Parantara: The Javanese Way of Managing Business Relationships in Indonesia

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ABSTRACT

This study explores the styles, strategies and behaviours of Indonesian managers during international business negotiations. Indonesia is an emerging economic and political power in the South East Asian region and there are increasing international business negotiations occurring in this unique Asian cultural environment. Consequently, this study has sought to investigate Indonesian management and negotiation behaviour in the Indonesian environmental context to determine whether there is a distinct Indonesian style of behaviour during these negotiations, and if so, the implications for the key actors involved in these negotiations. This study has employed a grounded theory approach to exploring Indonesian negotiation behaviour, through field based research comprising; in-depth interviews with Indonesian and international managers, and participant observation of international business negotiation events in an Indonesian environmental context.

Through an inductive analysis of interviews with 55 Indonesian and non-Indonesian managers and of participant observation data, this study has detailed and unpacked culturally embedded negotiation behaviours. Significant findings emerge including the influence of the Javanese Way, Parantara, and the fundamental relationship orientation of Indonesian managers. Findings also identify the pragmatic influence and effect of corruption upon Indonesian business, and how corruption is engaged as a risk mitigation tool. Furthermore, findings demonstrate a unique communication and negotiation protocol that informs bargaining strategies and decision making. The grounded theory approach to collection and analysis of the research data, lead to a cohesive analysis of the findings in order to illustrate a holistic interpretation of Indonesian negotiation behaviours, styles and strategies, and how the key factors that comprise these behaviours, styles and strategies relate to each other in generating a definable Indonesian Negotiation Model. Analysis of the research data and subsequent findings has demonstrated strong relationships between key emergent findings in this study, with the Javanese Way providing an underpinning motivation and influence upon all aspects of the Indonesian negotiation model. This model illustrates the procedural and pragmatic affects of corruption and relationship strength upon the various communication, negotiation and decision making protocols which comprise the Indonesian negotiation process.