

Risk Management Strategies at PT X Construction Company during Pandemic COVID-19

Arga Santoso¹, Setyo Riyanto²

¹Master of Management Student, Mercu Buana University, Jakarta, Indonesia

²Associate Professor, Mercu Buana University, Jakarta, Indonesia

Abstract: The rapid spread of the COVID-19 outbreak had an impact on the Indonesian economy. One of them is the construction sector. PT X was affected by COVID-19; several projects had to be stopped temporarily following local government recommendations. Some targets set by the company were not achieved. Therefore, there is a need for good management to prevent the widespread and transmission of COVID-19. PT X developed a strategic plan regarding the potential impact of COVID-19 on the operational processes of its business services. PT X implements several management strategies, one of which uses risk management so that in the future, the company can make the right decisions in business management during this pandemic. It also anticipates the government's plan to impose New Normal. With risk management, it is expected that uncertainties that cause losses can be reduced or even eliminated for the sustainability of activities in the company. Some concrete steps taken by PT X are monitoring the health of employees daily, making and implementing health protocols, and forming a COVID-19 ranger.

Keywords: COVID-19, Risk Management, New Normal

I. INTRODUCTION

COVID-19 cases first appeared in Wuhan, China, at the end of 2019. The spread of the virus pandemic was so fast from human to human, from one country to another, that it spread throughout the world, including Indonesia. The inclusion of COVID-19 outbreak cases in Indonesia was announced on March 2, 2020 (Nurmasari, 2020).

The rapid spread of the COVID-19 outbreak, of course, had an impact on the Indonesian economy. Indonesia has restrictions on going out so that certain sectors of the economy are negatively affected by the virus. In this situation, it can be understood that the government does not dare to take a lockdown step in this phenomenon, because the risk leads to the occurrence of economic disaster, which automatically has implications for other social impacts (Abodunrin et al., 2020).

The chief risk officer (CRO) and many risk managers who missed this pandemic risk are risks that need to be watched this year. In The Global Risks Report 2020, pandemic risks do not make it into the top 10 risks. It only ranks 10th as a risk that has a large impact on the world. Risks related to environmental factors (such as extreme weather or natural disasters) and geopolitical and technological factors (such as weapons of mass destruction or data theft) dominate risk predictions in 2020. Relatively similar conditions occur among corporate practitioners in Indonesia. The results of

three Center for Risk Management & Sustainability surveys in 2017-2019, companies in Indonesia do not consider the risk of infectious diseases as the focus of the company. Until early 2020, many did not expect that COVID-19 would have such a massive impact. Initially, it was estimated that only certain sectors were affected, such as the tourism support sector. Now all sectors are affected, one of which is the construction sector. Some projects must be temporarily stopped following local government recommendations.

Therefore, to prevent the widespread distribution and transmission of COVID-19 in the territory of Indonesia, every organization, both government and private, must develop a strategic plan regarding the potential impact of COVID-19 on the operational processes of its business services. PT X implements several management strategies, one of which uses Risk Management so that in the future, the company can make the right decisions in business management during this pandemic. With this, it is expected that the uncertainties that cause losses can be reduced or even eliminated for the continuation of activities in the company.

II. LITERATURE REVIEW

2.1 COVID-19

Coronavirus disease (COVID-19) according to WHO (2020) in the ILO (2020), which is an infectious disease caused by the newly discovered coronavirus and is known as severe acute respiratory syndrome corona two viruses (SARS CoV-2). The first human case of COVID-19 was identified in Wuhan City, China, in December 2019. Coronavirus is a large family of viruses that are common in animals and can cause disease in animals or humans. Sometimes, people infected with this virus can then spread it to other people. In humans, some coronaviruses are known to cause respiratory infections ranging from the common cold to more severe illnesses such as the Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). The most recently discovered coronavirus has caused the coronavirus disease COVID-19.

The most common symptoms of COVID-19 are fever, fatigue, and dry cough. Some patients may experience aches and pains, nasal congestion, runny nose, sore throat, or diarrhea. These symptoms are usually mild and occur gradually. Some infected people do not experience any symptoms and do not feel any problems with their bodies.

However, according to current knowledge, about 1 in 6 cases of COVID-19 has caused serious illness and has developed breathing difficulties (WHO, 2020).

2.2 Risk management

Risk is a danger, the consequences, or consequences that can occur as a result of an ongoing process or a future event. In the field of insurance, risk can be interpreted as a state of uncertainty, where if there is an unwanted situation that can cause a loss (Wikipedia, 2020).

Risk can be defined in various ways, but the point is not only in the form of the potential emergence of unwanted negative consequences of an event or event that threatens success (downside) but also can be an opportunity to benefit (upside) (Rosenberg and Schuermann, 2006). Uncertainty exists if more than one outcome is possible for a particular activity, but the probability of each issue is unknown. Some definitions of Risk Management, according to several experts (Mauliana, 2016), namely:

1. Smith states Risk management is a process of identifying, measuring, and financial control of a risk that threatens the assets and income of a company or a project that can cause damage or loss to the company.
2. According to Clough and Sears, risk management is a comprehensive approach to handling all events that can cause harm.
3. William states Risk management is an application of general management by identifying, measuring, and controlling the cause and effect of an organization's uncertainty.
4. Dorfman states risk management is a process that makes sense to understand the exposure of a loss.

As an organization, companies generally have a goal in implementing risk management. The objectives to be achieved include reducing costs, preventing companies from failing, increasing company profits, reducing production costs, and so on. Risk management is a risk management process that

includes identifying, evaluating, and controlling risks that can threaten business continuity or company activities (Wikipedia, 2020).

III. DESCRIPTION

Employees' presence in the workplace on time and never late is what determines employee performance (Riyanto and Lukertina, 2019). But this was different when the COVID-19 pandemic occurred. Employees are encouraged to keep working from their homes to prevent the risk of spreading COVID-19. Focus and be dedicated to the work and division of tasks by the leadership to function optimally (Riyanto et al., 2019).

The real risk is everywhere; it can come at any time, and it is difficult to avoid. If the risk occurs in an organization, the organization can suffer significant losses. In some situations, these risks can destroy the organization because it's a critical risk to manage. Risk management aims to manage risk so that it can obtain the most optimal results. In the context of the organization, the organization will also face many threats. If the organization cannot manage risk properly, then the organization can experience significant losses. Therefore the risks faced by the organization must also be managed so that the organization can survive or optimize chance. Risk management is carried out through the following processes.

1. Risk identification
2. Evaluation and Measurement of Risk
3. Risk management

As one form of ongoing risk management commitment in PT X related to the COVID-19 pandemic virus outbreak, all work units/businesses/projects to identify and add to the Risk Register regarding the COVID-19 pandemic virus in their respective work environments. Identification includes impacts and likelihood by evaluating using the company's 5x5 risk map and mitigation plans to be carried out. The intended thing is poured into the following form,

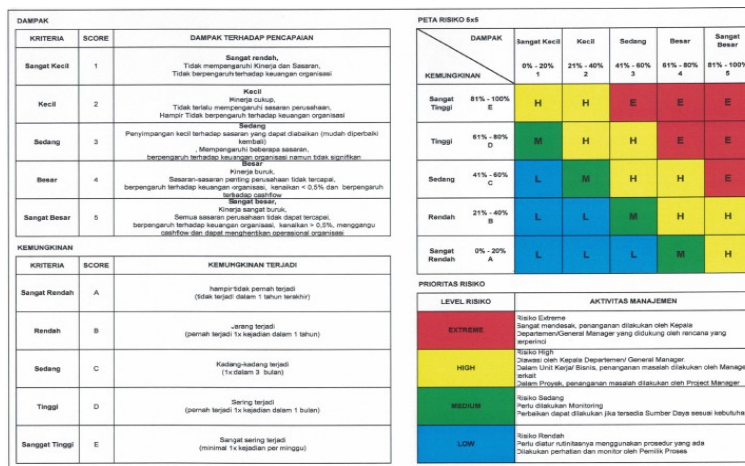


Figure 1. Company Risk Map of PT X

Figure 2. Implementation of FM-RR (Form Risk Register)

From the results of the overall evaluation, the resulting control that must be done by the company is

1. Make derivative policies that are adapted to current conditions for implementing preventive and recovery measures
2. Collecting data on measurements of body temperature and health conditions every day for all employees of PT X
3. Evaluating the implementation continuously with improvements for the smooth business processes of PT X.

COVID-19, which has become a global pandemic, is not only a risk but a company problem. For companies with low-risk management maturity or do not have business continuity management (BCM), in general, they are less structured in responding to COVID-19. COVID-19 disorders have unique characteristics, do not occur suddenly in a short time (sudden incident), but gradually (creeping incident). This condition still gives the company time to make a business

continuity plan (BCP). Companies that have BCM can do a business impact analysis. Already have a critical business process that the company must continue to run during a disaster. Companies must be able to provide minimum standard services to their stakeholders during work from home or large-scale social restrictions (PSBB). Responding to the issues circulating PT X immediately formed a Business Continuity Management Team consisting of 3 Teams to tackle and anticipate the COVID-19 pandemic, namely:

1. Company Operations (Production, Procurement, Marketing, Estimating, HR functions, etc.)
2. Health & Emergency Response (QHSE Function)
3. Strategic Company (Development Function, Sekper, etc.)

It is expected to produce output in the form of Guidelines, Procedures, and other Regulations following these functions by looking at the current pandemic conditions. Following are some of the steps and strategies that have been taken/issued by PT X during the COVID-19 pandemic,

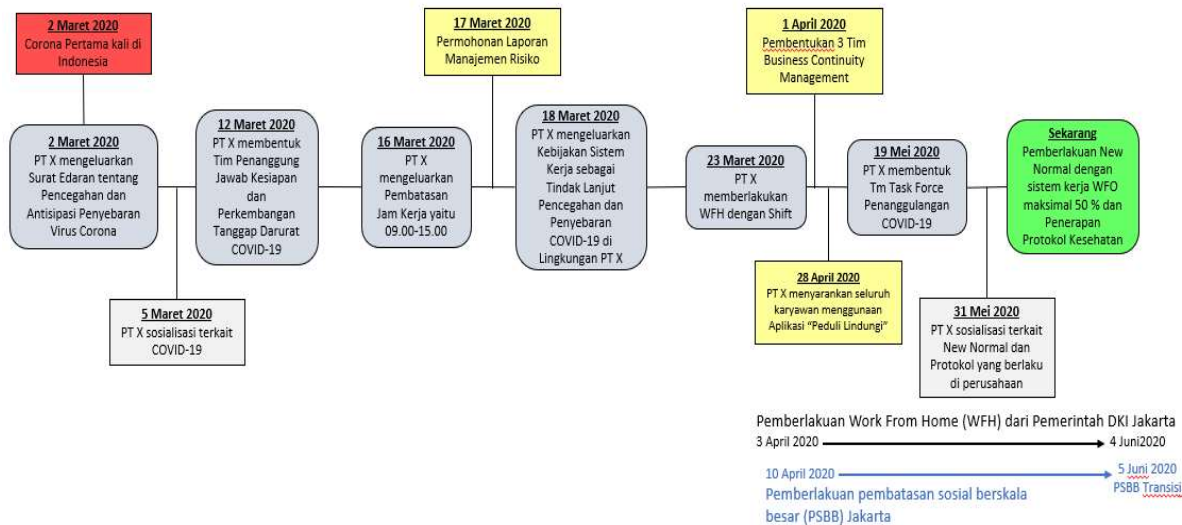


Figure 3. PT X's Timeline and Strategy

Preparation for New Normal Implementation

In connection with the direction of the Ministry of State-Owned Enterprises based on letter number: S-336 / MBU / 05/2020 dated 15 May 2020 concerning Anticipation

of the New Normal State-Owned Enterprise scenario in which companies are expected to participate together with the Government to support efforts to accelerate the handling of the Covid-19 pandemic especially in maintaining the health of all employees and maintaining the sustainability of the

Company's operations, it is necessary to identify and understand the issues that are developing so that it is needed to form a team that handles and oversees all aspects so that the Company's operations with a comprehensive approach. For this reason, PT X formed the COVID-19 Prevention Task Force Team. The COVID-19 Prevention Task Force is a team that is tasked with providing meaningful solutions to the Company and efforts to accelerate the COVID-19 pandemic countermeasures and, in the early Anticipation, plan the possibility of facing a New Normal scenario.

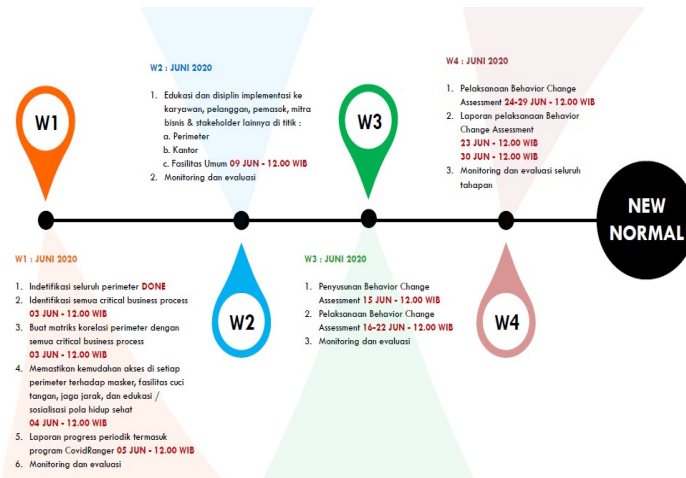


Figure 4. PT X's preparations for New Normal

By using the principles of risk management, namely by identifying risks, evaluating and measuring risks and managing risks, the COVID-19 Task Force's Control Team carries out control and mitigation in the following ways:

1. New Normal general socialization to all employees of PT X. The socialization was held on May 31, 2020.

GET READY FOR THE NEW NORMAL!

THE NEW NORMAL

Perubahan perilaku untuk tetap menjalankan aktivitas normal dengan menerapkan protokol kesehatan guna mencegah terjadinya penularan COVID-19

OUTLINE

- Introduction
- Step-to-Step How to Establish The New Normal (Principles)
- Resources
- Protokol Work From Office (WFO) New Normal
- Skenario Penerapan WFO Dengan Timeline
- Protokol Kesehatan Kegiatan di Kantor
- Protokol Kesehatan Kegiatan di Proyek
- Protokol Kesehatan Kegiatan Di Ranai Pasok
- COVID-19 Education
- End

Figure 5. New Normal Socialization Material

2. Making health protocols when implementing New Normal
- Conducting rapid tests for employees and the use of digital absences by monitoring employee conditions

RAPID TEST

- Green:** Karyawan yang suhu tubuh 37.3°C di bawah untuk WFO
- Yellow:** Karyawan yang suhu tubuh $37.3 - 38^{\circ}\text{C}$ di bawah WFO tapi harus konsul ke medis terdekat sebelum ke tempat kerja
- Red:** Karyawan yang suhu tubuh >

MEMORANDUM

Untuk: Kepala Departemen SDM

Kepada: 1. Kepala Departemen Kepala Suban (Sebagai Perantara)

2. Kepala Manajer Wilayah (Dua)

3. Kepala Unit Perukung

Perihal: **MAPPING KARYAWAN UNTUK PELAKSANAAN RAPID TEST**

Figure 6. Employee Attendance and Rapid Test

Health protocols that have been produced, namely:

- Health Protocols Entering Office Areas for Employees
- Health Protocols Enter the Office Area for Guests
- Health Protocol for the Use of Lifts
- Toilet Use Health Protocol
- Health Protocol for Receiving Goods / Documents
- Meeting / Meeting Health Protocol
- Health protocols related to official travel
- Health protocol for disinfectant spraying
- Worship Health Protocol at the Mosque / Musholla
- Health Protocol in the Canteen Area
- Health Protocol in the Corporate Area
- Employee / Worker Health Protocols Entering the Project Area
- Guest Health Protocols that will Enter the Project Area
- Physical Distancing Health Protocol while Working on the Project
- Health Protocol for Receiving Project Goods / Materials
- Health Protocol for Disinfectant Spraying in the Project Area

PROTOKOL KESEHATAN MEMASUKI AREA KANTOR BAGI KARYAWAN

1. Wearing Mask
2. Wash Hands
3. Physical Distancing
4. Utilized IT
5. Work Remotely

PROTOKOL KESEHATAN PENGGUNAAN TOILET

1. Wearing Mask
2. Wash Hands
3. Physical Distancing
4. Utilized IT
5. Work Remotely

PROTOKOL KESEHATAN PHYSICAL DISTANCING SELAMA BEKERJA DI AREA PROYEK

1. Wearing Mask
2. Wash Hands
3. Physical Distancing
4. Utilized IT
5. Work Remotely

Figure 7. Health Protocol

3. Ranger COVID Program

Every work/business/project unit is involved as a Ranger COVID.



Figure 8. COVID Ranger

The company does some of these as a risk control that may occur in the corporate environment. PT X also conducts monitoring and evaluation periodically at least once a week to monitor how far the implementation and prevention have been carried out by each work unit/business/project. The company has also made a timeline for the recovery plan (Figure 8) until the company can generally run again.

Phase 1 25 Mei 2020	Phase 2 01 Juni 2020	Phase 3 08 Juni 2020	Phase 4 29 Juni 2020	Phase 5 13 Juli 2020
<ul style="list-style-type: none"> Penggunaan Masker, Physical Distancing di kantor dan pengecekan suhu tubuh Pengaturan kerja WFO dan WFH Melakukan rapid/PCR tes kepada karyawan Training online WFO > 50% dengan prioritas usia < 45 tahun 	<ul style="list-style-type: none"> Sesuai Phase 1 WFO > 55% dengan prioritas usia < 45 tahun 	<ul style="list-style-type: none"> Sesuai Phase 2 Training in-class selektif dengan physical distancing WFO > 60% dengan prioritas usia < 45 tahun 	<ul style="list-style-type: none"> Sesuai Phase 3 WFO > 70% dengan prioritas usia < 45 tahun Menambah layanan online untuk Klinik 	<ul style="list-style-type: none"> Sesuai Phase 4 WFO > 81% dengan prioritas usia < 45 tahun Continue layanan online untuk klinik

Figure 9. Recovery Plan

IV. CONCLUSION

PT X has drawn up a strategic plan regarding the potential impact of COVID-19 on the operational processes of its business services. PT X implements several management strategies, one of which uses risk management so that in the future, the company can make the right decisions in business management in a pandemic. This was also done to anticipate the government's plan to implement the New Normal. Some concrete steps taken by PT X are monitoring the health of employees daily, making and implementing health protocols, and forming a COVID-19 ranger. PT X has also made a recovery plan until the company can run as before.

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