THE ANALYSIS OF DECISION MAKING STRATEGY IN PAM GROUP

By:

Fu Yanjia

011200800082

A Thesis Presented to

The Faculty of Economics, President University

In partial fulfillment of the requirements for

Bachelor Degree in Economics. Major in Management

President University

Cikarang Baru –Bekasi

Indonesia

December 2011
THESIS ADVISER RECOMMENDATION LETTER

This thesis entitled “The Analysis of Decision Making Strategy in PAM Group” prepared and submitted by Fu Yanjia in partial fulfillments for Bachelor Degree in Economics-Major in Management, has been reviewed and found to have satisfied the requirements for a thesis fit to be examined. We therefore recommend this thesis for Oral Defense.

Cikarang, Indonesia, December 2011

Acknowledged by

Irfan Habsjah, MBA, CMA

Recommended by

Ir.Erny E. Hutabarat, MBA

Head of Management Study Program

Thesis advisor
The Panel of Examiners declare that the thesis entitled “The Analysis of Decision Making Strategy in PAM Group” submitted by Fu Yanjia majoring in International Business, Faculty of Economics was assessed and proved to have passed the Oral examination on January 12, 2012.

Irfan Habsjah, MBA, CMA
Chair-Panel of Examiners

Ir. Erny E. Hutabarat, MBA
Examiner I

Iman Heru Wijayanto, MBA
Examiner II
DECLARATION OF ORIGINALITY

I declare that this thesis, entitled “The Analysis of Decision Making Strategy in PAM Group” is, to the best of my knowledge and belief, and original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, Indonesia, December 2011

Fu

Yanjia
ABSTRACT

PAM group is built based on the law of Singapore while the main business locates in Indonesia and China. The researcher spends his internship from Dec 2010 to Oct 2011 in PAM Group. PAM Group is a family business.

This study utilized qualitative research. Qualitative methodology is described as the best strategy for — discovery, exploring a new area, developing hypotheses. The research is conducted following the Grounded theory.

After the whole research, the researcher comes up with the “robot” decision-making model in PAM group to answer all the research questions. Basically the figure means that, when the management of the business requirement a decision, the first consideration should be the family priorities, especially the opinion of the funder, the second consideration should be the business issues. At the same time, the directors should realize the current family situation and current business situation, make sure the decision will have positive influence to both of them, and then, the decision-making process start.

After the research, the researcher comes up with the following recommendation for PAM group: PAM group should increase the internal control of the daily work; PAM group should set limitation between different departments; The decision convey should be systematization.
ACKNOWLEDGMENT

❖ The greatest thanks to my parents, thank them give me my life.

❖ I am blessed to have been guided by Ms Erny as my thesis supervisor. Thanks so much to her that always be patient with me and give me many helpful suggestion during I write this thesis.

❖ Thanks to all my friends’ support which cannot be mentioned one by one in here.

I know this thesis still need much improvement. Therefore, I would like to hear any suggestion and recommendation.
# TABLE OF CONTENTS

Thesis adviser recommendation letter .................................................I
Panel of examiners approval sheet.........................................................II
Declaration of originality..................................................................III
Abstract..............................................................................................IV
Acknowledgement..............................................................................V
Table of Contents...............................................................................VI
List of Tables.......................................................................................VII
List of figures.......................................................................................VIII

## I INTRODUCTION

1.1 Research Background..................................................................1
1.2 Problem Identification and Statement..........................................2
  1.2.1 Problem Identification.................................................................2
  1.2.2 Problem Statement......................................................................3
1.3 Research Scope and limitation..........................................................5
  1.3.1 Research Scope...........................................................................5
  1.3.2 Research Limitation.................................................................6
  1.3.3 Definition of Terms..................................................................7
1.4 Research Objective.........................................................................7
1.5 Research Benefit.............................................................................8
1.6 Research Method............................................................................9
II LITERATURE REVIEW

2.1 History of Family Business

2.1.1. Definition of Family Business

2.1.2. The Research of Family Business Area

2.1.3. The Theoretical Foundations of Family Business

2.2 The Foundations of Decision Making

2.2.1. Decision Types

2.2.2. Decision-Making Models

2.3 The Research in Family Business Decision-making

2.4 Decision Making in Different Generations

2.4.1 First-Generation Founder (Entrepreneur) Decision-making

2.4.2 Second-Generation Decision-making

2.5 Barriers to Family Business Decision-making

III RESEARCH METHODOLOGY

3.1 Research Method

3.2 Purpose of Study

3.3 Research Philosophy

3.4 Research Design

3.4.1 Population
3.4.2 Data collection

3.4.3 Data Analysis

3.4.4 Validity and Reliability

3.4.5 Assumptions and Limitations

3.5 The Company Profile

3.5.1 History

3.5.2 Main Branch Business

3.5.3 Vision and Mission

3.5.4 Group Members

IV ANALYSIS AND EVALUATION

4.1 Data collection

4.1.1. Interview

4.1.2. Interview Test

4.1.3. The general information of the interviewees

4.2 Data Analysis

4.2.1 Codes Identification

4.2.2 Concepts identification

4.2.3 Identification of Categories

4.2.4 Discussion of the Categories

4.3 A Model of Decision-Making in PAM group

V CONCLUSION AND RECOMMENDATION

5.1 Conclusion

5.2 Recommendation
REFERENCES

APPENDIX

APPENDIX A Interview Question Guide

APPENDIX B Codes Developing Process

APPENDIX C Categories Developing Process
List of Tables

Table 2.1 Family business definitions in previous studies........................................10
Table 2.1.2 The seven sectors in the Three-circle model.............................................15
Table 2.1.3 Different and incompatible values between family and business system.17
Table 2.1.4 Bivalent attributes of family business.......................................................19
Table 2.3 Table of four categories..............................................................................25
Table 2.5 Three main kinds of conflict........................................................................28
Table 3.4 Three main kinds of conflict........................................................................35
Table 4.1 The general information of the interviewees..................................................45
Table 4.2 Concept Identification..................................................................................50
List of Figures

Figure 2.1 The three-circle model of family business..............................................14
Figure 3.5 Group Members..................................................................................43
Figure 4.2 Grounded theory process......................................................................45
Figure 4.2.1 Grounded theory.............................................................................47
Figure 4.2.3 Identified Category...........................................................................54
Figure 4.3 Decision making model in PAM group...............................................60