



Integrative Negotiation Framework Case Study: “RUMAH DINAS TNI-AD-SBSN 2021 Project in CIRACAS”

Anisa Ananta Citra, ST.¹, Manahan Siallagan, S. Si, MT, M. Sc.²

^{1,2} School of Business and Management, Institut Teknologi Bandung, 12950 Jakarta, Indonesia

ABSTRACT: PT. WIKA WG KSO is a joint company between PT. WIKA and PT. WEGE, which is engaged in the construction sector, is a temporary limited liability company that was deliberately built to complete the TNI-AD RUMDIS project which is located in 36 areas in Indonesia. One of the project areas is in Ciracas, East Jakarta, which was chosen by the author as the research subject. The location of the research project is in a residential area, so the construction process is carried out in the same place as the community's activity and mobility area, which in turn raises several issues and criticisms.

The purpose of this research is to analyze the problem solving conducted by PT. WIKA WG KSO, the process taken, until the results obtained from solving problems that have been carried out, as well as to identify alternative methods that can be carried out by PT. WIKA WG KSO to get the best results. The author proposes the interactive negotiation method as a recommendation to achieve a win-win solution that is fair for both parties.

Based on the research that has been done, the authors conclude that there are several methods of integrative negotiation that can be carried out by PT. WIKA WG KSO to achieve a fair and profitable end result for PT. WIKA WG KSO and local residents affected by the TNI-AD RUMDIS development project.

KEYWORDS: Construction, Integrative negotiation, win-win solution

I. INTRODUCTION

Construction business has many factors that need to be considered by the company before it takes important decisions to keep the business growth and sustainability. The larger the project undertaken by a company, the wider the impact, such as the economic impact and social impact. There are two main foundations in a project, namely time and cost. A project can be said to be successful if it succeeds in achieving the desired goals and results within a timescale and budget that is in accordance with the agreement. Several internal and external factors can also affect the process of working on a project such as environmental factors, political factors, social factors, etc. Developing countries such as Indonesia are performing a sustainable national growth, especially in infrastructure construction through central and local government programs. These programs generate an unstoppable construction industry in Indonesia. Qualified and competent service providers, such as consultant and contractor, are needed to establish a successful infrastructure construction. The selection and evaluation of contractors plays an important role and needs great attention and is not an easy thing to decide, especially for public construction projects that are conducted by the government.

PT Wijaya Karya (WIKI) is one of the state companies that has experience in working on public construction projects, so far WIKI's experience in working on public construction projects can be considered good. From the success of several projects that have been carried out by PT WIKI, good decisions have been made. One of the cases of decision making at PT WIKI to support business growth and sustainability, the company sets up a series of business strategies, by combining the Building Department in PT WIKI with PT. Wijaya Karya Gedung (WEGE) with a cooperation agreement in the form of a Joint Operation Company of PT. WIKI WEGE KSO to work on public construction projects. This case is also an example of a state-owned company collaborating with its subsidiary.

Wika WG KSO is a temporary construction company formed based on a collaboration between PT. WIKI and PT. WEGE to run a large project. PT. WIKI WEGE KSO was formed in 2020 when PT. Wika won the tender / was given the trust to run the TNI AD official house project by the government. PT WIKI WEGE KSO was formed with the aim of facilitating the running of the TNI AD Service House project with a more specific organizational structure. The Army Housing Service Project is spread across 36 points throughout Indonesia, one of which is in Cimanggis, East Jakarta, which is working on a residential housing project with the type of flat.

There is the organizational structure of PT. WIKA - WEGE KSO Cimanggis branch.

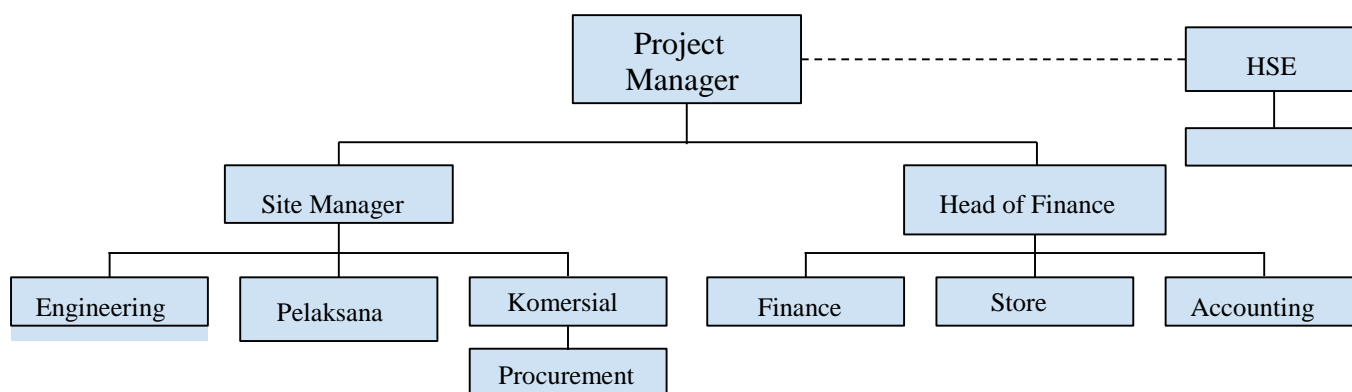


Figure 1.1. Organizational Structure of PT. WIKA WG KSO

Project work reference at PT. WIKA WEGE KSO is more or less the same as PMBOK, only if it is based on PMBOK (Project Management Body of Knowledge) 6th edition, there are six group processes of the project management process which are Initiating, Planning, Executing, Monitoring & Controlling, and Closing. At WIKA Group, based on WIKA's experience, FGDs were conducted with project management experts in accordance with WIKA's best practices. There were additional clusters into 3 major groups, namely Scope Project Management, Integration Project Management and Finance Project Management. The following is a mapping of project management knowledge areas based on WIKA's best practices:

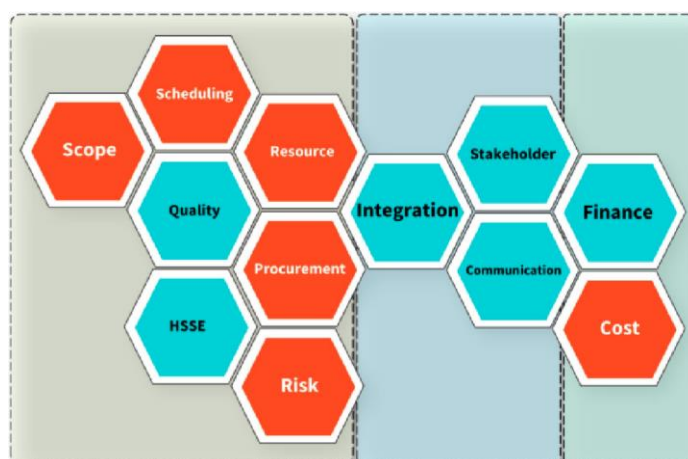


Figure 1.2. Mapping project management knowledge areas according to the 3 (three) WIKA's best cluster

After all the preparations are complete and make a project management plan, the next stage is executing. At the executing stage, everything that has been planned at the planning stage will be directly implemented, implemented, managed and completed in accordance with the project management plan, scope of management, project work schedule, cost, resources, quality, strategy (spending strategy, project implementation, communication with stakeholders etc.) and risks that have been planned at the preparing and planning stage. In this phase, integrating and performing all the activities of the project, coordinating resources and managing stakeholder engagement to meet the project requirements and objectives in accordance with the project management plan. This phase is carried out based on knowledge, experience and is also used as a lesson for implementers for future projects.

Before entering the execution stage of project resources, quality management is carried out in accordance with what has been determined at the planning stage. The purpose of this phase is to identify ineffective processes and causes of poor quality in order



to meet the quality objectives. The next phase is to acquire resources, develop the team and manage the team in accordance with the schedule, internal factors, external factors and criteria that have been determined in the planning stage. Acquire resources is done by several techniques, for example negotiation and multi-criteria decision analysis. Existing resources, especially human resources, will be developed in several ways, such as training, developing interpersonal skills for team members (team building, influencing, negotiation, motivation and conflict management), recognition and rewards, individual and team assessment, etc. The goal is to improve teamwork, motivate employees, enhance interpersonal skills and competencies, reduce attrition and improve overall project performance. The team that has been developed will be managed to optimize performance so that project implementation is as expected. This phase will affect the plans that have been made so that later it will produce project documents updates.

The project will run smoothly if there is effective and efficient communication and coordination in conveying information on the progress of project work targets, project needs, obstacles faced, etc. between the project team and stakeholders. Therefore, the project team is ensured to communicate and coordinate with stakeholders in a good and timely manner. Communication tools in the project can be in the form of an S curve schedule, document updates and weekly reports and are communicated by means of daily team meetings, weekly meetings, etc. With good communication and coordination in project work in the field, you can anticipate, reduce and avoid risks that will occur.

In the monitoring and controlling stage, management identifies all areas that need changes from those that have been planned and initiates the corresponding changes by tracking, reviewing, assessing and evaluating the progress and performance of the work that has been done or is being carried out. The monitoring process includes collecting project management data, measuring production performance, and reporting performance information. The controlling process includes analyzing, assessing trends, evaluating possible alternatives, and recommending corrective actions required from comparison of actual and planned differences.

The closing stage, where at this stage all processes defined are performed to formally complete or close the project, phase, or contract as appropriate, meaning that project phase information is achieved, the planned work is completed, and organizational resources are released to pursue new endeavors.

II. BUSINESS ISSUE

During the construction of the Ciracas TNI AD Rumdis project, PT WIKAWEGA KSO identified several problems that would pose a risk to project work. Based on the data from the site survey results in the early stages of preparing and planning the project and the experience of the experts on previous projects, it was identified that there were several problems that were at risk of hampering project work if they were not analyzed immediately. Some of these problems 3 (Three) of which are narrow access roads to the project location risk of damaged roads and complaints, as well as threatens from the residents to prohibit big vehicles passing the road, design changes risk disapproval of design optimization, work elevation is at the lowest elevation of the surrounding land at risk of flooding if drainage is not integrated with the area.

III. LITERATURE REVIEW

According to Pearce and Robinson, 2013 strategic management is described as a series of decisions and actions that result in the creation and execution of organizational priorities plans and decide the company's long-term success. Meanwhile, defines strategic management as the science of formulating, executing and reviewing cross-functional decisions that help an enterprise to achieve its objectives.

Pramitasari (2019) defines that integrative negotiation is a strategy to manage conflict productively to reach a win-win business agreement. McGuire explains that the integrative negotiation strategy has three main factors in the planning process, namely: steps, methods, and success factors (Susanti et al., 2021).

The main objective of this project is to evaluate the negotiation process at PT. WIKAWEGA KSO in order to find win-win solutions for the existing problems. This study consists of several steps: data gathering, factor identification, generating possible solutions, and implementing a plan. According to the recent study regarding integrative negotiation conducted by Setiawan & Hakim (2022), titled as "Integrative Negotiation Strategy to Fulfill Consumer Rights at PT. Ebad Alrahman Tourism Juanda Sidoarjo", it aims to gain information related to integrative negotiation strategy in order to fulfill consumer rights during the cancellation of hajj departure in 2021.



Due to the COVID-19 pandemic, the hajj travel bureau is not able to confirm the hajj departure schedule, which led to many cancellations for its departure. This research analyzed the strategy of integrative negotiation to be used by PT. Ebad Alrahman Wisata Juanda Sidoarjo in fulfilling consumer rights.

There are five steps that are used during the integrative negotiation process: problem identification, interest identification, alternative solution design, alternative solution agreement making, and alternative solution evaluation, in order to find a win-win solution for both parties.

IV. METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods/techniques but also the methodology (Kothari, 2004).

Kumar (2011) defined that research methodology is a process for collecting, analyzing and interpreting information to answer questions. But to qualify as research, the process must have certain characteristics: it must, as far as possible, be controlled, rigorous, systematic, valid and verifiable, empirical and critical.

There are several basic types of research, e.g.: quantitative vs qualitative, descriptive vs analytical, applied vs fundamental, conceptual vs empirical, and some other types of research. The author used a qualitative method for this research, which was done with observation and depth interviews to several participants.

According to Kothari (2004), the qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions. Such an approach to research generates results either in nonquantitative form or in the form which are not subjected to rigorous quantitative analysis. Generally, the techniques of focus group interviews, projective techniques and depth interviews are used.

Punch (2013) defines qualitative research as a social science research that collects and works with non-numerical data that seeks to interpret meaning from these data that help us to understand social life through the study of targeted populations or places.

Another author defined that qualitative research is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data (Bryman, 2008).

In this research, author used a qualitative method to conduct the research, by using two methods, namely:

- Observation
- User Interview

Observation implies the collection of information by way of the investigator's own observation, without interviewing the respondents. The information obtained relates to what is currently happening and is not complicated by either the past behavior or future intentions or attitudes of respondents. This method is no doubt an expensive method and the information provided by this method is also very limited (Kothari, 2004).

While an interview is a rigid procedure and seeks answers to a set of preconceived questions through personal interviews. This method of collecting data is usually carried out in a structured way where output depends upon the ability of the interviewer to a large extent. (Kothari, 2004).

V. DATA COLLECTION

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etc. The goal for all data collection is to capture quality evidence that then translates to rich data analysis and allows the building of a convincing and credible answer to questions that have been posed. Regardless of the field of study or preference for defining data (quantitative, qualitative), accurate data collection is essential to maintaining the integrity of research. Both the selection of appropriate data collection instruments (existing, modified, or newly developed) and clearly delineated instructions for their correct use reduce the likelihood of errors occurring (Kabir, 2016).

One of the projects handled by PT. WIKAWG KSO is located in Ciracas, Jakarta Timur, surrounded by existing residential complexes, this project aims to build official residences for TNIAD. The project started on January 21, 2022 and ended on December 15, 2021.

Several issues happened during the duration of the construction projects, which came from the residents around the construction site, such as how it's making the residents' mobility harder due to the usage of the public road by the big vehicles during the rush hour carrying heavy equipments using mixer truck, excavator, bulldozer, crane, tractor etc. Through this issue, PT. WIKAWG KSO needed to handle complaints in a consistent and transparent manner. To the satisfaction of both parties, complaints will ideally be resolved through integrative negotiation.

The data collection of this research is conducted through observation, from November 2021 to January 2022, which are the duration during the project itself and the post-project schedule (maintaining process). Marshall and Rossman (1989) define observation as the systematic description of events, behaviors, and artifacts in the social setting chosen for study.

Other than observation as data collection, the author also conducted interviews with project manager, site manager, and site engineer. In order to create comprehensive and thorough research results, the author believed that interview is one of the most fundamental aspects. McNamara (1999) said that interviews are particularly useful for getting the story behind a participant's experiences, as the interviewer can pursue in-depth information around the topic, including followup questions.

After the observation and interview conduction, there are 3 (three) major issues, which are: narrow road to the construction site which lead to complaints, threats, and damaged roads, changing designs which lead to disagreement due to design optimization, construction site placed on the lowest elevation which lead to flood, as well as residents', which then categorized by risk identification table as bellow:

Table 2.1. Risk Identification

IDENTIFIKASI RISIKO (RISK IDENTIFICATION)							
No. Risiko	Area	Kategori	Sub kategori	RISIKO	Penyebab	Dampak/Konsekuensi	
						(-) Negatif	(+) Positif
1	Konstruksi	Pelaksanaan Kontrak Konstruksi	House Keeping	Jalan rawan rusak dan komplain dari masyarakat	Akses kerja sangat sempit	Keterlambatan waktu pelaksanaan produksi	0
2	Enjiniring	Proses Engineering (Tahap Pelaksanaan)	Desain Struktur	Tidak disetujuinya optimasi design	Perubahan Design	Penurunan hasil usaha	Diajukan CCO
3	Konstruksi	Pelaksanaan Kontrak Konstruksi	Perencanaan & Pengendalian Proses	Tergenang air apabila drainase tidak diintegrasikan dengan kawasan	Elevasi Pekerjaan berada pada elevasi terendah dari lahan sekitar	Penambahan biaya tambahan dalam penanganan air kawasan	Diajukan CCO

Source: PT WIKAWG KSO

According to the 3 (three) issues above, there are 6 (six) aspects that are classified into area, category, sub category, risk, reason, and consequence (positive and negative). The first issue is narrow roads to the construction site which lead to complaints, threats, and damaged roads. The risk is classified in the construction area with construction contract implementation category, housekeeping sub category, and consequence in the negative category which lead to delayed project completion.

VI. ALTERNATIVE OF BUSINESS SOLUTION

Negotiation is one of the key methods of resolving a dispute between parties who have different demands and point of view with the purpose of reaching satisfactory agreement on issues of their mutual interest (Stoshikj & Gregus, 2014). There are 2 (two) types of negotiation:

1. Distributive Negotiation

Distributive bargaining strategy is a competitive approach negotiators adopt to achieve success over the other party in the negotiation process (Olekals, Kulik & Chew 2014). Several existing studies have identified key behaviors which prevent negotiators with distributive strategy from achieving a win-win beneficial solution with their integrative counterparts.

2. Integrative Negotiation

Integrative negotiators tend to be cooperatively oriented with the intention of reaching a satisfactory 50:50 agreement at the negotiation table with their opponents. This means they sacrifice their personal needs for the purpose of collective interest to enhance their future relationship with their partners (Pon, 2014).



The author chose integrative negotiation as an alternative solution as it is more gratifying for all parties involved and the concerns of both sides will be met to some agreement. It is a collaborative process and the parties usually end up helping each other. This will prevent ongoing risk after the negotiation ends. Instead, integrative negotiation will facilitate positive relationships between the parties.

Walton and McKersie (1965) described the integrative negotiation model as a negotiation approach in which negotiators employ problem-solving behavior that refers to a state of desire for finding a solution to the problem to reach a definite goal. This explained that with an integrative negotiation, both parties will reach a definite and long-term agreement that is fair and won't create any future problems during and after the negotiation. The output of integrative negotiation is a win-win situation to accomplish a mutually beneficial agreement to maximize efficiency and fairness for both parties involved.

VII. FINDINGS AND DISCUSSIONS

The RUMNIS TNI-AD project that is held in an existing residential area is scheduled to start from January 21, 2021 and end on December 15, 2021. Several issues happened during the duration of the construction projects, which came from the residents around the construction site, such as how it's making the residents' mobility harder due to the usage of the public road by the big vehicles during the rush hour carrying heavy equipments using mixer truck, excavator, bulldozer, crane, tractor etc.

To overcome the existing problems, PT. WIKA WG KSO needs to apply the right negotiation strategy to find a win-win solution for both the company (PT. WIKA WG KSO) and the residents that are affected by the construction project. Based on the author's analysis during the observation and interview, it seemed that PT. WIKA WG KSO did not apply any negotiation approach to solve the problem and they are not taking any consideration regarding the complaints from the residents. In order to deal with the issue, the author recommends that PT. WIKA WG KSO to apply an integrative negotiation process to find a solution that suits both parties. An integrative negotiation includes a situation where interests of both parties are not mutually exclusive. It permits all parties to be inspired in the negotiation process and make new or additional worth for all parties involved. An integrative negotiation is a shared problem-solving and is not personalized interest.

In accordance to the analysis above, the author recommends to apply integrative negotiation through several ways if encountering similar problems in the future, which are:

1. PT. WIKA WG KSO needs to create an open discussion for both parties to address their needs, concerns, and issues. By negotiating, both PT. WIKA WG KSO and the residents or community will resolve the issue in a way that both parties find acceptable, it is also a way to avoid arguing but agree to reach some form of compromise.
2. It is important for PT. WIKA WG KSO to lead the process and to be as fair as possible to the residents, without compromising their own goals and targets.
3. PT. WIKA WG KSO offers a subsidy as a nonspecific compensation for a pre-defined period of time and/or the residents might offer a request to repair all the damaged roads and/or house property that is broken due to the construction process regarding to their preferred standards.
4. Find a long-term solution for both parties that won't require additional major adjustments and/or changes.

REFERENCES

1. Alfredson, T. & Cungu, A. (2008). Negotiation Theory and Practice: A Review of Literature. Rome: EasyPOL.
2. Aquino, K., Becker, T. E. (2005). Lying in negotiations: How individual and situational factors Influence the use of neutralization strategies. *Journal of Organizational Behavior*, 26, 661-679.
3. Bazerman, M.H. (2005). Negotiation, decision making and conflict management.
4. Cheltenham: Edward Elgar Publishing.
5. Bruce, C. (1995). Supervising literature reviews. Oxfordshire: Routledge.
6. Bryman, A. (2008). Social Research Methods. Oxford University Press.
7. Craver, C.B. (2003). The negotiation process. Washington DC: The George Washington University Law School David Lax and James Sebenius in *The Manager as Negotiator: Bargaining for Cooperation and Competitive Gain*, 1986.



8. Fisher, R. & Ury, W. (1986). Getting to yes: negotiating agreement without giving in. New York: Penguin Publishing Group
9. Gentner, D., & Stevens, A. (1983). Mental models. Hillsdale, NJ: Erlbaum.
10. Golembiewski, R., & McConkie, M. (1988). The Centrality of Interpersonal Trust in Group Process. In C. L. Cooper (Ed.), Theories of group process. New York: Wiley.
11. Gorman, G.E. & Clayton, P. (2005). Qualitative research for the information professional (2nd ed.). London: Facet.
12. Hocker, J.I. & Wilmot, W.W. (1985). Interpersonal conflict dubuque. Iowa: Wmc. Brown Publisher
13. Kabir, S.M.S. (2016). Basic guidelines for research: an introductory approach for all disciplines. Bangladesh: Bookzone Publication
14. Kissinger, H.A., 1969. Nuclear Weapons and Foreign Policy. W.W. Norton, New York, USA.
15. Schelling, T. C., 1960. The Strategy of Conflict, Harvard University Press, Cambridge, MA, USA.
16. Kothari, C.R. (2004). Research methodology: methods and techniques (second revised edition). Jaipur: New Age International
17. Kumar, R. (2011). Research methodology: a step-by-step guide for beginners (3rd edition). New Delhi: SAGE Publications
18. Lammers, W. J., & Badia, P. (2005). Fundamentals of behavioral research. California: Wadsworth.
19. Lewicki, R.J., Saunders, D.M., & Minton, J. (1999). Negotiation (3rd ed.). Boston: McGraw-Hill.
20. Lewicki R., Barry B., & Saunders D. (2007) Essentials of Negotiation. 4th edition. New York: McGraw-Hill
21. Marshall, C. & Rossman, G.B. (1989). Designing qualitative research. California: Sage Publications.
22. McNamara, Carter, PhD. (1999). General Guidelines for Conducting Interviews, Minnesota.
23. Mathers, N., Fox, N.J., & Hunn, A. (2000). Research approaches in primary care. Manchester: Radcliffe Medical Press.
24. Menkel-Meadow, C. Toward another view of legal negotiation: The structure of problem solving. Los Angeles: UCLA Law
25. Miles, M. B., & Huberman, A. M. (1994). Qualitative data analysis: An expanded sourcebook (2nd ed.). Thousand Oaks, CA: Sage.
26. O’Gorman, K. & MacIntosh, R. (2015). Research methods for business & management (2nd edition). Oxford: Goodfellow Publishers Limited.
27. Olekalns, M., Kulik, C. T., & Chew, L. (2014). Sweet little lies; Social context and the use of deception In negotiation. Journal of Business Ethics, 120(1), 13-26.
28. Pandey, P. & Pandey, M.M. (2015). Research methodology: tools and techniques. Romania: Bridge Center.
29. Pruitt, D.G. & Carnevale, P.J. (1993). Negotiation in social conflict. United Kingdom: Open University Press.
30. Punch, K. F. (2013). Introduction to Social Research: Quantitative and Qualitative Approaches. SAGE Publications.
31. Ravitch, S.M., & Riggan, M. (2016). How conceptual frameworks guide research (2nd ed.). CA: Sage.
32. Robbins, S.P. (2005) Organizational behavior (11th ed.) New Jersey: Pearson Education.
33. Setiawan, N. S., Hakim, A. K. (2022). Integrative Negotiation Strategy to Fulfill Consumer Rights at PT. Ebad Alrahman Tourism Juanda Sidoarjo. Journal of Islamic Management and Pilgrimage, 2(1), 1-17.
34. Stoshikj M & Greguš M. (2014). NSSs as a Solution to Negotiation Challenges in Enterprise Environment. 6th International Conference on Intelligent Networking and Collaborative Systems (INCoS-2014), September 10-12
35. Terri, K. (2011). The essentials of job negotiation: proven strategies for getting what you want. Connecticut: Praeger.
36. Walton, R.E., & McKersie, R.B. (1991). A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System. Cornell University Press: Ithaca, NY, USA.
37. Yamauchi, L. A., Lau-Smith, J. A., & Luning, R. J. I. (2008). Family involvement in a Hawaiian language immersion program. School Community Journal, 18(1), 39-60.

Cite this Article: Anisa Ananta Citra, ST., Manahan Siallagan, S. Si, MT, M. Sc (2022). Integrative Negotiation Framework Case Study: “RUMAH DINAS TNI-AD-SBSN 2021 Project in CIRACAS”. International Journal of Current Science Research and Review, 5(9), 3291-3297