating the OJK is supporting the industry in raising financial literacy and industry product awareness.

Recognising common ground is equally important in building the credibility and reputation of the OJK. For example, it would be unwise to have two different Directorates making an announcement the same day, or public education activity planned when a major industry scandal is negatively dominating the headlines.

As a guiding principle, the TIMING of all communications activity must be coordinated, planned and managed in a practical and opportunistic way to enhance the reputation and credibility of the OJK.

4. How the OJK communicates

The OJK Directorate of Communications and International Relations has primacy for all communications activity and content at a corporate level. This is delivered through a number of measurable activities detailed in the Public Relation and Communication Programme 2013.

The OJK has a media policy that gives all OJK staff clear and unambiguous guidance and direction in relation to who speaks to the press and media. The outline OJK media policy is:

All day to day routine media inquiries should be directed to the Communications Division to ensure strategic coordination of response and adherence to OJK organizational key messages. OJK Communications Divisional Manager and his direct subordinate only staff authorized to speak to the press and media. The only exceptions are the following:

- The Chairman
- The Commissioner for Banking Services
- The Commissioner for Non Banking Financial Institutions
- The Commissioner for Capital Markets
- Authorised Directors – technical experts
- The OJK spokesperson

All approaches to OJK staff made directly by the press and media should be referred to the OJK Corporate Communications Press Office. Personal comment by staff is forbidden and Unauthorized comment in the media made by unauthorized OJK staff may result in disciplinary action. This is crucial to maintain consistency in the delivery of the OJK message, effectively manage the reputation of the OJK and to protect staff.

A full detail of the OJK media policy is available through the DIRC.

5. Communication activity and programmes

The DIRC and the DCPE have distinct and separate areas of responsibility with corresponding activities and programmes:



These activities are planned, implemented, tracked and evaluated via the respective activity programmes, plans and frameworks. These include specific activity, which details message selection, audience, outcome and timing as well as measurement.

Activities

The range of activity that appears in any communications programme or action plan is increasing due to trends and developments with technology, how people access information and the increasing presence and use of social media. Consequently, leveraging and planning these in action plans and programmes now require an integrated approach, both within each respective Directorate, as well as across the organization.

Fundamental activities that are included in an OJK communications program or plan:

	Corporate Activity	Public Education Activity
Stakeholder and Media Relations	Lead	Support
Media buying (advertising)	Technical Support	Technical Lead
Digital and social media	Joint	
Outreach and strategic partnerships	Joint	
Branding	Lead	Support – option to sub brand
Corporate Social Responsibility	Strategic Lead	Delivery
Public Education and Marketing	Support	Lead
Internal Communications	Lead	Support

Research conducted in 2012 has given the OJK a valuable insight into what consumers currently understand, need and expect from the financial services marketplace. Based on data gathered from key stakeholders, including members of the public and journalists, these are the main priorities that need to be incorporated into OJK activities:

PRIORITY	ACTIVITY
Increase Financial Literary	Provide information on basic financial topics
	Tailor messages according to audience's needs
	Reach out to students and young adults
Leverage Media Socialization Efforts	Develop One Voice
	Enable PR division as source of information
	Authorize spokespersons to deliver information
Ensure awareness of socialization efforts	Engage with journalists
	Build OJK's credibility
	Develop an integrated socialization efforts
Evaluate impact of OJK	Increase OJKs digital presence
	Test message comprehension and relevance
	Develop effective KPIs
Measure Financial Literacy	Conduct tracking survey
	Develop a Financial Literacy Index

Creating synergies

Programs and plans

The DIRC and the DCPE each have clear responsibility for creating their respective plans and programs to deliver their activities as priorities, targeted messages and audiences vary. As there are common OJK themes, programs and plans must be integrated to facilitate:

- Coordination of activity
- Consistency of message
- Maximise Impact and effectiveness of activity
- Increase reach and volume of influence and behaviour change

All communication plans must reference all activity to the Strategic Core Theme and follow this process:

