



## The Impact of Public Relation on Company Effectiveness at Pt. Global Aksara Motor Medan

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#### ABSTRACT

Public relations as the management of communication between an organization and its publics. Public relations encompass the overall planning, execution, and evaluation of an organization's communication with both external and internal publics. The goal of public relations is to help an organization to increase the company effectiveness. Getting a clear understanding of an organization's business goals is the first step of public relations activities to set measurable objectives for a communication program. Company effectiveness is the company success by a few short term measures in sales and profit and long term perspective such as combining short term with customer service goals. The director of PT. Global Aksara Motor Medan concluded that the marketing manager does not take part in setting company's objectives, low level of expertise for conducting public relations research and lack of budget dedicated to public relations. The problem identifications of the company is Is there impact of public relation on company effectiveness and How strong is the impact of public relation on company effectiveness. The population of PT. Global Aksara Motor Medan is the employees of marketing department. The writer uses Arikunto sampling theory. The sample size is 45. The writer uses census sampling technique which the writer takes all population as sample. In analyzing data, the writer used some methods such as data descriptive, the validity test, the reliability test, the correlation test, the determination test, linear regression, and the hypothesis test. According to the result calculation data through the answers of the respondents, the writer got the result of 0.72 means Public relation has a strong impact on company effectiveness at PT. Global Aksara Motor Medan. From the calculation of ztest hypothesis test, the writer got  $z_{count}=4.77$ . The  $z_{count} > z_{table} (4.77 > 1.96)$ , This means the Null hypothesis ( $H_0$ ) is rejected. The writer can conclude that public relation has impact on company effectiveness at PT. Global Aksara Motor Medan.

## INTRODUCTION

The concept of company effectiveness is an important innovation in business management. Company effectiveness is the company success by a few short term measures in sales and profit and long term perspective such as combining short term with customer service goals. The company effectiveness. Focuses on how well a company competes with other companies, how quickly the company brings products to markets, their status in the public, and the profitability. In other words, company effectiveness considers how well a company performs business. Many authors similarly define public relations. Hayes (2008:24) stated that "Public relations can be defined as a management function that conducts research about an organization and its publics to establish mutually beneficial relationship". Public relations as the management of communication between an organization and its publics. Public relations encompass the overall planning, execution, and evaluation of an organization's communication with both external and internal publics. If public relations managers don't understand

business goals, they can't achieve company's effectiveness. Difficulties in link public relations to company's effectiveness can be found in the position of public relations managers in the organizations, because public relations managers don't take part in setting company's objectives. Hayes (2008:142) stated that :”The goal of public relations is to help an organization to increase the company effectiveness”. Getting a clear understanding of an organization's business goals is the first step of public relations activities to set measurable objectives for a communication program. Based on the observation by the writer, PT. Global Aksara Motor Medan is having problems regarding the company effectiveness such as the sales targets are not achieved and cannot compete with other competitors. The director of PT. Global Aksara Motor Medan concluded that the marketing manager does not take part in setting company's objectives, low level of expertise for conducting public relations research and lack of budget dedicated to public relations.

A theoretical framework is a theoretical perspective. It can be simply a theory, but it can also be more general – a basic approach to understanding something. Theoretical Framework is theories and the previous result of the result of the research problem and to describe the variable and the relation of the variable research. Besides that, the theoretical framework is aimed to be the foundation in developing research model and the formula of hypothesis. In this subchapter, brief Definitions and explanations about public relation and company effectiveness are elaborated. Hayes (2008) stated that “Public relations can be defined as a management function that conducts research about an organization and its publics to establish mutually beneficial relationship”. Kotler (2007:24),” Company effectiveness is how well a company competes with other companies, how quickly the company brings products to markets, their status in the public, and the profitability”.

## **METHODOLOGY**

The research design is used by the writer in analyzing this research is correlation research. The research design used by the writer is by using correlation method (how the impact between Public relation and company effectiveness) with correlation formula (the Pearson Method) and surveying (distributing questionnaires). To prove the hypothesis the writer mentioned above, the writer uses two analysis methods such as:

Descriptive research is also known as statistical research. It is the scientific method which involves observing and describing the characteristic of the population that being studied. The purpose of using this method is to test the hypothesis or to answer the question that is relevant with the current status or subject that being examined.

Correlative research is designed to gather evidence about the influence relationships between two variables that exist in the research or study. The main sources of data for correlation research are interrogating respondents through questionnaires.

Population is defined as the set of individuals, items, or data from which a statistical sample is taken and also called universe. Sample is a set of individuals or items selected from a population. According to Arikunto (2005:134) about the total sample: “Apabila Subjeknya kurang dari 100 lebih baik diambil semuanya sehingga penelitiannya merupakan penelitian populasi. Selanjutnya, jika jumlah subjeknya lebih besar dari 100 dapat diambil antara 10-15% atau 20- 25% atau lebih. (If the subject of the research is less than 100, it is better to take all the samples, so that the research is considered as population research. But, if the subject is more than 100, sample can be taken from 10- 15% or 20-25% or more of population”.

There are 45 employees of PT. Global Aksara Motor Medan. Based on the theory of Arikunto above, the writer decided to take all the employees of marketing department as the sample, which are 45. The writer will take all the population as the sample. This type of research is called census study because the data is gathered on every member of the population.

Collection of data and information are undertaken to provide raw input into the research. The method of this research :

**Field Research** Field research is a way of research by collecting information directly in the field where the data could be obtained. The writer uses questions list and makes direct interview to the authorized officials in order to make sure that the data obtained are still relevant to the topic of the study.

**Library research** Library research is a way of research by collecting data that is performed based on theoretical descriptions from books, literatures, magazines, articles, and others. The writer collects the data that are related to the topic of the study.

Based on Arikunto the best research is fulfill both of the valid and reliable. This research should based on the library research. The analysis method which used is the correlation analysis method or regression. The correlation is usually two related action, if want to measure about the strength of that two relation it must be write in the variable value, the example are x and y value.

What is meant by sample normality test or test whether the sample of the data is normal or not, is actually by conducted tests on normally or not the distribution of the data to be analyzed. If researchers have two different values of the variables therefore normality test should also be done for both variables. Normality test aims to test whether the regression model, confounding or residual variable has a normal distribution. A good regression model is to have data distribution normal or near normal. According to Sugiyono (2010, p.79) Parametric Statistic works based on the assumption that the data of every variables to be analyzed are a normal distribution. Therefore the researcher uses parametric statistic technique, data normality must first be tested. If the data is not normal, then parametric statistic cannot be used, where in this case the nonparametric statistic is used The standard normal curve area which is almost 100% is divided into 6 parts based on its standard deviation, which is 3 parts below mean and 3 parts above mean. The areas of the 6 parts in the standard normal curve are: 2.27%, 13.53%, 34.13%, 13.53%, and 2.27%.

**RESULTS**

**Normality Test**

Normality test is the test whether the sample being used is normal or not, is actually by conducted tests on normally or not the distribution of the data to be analyzed. The writer will use the Kolmogorov Smirnov. The basic concept of Kolmogorov Smirnov normality test is to compare the distribution of the data (which will be tested normality) with the standard normal distribution. The normal distribution is the raw data that has been transformed into the form of Z-Score and assumed normal.

**One-Sample Kolmogorov-Smirnov Test**

|                                |                | Public<br>Relatio<br>n | Company<br>Effectivenes<br>s |
|--------------------------------|----------------|------------------------|------------------------------|
| N                              |                | 45                     | 45                           |
| Normal Parameters <sup>a</sup> | Mean           | 10.26                  | 7.45                         |
|                                | Std. Deviation | 4.170                  | 2.797                        |
| Most Extreme<br>Differences    | Absolute       | .183                   | .211                         |

|                                 |       |       |
|---------------------------------|-------|-------|
| Positive                        | .183  | .211  |
| Negative                        | -.103 | -.109 |
| Kolmogorov-Smirnov Z            | 1.128 | 1.302 |
| Asymp. Sig. (2-tailed)          | .157  | .068  |
| a. Test distribution is Normal. |       |       |

Based on the result above, the significant or probability value which is 1.128 greater than 0.05. This means, the sample has normality distribution.

### Validity Test

The validity test was done in order to know the validity of the questions in the questionnaires. According to Sugiono (2006:124): "In validity test take minimal 10 people, and can be more than ten people." The tables above is the results of validity test of each questions of variable X (Public relation), the value of the validity test is more than 0.80 which in the scales is indicated as Very High Validity. The tables above is the results of validity test of each questions of variable Y (Sales), the value of the validity test is more than 0.80 which in the scales is indicated as Very High Validity.

### Reliability Test

The second formula is the reliability test. The reliability test is used to test whether the questionnaires are trustworthy (consistent) enough or not. To check whether the questionnaires are reliable or not, the writer needs check at the scale of the reliability test. The reliability test the writer got is  $0.92 > 0.80$  which means the questionnaires are good reliable or trustworthy and consistent.

### The Correlation Test

To determine the relationship level between variable X (Public relation) and variable Y (Company Effectiveness), the writer uses the test of correlation as follows:

$$r_{xy} = \frac{n \cdot (\sum XY) - (\sum X) \cdot (\sum Y)}{\sqrt{[n \cdot (\sum X^2) - (\sum X)^2] \cdot [n \cdot (\sum Y^2) - (\sum Y)^2]}}$$

$$r_{xy} = \frac{45 \cdot (10,448) - (540) (831)}{\sqrt{[45 \cdot (7088) - (540)^2] \cdot [45 \cdot (16173) - (831)^2]}}$$

$$r_{xy} = \frac{470,160 - 448,740}{\dots}$$

$$r_{xy} = \frac{21,420}{\sqrt{[27,360 \cdot [37,224] + 29,845^2}} = 0.72 \text{ (Strong and Positive)}$$

The calculation of the correlation between public relation and company effectiveness is 0.72. In the table of scale of correlation test, the value of 0.72 is located at 0.60-0.799 which is indicated as strong. This means that the public relation has a strong relation or impact on company effectiveness at PT. Global Aksara Motor Medan.

### Determination Test

Next, in order to find out the relationship between public relation and sales, the writer can calculate it by the determination of correlative coefficient. The determination calculation is as follows:

$$D = r_{xy}^2 \times 100\%$$

$$D = (0.72)^2 \times 100\%$$

$$D = 0.5184 \times 100\%$$

$$D = 51.84\%$$

The percentage relationship between public relation and company effectiveness at PT. Global Aksara Motor Medan is 51.84% and the remaining of 49.16% were affected by other factors.

### Linear Regression

$$Y = a + b x$$

$$b = \frac{n \cdot \sum XY - (\sum X \cdot \sum Y)}{n \cdot \sum X^2 - (\sum X)^2}$$

$$b = \frac{45 \cdot 710,448 - (540 \cdot 831)}{45 \cdot 7088 - (540)^2}$$

$$b = \frac{45 \cdot 710,448 - 448,740}{45 \cdot 7088 - 291,600}$$

$$b = \frac{470,160 - 448,740}{45 \cdot 7088 - 291,600}$$

$$b = \frac{470,160 - 448,740}{45 \cdot 7088 - 291,600}$$

$$318,960 - 291,600$$

$$b = 0.79$$

$$= \frac{\sum Y - (b \sum X)}{n}$$

n

$$a = \frac{831 - (0.79)(540)}{45}$$

45

$$a = 67.2$$

45

$$a = 9$$

$$Y = a + b x$$

$$Y = 9 +$$

$$0.79X$$

$$X = 0 \rightarrow Y = 9 + 0.79(0) = 9$$

$$X = 1 \rightarrow Y = 9 + 0.79(1) = 9.79$$

$$X = 2 \rightarrow Y = 9 + 0.79(2) = 10.58$$

$$X = 3 \rightarrow Y = 9 + 0.79(3) = 11.37$$

The linear regression shows that if public relation has a linear equality of  $9 + 0.79 X$ . If the public relation ( $x=1$ ), the company effectiveness is 9.79 (increase of 0.79). This means that the increasing of public relation will increase the company effectiveness.

### Hypothesis Test

Here, the writer used the z-test to test the hypothesis, whether to be accepted or to be rejected. The calculation is as follows:

$$z = \frac{r}{\frac{1}{\sqrt{n-1}}}$$

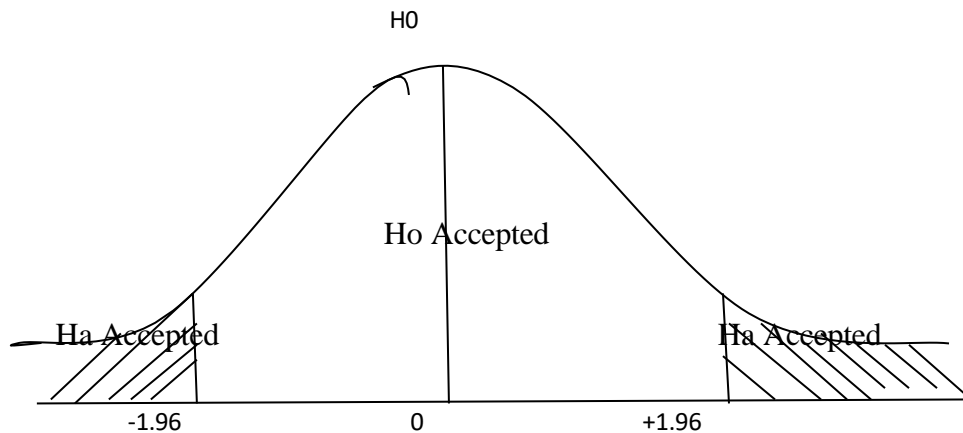
$$z = \frac{0.72}{0.151}$$

$$z = 4.77$$

$z_{count} > z_{table}$  : Alternative Hypothesis (Ha) is accepted

$z_{count} < z_{table}$  : Null Hypothesis (Ha) is accepted

From the calculation above, the writer got  $z = 4.77$ . The  $z_{count} > z_{table}$ , which  $z_{table}$  is 1.96, this means the alternative (Ha) is accepted. The writer can conclude that public relation has impact on company effectiveness at PT. Global Aksara Motor Medan.



**DISCUSSION**

From the calculation of the results from the questionnaires, the writer concludes the results as follows:

From the results of statistics, the mean, median, and mode of variable X(Public relation), the respondents answered disagree with the public relation implemented by PT. Global Aksara Motor Medan. The mean, median, and mode of variable Y (Company effectiveness), the respondents answered agree with the public relation impact toward company effectiveness at PT. Global Aksara Motor Medan.

From the results of validity test, the validity test of the questions of variable X (Public relation) and variable Y (Company Effectiveness) got the value very high validity.

The reliability is  $0.92 > 0.80$  which means the questionnaires are reliable or trustworthy and all the questions can be carried out.

From the calculation of correlation coefficient between variable X (Public relation) and Variable Y (Company effectiveness), the writer got the result of 0.72. It means the public relation has a strong impact towards on company effectiveness at PT. Global Aksara Motor Medan.

The percentage relationship between public relation and sales at PT. Global Aksara Motor Medan is 51.84% and the remaining percentage of 49.16% were affected by other factors which were not discussed.

From the hypothesis test,  $z_{count} > z_{table}$ , this means the Null hypothesis ( $H_0$ ) is rejected and the alternative ( $H_a$ ) is accepted. Public relation has impact on company effectiveness at PT. Global Aksara Motor Medan

## **CONCLUSION**

After conducting the research, the writer tried to compare the existing theoretical description and the results from the field. The writer will conclude all the facts found and end up with some recommendations for PT. Global Aksara Motor Medan to solve the problems in the company.

Based on the analysis and evaluation, the writer got that there is a relationship between public relation and company effectiveness in PT. Global Aksara Motor Medan. As there is a relationship between public relation and effectiveness, the company should pay more attention on the public relation in order to increase company effectiveness

From the analysis and results, the writer got that the public relation has a strong impact on company effectiveness at PT. Global Aksara Motor Medan.

## **RECOMMENDATION**

Based on the conclusion mentioned at the previous statement, the writer tries to give some recommendations to PT. Global Aksara Motor Medan. Recommendations are as follows:

PT. Global Aksara Motor Medan builds a strong relationship by thanking the employees by doing employee gathering and interaction in order to increase the coordination among employees.

PT. Global Aksara Motor Medan must improve the public relation media. Because public relation activity help the public to understand the company and its product. It can be improving the advertising and promotion that can be conducted to media like newspaper, television, magazine, and the other media

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