

DYNAMICS OF CONFLICT MANAGEMENT AND INTEGRATIVE NEGOTIATION IN MAINTAINING ORGANIZATIONAL COMMITMENT: CASE STUDY XL SMART

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ABSTRACT

This study investigates organizational behavior dynamics during the XL Smart merger, focusing on how conflict management and integrative negotiation sustain employee commitment. Using a qualitative case study with ten key informants from strategic management to technical staff data were gathered via in depth interviews. The findings reveal two conflict spectrums: functional (task oriented) and dysfunctional (post merger friction). Integrative negotiation, grounded in objective metrics and procedural justice, successfully converted friction into operational synergy. Crucially, transparency in negotiations bolstered affective commitment more effectively than financial compensation. By shifting focus from financial metrics to the psychological aspects of infrastructure integration, this research highlights how procedural justice stabilizes loyalty in telecommunications. Managers should prioritize reason giving and inclusive decision making to mitigate resistance. Ultimately, the Network Sharing Agreement serves as a strategic benchmark for regulators to ensure that industry consolidations balance technical efficiency with social and organizational stability.

Keywords: Conflict Management, Integrative Negotiation, Merger, Organizational Commitment, Procedural Justice

ABSTRAK

Penelitian ini menginvestigasi dinamika perilaku organisasi selama merger XL-Smart, dengan fokus pada bagaimana manajemen konflik dan negosiasi integratif mempertahankan komitmen karyawan. Menggunakan studi kasus kualitatif dengan sepuluh informan kunci mulai dari manajemen strategis hingga staf teknis lapangan data dikumpulkan melalui wawancara. Temuan mengungkapkan dua spektrum konflik: fungsional (berorientasi tugas) dan disfungsional (merger syndrome). Negosiasi integratif, yang didasarkan pada metrik teknis objektif dan keadilan prosedural, berhasil mengubah gesekan menjadi sinergi operasional. Secara krusial, transparansi dalam proses negosiasi memperkuat komitmen afektif secara lebih efektif dibandingkan kompensasi finansial. Dengan mengalihkan fokus dari metrik keuangan ke aspek psikologis integrasi infrastruktur, penelitian ini menyoroti bagaimana keadilan prosedural menstabilkan loyalitas di industri telekomunikasi. Manajer disarankan untuk memprioritaskan pemberian alasan dan pengambilan keputusan inklusif untuk memitigasi resistensi. Akhirnya, kerangka kerja Network Sharing Agreement berfungsi sebagai tolok ukur strategis bagi regulator untuk memastikan konsolidasi industri menyeimbangkan efisiensi teknis dengan stabilitas sosial dan organisasi.

Kata Kunci: Manajemen Konflik, Merger, Negosiasi Integratif, Keadilan Procedural, Komitmen Organisasi

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INTRODUCTION

The Indonesian mobile telecom sector is currently hitting a tipping point, characterized by intense structural upheaval. Between market saturation and the massive capital needed for 5G, operators are practically forced into consolidation just to survive. The tie up between PT XL Axiata Tbk and PT Smartfren Telecom Tbk (XLSMART) is a direct response to this pressure. On paper, this merger looks like a clean technocratic move to boost spectrum efficiency and coverage; however, the reality on the ground is far messier. Warn that the honeymoon phase of these integrations is usually cut short by operational friction (Adi, Abrar,

& Endang, 2023). It isn't just about service outages the real pressure comes from the threat of workforce reductions. These aren't issues you can solve with a software patch or a technical workaround they are deep seated organizational crises. This study therefore focuses on how conflict management and negotiation dynamics within this merger process shape employee organizational commitment a dimension that technical analyses of consolidation consistently overlook

Beyond the merging operators themselves, this consolidation creates a ripple effect across the entire infrastructure landscape. Tower providers, as Sofyan and Pasaribu (2025) argue, are suddenly staring at a strategic crisis asset rationalization and shifting lease structures are no longer just possibilities, they are imminent threats. Take the XLSMART integration the BTS talks highlight this perfectly. Mapping out redundant towers isn't a simple calculation of signal strength, it is a battleground. Here, each entity is fighting tooth and nail to keep their assets relevant and their operations intact. It's a collision of cultures, really. If we look through the lens of Robbins and Judge (2019), it becomes clear that the real roadblocks aren't the cables or the towers, but the raw power struggles over who actually holds the keys to resource distribution and authority.

What makes this case particularly fascinating is the friction between cold technical data and heated organizational politics. During the mapping of redundant towers, figures like NPV and Capex efficiency are on the table, but behind those numbers is a quiet battle of sectoral egos between technical teams. According to integrative negotiation theory, success depends on finding mutual value, but that's easier said than done. Trust within a newly formed entity can vanish almost instantly if employees perceive a lack of procedural justice in the integration process (Klok, Kroon, & Khapova, 2023). It is within this vacuum of trust that teamwork an element Sanyal and Hisam (2018) note is too often neglected during merger preparations suddenly emerges as the decisive factor. Rather than being a secondary concern, the ability of teams to function under pressure dictates whether the merger succeeds or collapses under its own weight. Without it, the stress of technical negotiations can tank performance before the synergy even begins. Yet, despite the centrality of these dynamics, empirical studies examining how integrative negotiation strategies specifically affect employee commitment during telecom mergers in Indonesia remain scarce.

Ultimately, the goal isn't just to merge towers, but to keep the people attached to the vision. If negotiations feel unfair, affective commitment that genuine emotional bond to the company is the first thing to go. As Yulianti (2016) argue, this commitment hinges on whether employees feel supported during the chaos. Looking at past telecom deals in Indonesia, it's clear that vague negotiations do more than just lower morale they essentially tank it. According to Sari and Wahyuni (2023), this internal collapse is exactly what ends up hurting service quality in the field. The link is direct: if the negotiation table is a mess of ambiguity, the frontline service is usually the first thing to suffer. This downward spiral proves that the human element is inextricably linked to operational output; you cannot have a functional network if the people running it are left in a state of uncertainty. This qualitative study, therefore, digs into the black box of XLSMART's conflict management, aiming to show how fair negotiation acts as the essential glue holding the new organization together. The results of this study are expected to contribute theoretically to the development of organizational behavior science, particularly regarding integrative negotiation theory in capital intensive industries, and to serve as a practical reference for management leaders in maintaining employee commitment through constructive conflict management during corporate transitions.

Based on the background of the problem described above, this study was formulated to answer the following questions:

- a) What forms of functional and dysfunctional conflicts arise in the technical infrastructure integration negotiation process in the XLSMART merger?
- b) How are integrative negotiation strategies applied by management to achieve synergy agreements that meet the principles of procedural justice?
- c) To what extent do the results of the integration negotiations affect the organizational commitment (affective, continuance, and normative) of employees after the merger?

LITERATURE REVIEW

Conflict Management and the Integrative Negotiation Paradigm

In organizational behavior studies, conflict is defined as a process that begins when one party perceives that the other party has negatively affected, or will negatively affect, something that is of concern and interest to the first party (Robbins & Judge, 2019). This foundational understanding remains consistent with more recent empirical findings: conflict in organizational settings emerges from dissatisfaction, incompatible interests, and the perception of injustice dynamics that are especially acute in capital intensive industries undergoing structural transformation (Bingöl, 2017). In the context of telecommunications company integration, conflicts are often structural and inherent in the competition for limited resources and decision making authority. Kharadze and Gulua (2018) further confirm that approximately 80% of conflict situations in organizations arise independently of individual will, driven instead by structural conditions and established organizational culture a finding that reinforces the systemic nature of conflict in merger contexts.

The mobile telecommunications sector, characterized by oligopolistic market structure, has been particularly prone to consolidation pressures. Reviewing international M&A cases from 2012 to 2022, found that most telecom mergers reduced the number of operators from four to three, driven primarily by the high costs of 5G infrastructure and the need for spectrum efficiency (Srinuan & Srinuan, 2023). Infrastructure sharing including tower rationalization emerged as one of the most common conditions attached to merger approvals across multiple regulatory regimes. This international pattern directly mirrors the pressures confronting XLSMART and provides comparative grounding for understanding the organizational tensions that arise during BTS asset integration.

Integrative negotiation is a bargaining strategy that seeks to reach an agreement in which both parties feel they have won through creative and collaborative problem solving (Park, Rahman, Suh, & Hussin, 2019; Setiawan & Hakim, 2022). This strategy is particularly relevant in the case of XLSMART, especially in its efforts to rationalize its base transceiver station assets. Negotiators must change from a strict bargaining stance to a cooperative approach to problem solving during this process. Bingöl (2017) in a comparative case study of industry specific M&A conflict management, found that mergers characterized by well planned synergy creation and compatible mutual interests consistently outperformed those marked by protracted positional bargaining a finding that underscores the practical superiority of integrative over distributive approaches. Integrative negotiation's effectiveness is largely dependent on two key dimensions. First, information transparency: to reduce mistrust between entities, objective data on the operating value and rental costs of each base transceiver station unit should be shared. Second, procedural fairness: making sure that all decisions are made using fairly agreed upon standards so that workers impacted by the deactivation of some base transceiver station units still feel that the company is treating them with respect and reason (Decker, Wegner, & Leicht-Scholten, 2025).

Organizational Commitment

Organizational commitment reflects the degree to which an employee identifies with a particular organization and its goals, as well as their desire to remain a member of that organization (Lestari, Muslim, & Thobing, 2025). In a period of transition following a merger, which is full of uncertainty, this commitment becomes a psychological anchor for employees. Examining six major telecom mergers in India, demonstrated that trust both at the individual and organizational level is the decisive variable in whether employees maintain their commitment during and after integration (Mishra, Pradhan, & Bisht, 2018). Their findings show that mergers that invested in transparent communication, structured feedback mechanisms, and inclusive leadership practices were significantly more successful in retaining employee commitment than those that treated organizational integration as a purely technical exercise.

Meyer and Allen divide this commitment into three main pillars. Affective commitment refers to the employee's emotional attachment to the organization. Employees with high affective commitment remain with the company because they genuinely want to. In the XLSMART merger, this commitment was formed when the integration negotiation process resulted in a new identity that was considered prestigious and aligned with the employees' personal values. Continuance commitment refers to employees' perceptions of the economic and social losses they would incur if they left the organization. During the base transceiver station merger

phase, concerns often arise about role redundancy or task relocation. This can increase continuance commitment, but in a negative sense, as employees stay solely because they have no other choice or fear losing seniority benefits. Normative commitment is a sense of moral obligation to remain loyal to the organization as a form of ethical responsibility. This feeling arises when the company demonstrates strong organizational support and fair treatment during difficult integration negotiations, so that employees feel indebted to give their best contribution to the new entity.

The Relationship Between Negotiation Strategy and Post Merger Commitment Sustainability

Conceptually, the quality of conflict management through integrative negotiation acts as a very strong precursor variable for organizational commitment. If the process of determining operational cost efficiency and mapping base transceiver stations is carried out by ignoring the participation and fairness of one of the parties, a phenomenon of psychological fracture will arise. Dissatisfaction with the negotiation process can damage trust in leadership and drastically reduce employees' affective commitment. Bingöl (2017) identifies this pattern as characteristic of failed M&A cases across industries: when negotiation processes are perceived as opaque or one sided, intergroup rivalry, distrust, and hostility rapidly undermine organizational cohesion. In the telecommunications sector specifically, Mishra et al. (2018) found that employee trust functions as the primary adhesive binding leadership and workforce during integration and that its absence during M&A is one of the most reliable predictors of post merger organizational deterioration.

Conversely, negotiations that uphold procedural fairness and balanced burden distribution will strengthen employees' emotional attachment to the XLSMART vision. Srinuan and Srinuan (2023) note that in successful telecom mergers across multiple jurisdictions, regulators and operators alike recognized that the human and organizational dimensions of integration not just the technical and financial ones determined long term value creation. Thus, constructive conflict management is not merely an effort to achieve financial efficiency, but a strategic investment in building a solid foundation of organizational commitment to ensure the success of integration in the long term.

RESEARCH METHODS

This study uses a qualitative approach with a descriptive analytical case study strategy to explore the complex organizational behavior phenomena behind XLSMART's integration. The choice of qualitative methods is based on the researcher's need to understand the dynamics of negotiation, conflict resolution processes, and the formation of organizational commitment, which are subjective and situational in nature. The choice of a case study framework is driven by a need to deconstruct BTS infrastructure rationalization from the inside out, specifically to highlight those psychological undercurrents that standard technical reviews tend to miss. This is not about detached observation; the methodology functions by embedding the analysis right into the social and emotional turbulence of the integration itself. By shifting focus from simple numerical outputs toward qualitative nuances, the research uncovers the kind of subtle political friction that typically remains invisible to a quantitative lens. Rather than just crunching numbers, this method allowed us to pinpoint the subtle social and political frictions that quantitative tools usually miss. It's about capturing the human transition during a high stakes merger, providing a more holistic view of the integration period (Yin, 2018).

Data acquisition relied on a purposive sampling technique to ensure that the insights came exclusively from individuals with direct authority and involvement in the integration process (Creswell & Poth, 2016). The informant pool consisted of ten key figures two strategic leaders from the integration team and eight operational staff members. To maintain analytical balance, the group was divided equally, with four representatives from XL Axiata and four from Smartfren. This configuration allowed for a rigorous comparison between high level management decisions and the actual experiences of those tasked with field implementation.

The data gathering stage relied on a mix of candid, semistructured interviews and a deep, exhaustive dive into technical records. It was within these interview sessions that informants finally had a space to voice their professional frustrations a real time look at the tug of war created by clashing interests. Meanwhile, internal reports on cost efficiency and the mapping of redundant Base Transceiver Stations were put under a

microscope to ensure no detail was missed. Far from being viewed as mere physical records, the merger documents for Base Transceiver Stations were treated as negotiation artifacts pivotal for checking if official policies actually matched the reality lived by employees on the ground (Yin, 2018).

The analysis was driven by the interactive framework established by Decker et al. (2025) a process that involved stripping down complex data through condensation and then looking for patterns that actually meant something. What this looked like in practice was a direct, often jarring confrontation between the cold economic figures found in Base Transceiver Stations reports and the raw, unpolished stories told by the participants. It was about forcing these two different worlds the data and the human experience to speak to one another. It was out of this specific overlap that themes namely conflict dynamics and negotiation fairness truly began to take shape. Triangulation of both source and technique was not just a formality; it was the primary tool used to guarantee the findings could withstand rigorous academic scrutiny. The research prioritized a direct clash between raw interview transcripts and the hard reality found in official company records. This wasn't just about comparison; it was a deliberate move to anchor every conclusion in verifiable evidence. By doing so, the findings move well beyond the realm of mere hearsay, maintaining a level of rigor consistent with the standards set by (Creswell & Poth, 2016). This study acknowledges that the use of ten informants from a single merger case limits the statistical generalizability of the findings. Future research employing multi site comparative case studies or mixed method designs with larger sample pools is recommended to broaden the transferability of these theoretical insights.

RESULTS AND DISCUSSION

Structural Friction: The Clash of Functional and Dysfunctional Interests

Integration following the XL Axiata and Smartfren (XLSMART) merger is far more than a logistical hand off of network hardware. In practice, the process operates as a friction heavy zone where internal institutional agendas frequently hit a wall against one another. The consolidation of infrastructure isn't just about technical synergy; it is a period of intense organizational stress where the fate of the network's physical footprint is decided through a series of high stakes negotiations. In this environment, the integration of infrastructure becomes a testing ground for competing interests, where every decision regarding the network's footprint is tied to broader corporate survival rather than just technical alignment. The stakes are centered on the most expensive and strategically vital component of the network: Base Transceiver Stations. This isn't just a technical migration; it is a period of intense organizational tension where the choice of which towers to keep and which to scrap dictates the future of the entity's operational backbone. Using a redundant tower mapping framework as the primary tool for decision making has, predictably, split the organization into a spectrum of conflict ranging from productive tension to disruptive dysfunction.

a. Data Dialectics: When Task Conflict Drives Optimization

Functional conflict here isn't a sign of failure, but a byproduct of rigorous task oriented debate. In the field, technical teams from both sides frequently lock horns over which specific sites deserve to stay active. There is nothing personal about these disputes. Instead, they are grounded in hard metrics everything from NPV projections and Capex efficiency targets to the specific fiberized status of a given Base Transceiver Station.

"The debates on the ground were incredibly technical and, at times, quite heated. XL had their own set of standards, while we at Smartfren had our own criteria. But once the NPV indicators and Capex efficiency targets were laid out on the table, there was really no room for dispute. The data became the ultimate fair judge in deciding which sites had to be decommissioned." (OP-SMART-1, Technical Staff)

"At first, we were concerned about potential subjectivity. However, since 'fiberized towers' were established as the non negotiable priority, what started as a clash of departmental egos shifted into a genuine search for solutions. This 'data showdown' actually worked in our favor, helping us pinpoint the exact sweet spot for maximum efficiency." (OP-XL-2, Network Engineer).

This internal pressure serves as a productive engine (Mariri, Sjahrudin, & Dahrul, 2025). The friction essentially mandates a no compromise approach to asset auditing forcing a deep dive into the network's efficiency that a more relaxed corporate setting would likely skip. It is this specific tension that keeps the integration from becoming sloppy, ensuring that only the most viable infrastructure survives the merger.

The result of this tension is a set of surgical decisions. It allows the merged entity to pinpoint towers that offer the absolute lowest rental overhead while maintaining the height needed for maximum footprint coverage. Without functional conflict, organizations risk getting stuck in groupthink, a condition in which the desire for harmony ignores technical choices that are more profitable in the long term (Ibrahim, 2025). This conflict, in essence, is a process of refining business decisions.

b. **Dysfunctional Conflict: The Threat of Polarization and Merger Syndrome**

On the other hand, there are shadows of destructive dysfunctional conflicts. These conflicts no longer focus on what is best for the company, but rather on who is more dominant. This phenomenon is often triggered by differences in work culture and post merger identity, which in management literature is known as Merger Syndrome (Sarala, Vaara, & Junni, 2019). An integration team member from XL highlighted how this cultural friction manifests in daily interactions:

"Merger Syndrome is a real thing. You see this mentality of we're more agile or we're the bigger player. If team leaders don't step in immediately, technical discussions quickly devolve into cultural snark that stalls the physical integration of the towers." (MGT-XL, Integration Team).

One of the most sensitive triggers based on the interview results is the application of the side sharing principle with a 60:40 ratio. Without transparent communication, this policy is perceived as a form of domination of one party over another. This sentiment was echoed by a site supervisor who noted the anxiety at the operational level:

"To be honest, when we first heard about the 60:40 ratio without any clear explanation, rumors started swirling at the ground level that this wasn't a merger, but a disguised acquisition. There was this lingering fear over who would be cut first. This tension actually caused the field teams to fall out of sync because everyone started guarding their own operational secrets." (OP-SMART-3, Site Supervisor).

Perceptions of injustice change the entire nature of the game, dragging the conflict away from technical tasks and into the realm of personal resentment. It's a dangerous shift. Morale doesn't just drop it rots from the inside when friction is ignored, a process Supriyadi, Putri, Eldi, Fauziyyah, and Kristianti (2024) link directly to passive information sabotage and a complete collapse of loyalty. It's a slow, quiet destruction of organizational commitment. Rather than a simple decline, this unchecked tension acts more like a poison to the culture, turning once collaborative teams into silos where information is intentionally withheld. Synergy doesn't just happen; it gets choked out by a deep seated 'us vs. them' tribalism that departments refuse to let go of. This isn't just a cultural issue it's a parasitic cost that can quietly hollow out the merger's financial gains from the inside. Ultimately, this brand of dysfunctional conflict isn't just a headache it's a hidden financial drain that can hollow out the merger's projected benefits from the inside.

Adaptive Leadership and Determinative Communication Mitigation Strategies

There's a fine line to walk when managing this kind of friction. You need enough pressure to actually push people toward new ideas, but you can't let it get so hot that it burns down professional relationships that's the core tension Bahu, Wibawa, T, and Hayati (2025) argue is necessary for a merger to work. The real task goes beyond merely 'handling' disputes because the goal is to keep the friction productive before it turns into something destructive. Makes a solid point about communication being the primary driver here, yet the XLSMART merger introduces a more formal safety net through the Network Sharing agreement (Agustiyana & Gustina, 2023). Since this legal framework has the regulator's official green light, it effectively acts as a practical guardrail. It's there to stop internal friction from turning into a full blown crisis before the integration even gets off the ground. By having these rules in place, the organization can keep disagreements focused on technical issues rather than letting them devolve into personal or departmental chaos. While this Kominfo approved framework acts as a safeguard against dysfunctional outbursts, the real work happens at the behavioral level. Leaders have to actively shield technical debates from being swallowed by departmental egos. In the end, XLSMART's success won't be found in the raw count of merged towers. The true win is whether the organization can take that raw, conflicting energy and weaponize it into a competitive edge within the cutthroat Indonesian telecom market.

Integrative Negotiation Strategy and Procedural Justice

Securing Kominfo's green light for the Network Sharing Agreement was no mere paperwork exercise for XLSMART. It was a high stakes demonstration of integrative negotiation that actually worked. Instead of getting stuck in a zero sum fight where one side had to lose for the other to gain, XLSMART leaned into a value creation mindset. This move forced both sides to quit guarding their own turf and start caring about the durability of the joint network. By trading old rivalries for a unified framework, they managed to flip potential infrastructure stalemates into genuine operational wins. Rather than fighting over individual assets, they leaned into a shared model that made the entire integration process more fluid. A strategic planner from the Smartfren entity described this shift in perspective:

"We didn't go with a winner takes all approach. Instead, we codeveloped a scoring matrix from scratch. So, when a tower is eventually flagged as redundant, teams from both sides already understand the 'why' behind it because they were the ones who helped set the criteria in the first place. That buy in made all the difference." (MGT-SMART, Strategic Planner)

In practice, these negotiations relied on objective technical tools like the NPV Weighted Model and the Capex Efficiency Ratio. These metrics acted as a common language that bridged the gap between XL Axiata and Smartfren. This follows the logic of Park et al. (2019) who argue that successful negotiations must prioritize long term goals over rigid bargaining stances. By basing operational cost sharing on the Traffic Contribution Ratio, both sides established a system that felt mathematically fair. One lead operations officer emphasized that the openness of this data was more important than the numbers themselves:

"Transparency was the real game changer. When management openly laid out the Traffic Contribution Ratio, it felt like nothing was being hidden behind closed doors. To us, that sense of procedural fairness carried much more weight than the actual final outcome of the deal." (OP-XL-1, Lead Operations)

Point out that this kind of success rests heavily on trust and data sharing where technical figures are used for joint problem solving instead of being used as weapons to undermine the other party (Setiawan & Hakim, 2022). The strength of these talks was further anchored by a focus on the long term relationship between the two entities. Fatyandri et al. (2023) suggest that in high tech industries like telecommunications, a confrontational style usually leads to fragile agreements that are almost impossible to implement. XLSMART recognized that merging thousands of towers requires a commitment spanning many years so being fair in the process became more valuable than any quick win. Prioritizing fiberized towers and rental cost efficiency shows that both companies were willing to drop their departmental egos for the sake of collective gain. This is the heart of integrative negotiation because it focuses on growing the profit pie before trying to slice it up.

Behind the technical data, procedural fairness served as the psychological glue that made the results acceptable across all levels of the firm. According to Hollander-Blumoff (2016), fairness is less about the final number and more about how the team arrived at that number. At XLSMART, bringing in cross entity technical teams to build the tower mapping criteria created a genuine sense of ownership. When experts feel their input actually matters in deciding the fate of thousands of sites, the natural resistance to change begins to fade. This level of participation gives management the moral authority to make tough calls like shutting down inefficient sites.

Commitment to the final deal was also driven by total transparency regarding why certain technical choices were made. Found that when people see a process as open and honest, they stick to the agreement even if the outcome is not what they originally wanted. The work of Saliternik (2016) makes it clear that being open about the logic behind tower selection is what actually prevents resentment from spreading. XLSMART used procedural fairness as a tool to do far more than relocate hardware. That transparency was the catalyst for the professional ties the merger needed to actually hold together. When leaders were honest about the logic behind site selection, they effectively changed a cold technical migration into a foundation for organizational trust. It wasn't just about the towers anymore; it was about proving that the process itself was honest.

Implications for Post Merger Organizational Commitment

Infrastructure integration is not just about moving hardware, but also about uniting the hearts and commitment of the people involved. Organizational commitment at XLSMART after the merger was

significantly influenced by employee satisfaction with the integration process. The literature consistently shows that satisfaction with the merger process is a major predictor of affective commitment and reduced turnover intention (Klok et al., 2023).

The results of the analysis show that employees feel that integration strategies such as tower selection and task distribution are carried out fairly, thereby strengthening their affective commitment, namely their emotional attachment and identification with XLSMART. One senior engineer from the XL entity shared how this professional process fueled their motivation:

"If you ask me why I'm still driven and staying put, it's because I saw how the vendor selection and restructuring were handled it was strictly professional. Knowing that our technical voices actually carried weight in the decision making makes you feel proud to be part of XL Smart." (OP-XL-4, Senior Engineer)

Trikusumaadi and Dewi (2025) explain that in large organizational mergers, the dimension of value commitment becomes very vulnerable. Therefore, adaptive leadership is needed to mediate the impact of conflict and strengthen team cohesion (Bahu et al., 2025). Conversely, information uncertainty during the infrastructure integration process can trigger work stress (Panchal & Cartwright, 2001). Sekarsari and Utami (2025) in their study on banking mergers (PT BSI) found that work motivation has a linear correlation with organizational commitment. If employees feel that their voices are not heard in integration negotiations, they may experience a decline in motivation, leading to high labor turnover (Kalappura & Pareek, 2021). An infrastructure specialist from Smartfren noted that transparency prevented them from leaving the company:

"Pay and bonuses are important, obviously, but if this merger had felt like a shady political game, I would have been looking for the exit. The clarity regarding our future and being actively involved in the BTS integration gave me a sense of moral duty to make this new company a success." (OP-SMART-2, Infrastructure Specialist)

Hasmin (2025) identifies communication as the primary hurdle in managing people during a merger. If communication lacks empathy or transparency, organizational commitment tends to hit a wall, which puts the entire integrated network at risk. Puspita, Anitra, and Karhab (2025) reinforce this by noting that the post merger work environment is the bridge between how committed people feel and how they actually perform. The evidence points to inclusive leadership as the actual engine that pulls employee perspectives back into alignment once the merger is done. It is not just a soft skill but a strategic necessity to keep everyone moving in the same direction. When leaders actively bring people in, they fix the fragmented morale that usually follows a major corporate shake up. As a field technician concluded, trust is the ultimate foundation of their loyalty:

"For those of us on the ground, fairness is simple: explain the logic, involve us, and leave the bias out of it. When that happens, our loyalty isn't just about a contract anymore it's about genuinely trusting the XL Smart vision." (OP-SMART-4, Field Technician)

Employee Psychological Response Trajectory: From Resistance to Acceptance

The interview data reveals that employee reactions to the XLSMART integration negotiation process were neither static nor uniform. Rather than a single moment of acceptance or rejection, the data points to a discernible three phase psychological trajectory that unfolded across both organizational levels strategic management and operational staff albeit with meaningfully different intensities and triggers at each level.

In the first phase, characterized as Initial Resistance, employees at the operational level responded to early integration signals with suspicion and identity anxiety. The absence of clear communication regarding the 60:40 side sharing ratio was the primary catalyst. As OP-SMART-3 noted, the information vacuum did not remain neutral it was actively filled by rumors framing the merger as a disguised acquisition. This reaction is consistent with what Klok et al. (2023) identify in their systematic review of M&A emotional dynamics: when information flows are perceived as opaque or dishonest, negative emotions such as stress and uncertainty spread rapidly, with employees exhibiting an intention to leave or engage in passive information sabotage. At this stage, operational staff from both entities began withholding operational information a behavior that directly undermined the field coordination essential to BTS rationalization. Klok et al. (2023) further confirm

that when employees perceive oncoming organizational change as threatening to their values or objectives, the result is stress, tension, and a breakdown of inter team trust.

The second phase, Cognitive Reassessment, was triggered not by managerial directives but by the introduction of transparent, data driven decision tools. When technical metrics such as the NPV Weighted Model and Traffic Contribution Ratio were made openly accessible, employees were compelled to shift their evaluative frame from subjective grievance to objective analysis. OP-XL-2's account of how the 'data showdown' reoriented team dynamics illustrates this shift clearly the moment objective criteria replaced departmental ego as the basis for tower selection, the nature of the conflict transformed from interpersonal to technical. This aligns with the findings of Bao and Han (2019, as cited in Umrani et al., 2025) that participatory communication approaches including transparent data disclosure and open forums reduce employee uncertainty and shift cognitive orientation toward collective problem solving. Strategic level informants, particularly MGT-SMART, reported experiencing this phase earlier and more smoothly than operational staff, given their closer proximity to the negotiation frameworks being developed. This asymmetry in the speed of reassessment between management and field staff represents a critical organizational vulnerability one that adaptive leadership must actively bridge through targeted and empathetic communication (Bahu et al., 2025).

The third phase, Affective Acceptance, emerged when employees moved beyond mere intellectual agreement with the process and began to internalize a sense of ownership over its outcomes. This was most powerfully achieved through the participatory co development of the tower selection scoring matrix, as described by MGT-SMART. When employees across both legacy organizations were actively involved in constructing the very criteria by which infrastructure decisions would be made, the psychological distance between "the merger happening to them" and "the merger they were building" collapsed. Klok et al. (2023) confirms that positive emotions such as happiness and pride, generated through experiences of ownership and a compelling shared vision, have a directly engaging effect that motivates employees to work toward change rather than resist it. The testimonies of OP-XL-4 and OP-SMART-2 confirm that this sense of procedural ownership was the decisive factor in sustaining their organizational commitment, outweighing purely financial considerations. Notably, operational staff reached this phase through direct involvement in technical processes, while strategic informants arrived there through access to negotiation outcomes suggesting that affective acceptance is pathway dependent rather than universally triggered.

Taken together, this three phase trajectory from resistance through reassessment to acceptance demonstrates that employee reactions to merger negotiations are fundamentally shaped by the quality and timing of information disclosure, the perceived fairness of decision making criteria, and the degree to which employees are granted genuine participatory agency. These findings extend recent scholarship on procedural justice in M&A contexts Hollander-Blumoff (2016) by showing that in infrastructure intensive mergers, the *process* of negotiation functions as a psychological intervention in its own right: conducted transparently, it progressively rebuilds the organizational commitment that the structural shock of merger initially erodes. To wrap up the analysis on how conflict, communication, and leadership impact commitment within the XL Smartfren deal, the researchers have organized the findings into the summary table below.

Table 1. Mapping of Conflict, Strategy, and Impact on Commitment

Type of Conflict	Field Findings	Handling Strategy	Impact on Organizational Commitment
Task Conflict	Infrastructure redundancy (adjacent/overlapping Base Transceiver Station towers).	Integrative Negotiation: Utilizing a Network Sharing Agreement based on principles of technological efficiency and lowest rental costs.	Sustainable Commitment: Employees see cost efficiencies that ensure the company's financial stability in the future.
Process Conflict	Uncertainty regarding the division of operational costs and ownership rights.	Procedural Fairness: Determination of a 60/40 ratio and Cost Sharing based on transparent traffic contributions.	Normative Commitment: Fair and transparent procedures create a sense of moral obligation among employees to support the new entity.
Psychological Conflict (Merger Syndrome)	Employee anxiety about losing their old cultural identity or potential layoffs.	Inclusive Leadership & Transparent Communication: Openly socializing the new vision and involving employees in the transition process.	Affective Commitment: Reducing resistance and fostering a sense of ownership toward the new identity (XLSmart).
Conflict of Interest	Differences in priorities between the management of	Problem Solving Strategy: Focusing on the shared goal of becoming a	Organizational Synergy: Strengthening trust among teams that

the two companies in vendor selection.	leader in the telecommunications market.	decisions are made for the collective good, not just for one party.
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Source: Data analysis results, 2025

Synthesis and Discussion: Integration of Conflict and Commitment

The data in Table 1. suggests that XL-Smartfren didn't get through this merger by just avoiding arguments. The real win came from how the leadership faced the pressure with straight talk and open channels. It turns out that friction between these two giants was manageable as long as the communication stayed transparent enough to keep things moving. The data suggests that friction between these two giants wasn't the problem as long as the communication stayed transparent enough to keep things productive. These findings show that the friction between these two giants actually stayed functional because management kept the communication channels open and honest.

Looking at this through the lens of Robbins and Judge (2019) on organizational behavior, we see a strong case for procedural justice. Robbins and Judge (2019) argues that employees look far beyond just the final paycheck or who got which job. They are actually obsessed with whether the process itself felt fair. Throughout the XL-Smartfren merger, it was natural for people to worry about their roles or the new culture. But the numbers show something interesting: when the rules for restructuring were laid out in plain English, employee commitment didn't actually tank as expected.

These results prove that in the middle of radical change, procedural justice hits harder than financial perks when it comes to long term loyalty. While bonuses or distributive justice might keep people in their seats for economic reasons, that is just continuance commitment. Building trust through open talk is a major part of procedural justice and it is what actually creates affective commitment. This is the point where people genuinely want to stick with the new company. XL-Smartfren succeeded because they put the fairness of the process ahead of just looking at the bottom line. By being honest about the whole transition journey, they managed to truly win over the team. The sharpness of this strategy transforms the potential for dysfunctional conflicts, such as resistance to the new culture, into functional discussions that enrich the integration process. Thus, the synchronization between transparent conflict management strategies and the fulfillment of procedural justice, as proposed by Robbins and Judge (2019), becomes the key to maintaining human resource loyalty amid the storm of organizational change.

CONCLUSIONS

This study concludes that the success of infrastructure integration in the XLSMART merger is not solely determined by technical and economic calculations, but by the organization's capacity to transform potential resistance into functional collaboration. The findings confirm three interrelated dynamics. First, data driven task conflict grounded in objective metrics such as NPV projections and Capex efficiency ratios functions as a productive catalyst for infrastructure optimization, provided that dysfunctional polarization is actively managed. Second, integrative negotiation strategies anchored in procedural fairness particularly the transparent application of the Traffic Contribution Ratio and participatory codevelopment of tower selection criteria proved more effective than distributive bargaining in securing cross entity commitment. Third, employee organizational commitment in post merger contexts is more powerfully shaped by perceived process fairness than by financial incentives alone, with transparency and inclusive leadership serving as the primary drivers of affective loyalty.

These findings carry direct implications for telecommunications mergers in emerging markets: technical synergy targets risk being undermined by unmanaged psychological costs unless organizations treat procedural justice not as a soft consideration, but as a core strategic instrument. The XLSMART case demonstrates that sustainable business synergy ultimately rests on the commitment of its people, not merely the consolidation of its hardware.

Managerial Implication

1. Prioritize Procedural Justice over Financial Compensation

Managers should recognize that transparency in negotiation processes and decision making is more effective in strengthening employee affective commitment than mere financial incentives. In the XLSMART

case, this was demonstrated when management openly disclosed the Traffic Contribution Ratio as the basis for cost sharing an act that OP-XL-1 described as more meaningful than the financial outcome itself, precisely because it signaled that nothing was being hidden. Providing clear reasons behind integration policies is therefore crucial for stabilizing long term loyalty, particularly in the early and most uncertain phases of post merger integration.

2. Utilize Objective Metrics as the Ultimate Judge

To bypass departmental egos and internal politics, technical decisions such as asset decommissioning should be based on objective metrics. At XLSMART, the adoption of NPV projections, Capex efficiency ratios, and tower fiberization status as non negotiable selection criteria successfully transformed what had been heated interdepartmental disputes into structured technical evaluations. As OP-XL-2 confirmed, once these metrics were placed on the table, the 'data showdown' effectively shifted debates away from personal friction and toward productive solutions allowing the merged entity to identify towers with the lowest rental overhead and maximum coverage footprint.

3. Encourage Functional Conflict while Mitigating Merger Syndrome

Leaders must facilitate rigorous task oriented debates to drive operational efficiency and prevent groupthink, while intervening immediately when dysfunctional patterns emerge. In the XLSMART integration, the early absence of explanation around the 60:40 side sharing ratio triggered exactly this dysfunctional dynamic: OP-SMART-3 reported that field teams began guarding their own operational data, creating dangerous silos that stalled physical tower integration. MGT-XL further noted that without direct leadership intervention, technical discussions quickly devolved into cultural antagonism rooted in competing claims of organizational superiority. This case illustrates that the line between productive and destructive conflict is crossed the moment cultural identity rather than technical merit becomes the primary lens for decision making.

4. Implement Inclusive Decision Making

When establishing integration criteria, managers should involve cross entity teams in codeveloping scoring matrices from the outset. At XLSMART, MGT-SMART described how both XL Axiata and Smartfren representatives jointly constructed the tower redundancy scoring framework meaning that when a site was flagged for decommissioning, teams from both sides already understood and had internalized the rationale, because they had helped define it. This participatory process provided management with the moral authority to make difficult closure decisions while significantly reducing resistance at the operational level.

5. Adopt Transparent Communication to Retain Talent

Uncertainty regarding roles and the future of the company can trigger high turnover intention. At XLSMART, OP-SMART-2 explicitly stated that the clarity surrounding the BTS integration process and the active involvement of staff in that process was the decisive factor in their decision to remain with the company, overriding concerns about compensation. Conversely, the initial opacity around the 60:40 ratio generated resignation level anxiety among operational staff. This contrast demonstrates that transparent communication is not merely an HR best practice it is a talent retention mechanism with direct operational consequences for integration timelines.

6. Leverage Regulatory Frameworks as Operational Guardrails

Formal agreements approved by regulators should be used as practical benchmarks to contain internal friction before it escalates. In the XLSMART merger, the Kominfo approved Network Sharing Agreement served precisely this function by establishing a legally sanctioned framework for infrastructure sharing, it provided both legacy organizations with a neutral external reference point that kept disagreements focused on technical implementation rather than allowing them to devolve into jurisdictional disputes between XL Axiata and Smartfren teams. This guardrail function was especially critical during the earliest and most volatile phase of BTS rationalization.

7. Focus on Relationship Continuity

In capital intensive industries, managers should prioritize integrative negotiation strategies that expand the value pie rather than pursuing winner takes all outcomes. At XLSMART, the rejection of a zero sum approach in favor of a jointly developed scoring matrix as described by MGT-SMART transformed

infrastructure rationalization from a competitive battleground into a shared optimization exercise. The Traffic Contribution Ratio based cost sharing model operationalized this principle mathematically, ensuring that neither party perceived the arrangement as extractive. Given that BTS consolidation requires multi year coordination commitments, this fairness by design approach proved essential to the durability of the integration agreement.

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