
Conflict Avoidance Behavior in Supplier Negotiation: A Case Study of Bopan Cake Samarinda

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ABSTRACT

Small and medium enterprises (MSMEs) in the food service sector frequently prioritize relational harmony over economic rationality when managing supplier relationships, yet the operational and financial consequences of this orientation remain underexplored in the Indonesian context. This study analyzes conflict avoidance behavior and its implications for cost efficiency, product quality, and supplier relationship management at Bopan Cake Samarinda, a micro-scale bakery enterprise. Using a qualitative case study design, data were collected through semi-structured interviews with the business owner and direct non-participatory observation of daily operational activities. Thematic analysis identified five interlocking behavioral and operational patterns: (1) an avoidance-style conflict management that suppresses quality complaints to preserve supplier harmony; (2) harmony-seeking behavior that generates negative feedback barriers in the supply chain; (3) an independent, quality-driven procurement strategy; (4) perishable goods risk exposure due to organizational silence; and (5) constrained bargaining power offset by wholesale volume tactics. Findings indicate that conflict avoidance simultaneously protects product quality standards and erodes cost efficiency through uncompensated raw material waste. The study contributes an empirical case from East Kalimantan to the broader literature on organizational behavior in MSMEs and proposes an assertive communication model as a cost-neutral improvement pathway for similar small enterprises.

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INTRODUCTION

Micro, small, and medium enterprises (MSMEs) constitute the backbone of Indonesia's culinary economy, yet their operational decision-making often diverges markedly from economic rationality. At Bopan Cake Samarinda, a micro-scale bakery operating in East Kalimantan, the business owner consistently forgoes price negotiation, refrains from filing quality complaints, and absorbs the financial loss of defective raw materials rather than risk disrupting relationships with regular suppliers. This behavioral pattern, characterized by conflict avoidance and harmony-seeking, raises important questions about the intersection of organizational behavior, supply chain management, and MSME sustainability.

Research on buyer-supplier relationships in MSMEs confirms that conflict-avoidance strategies frequently arise from dependency asymmetries and the desire to sustain long-term cooperative partnerships (Kesuma et al., 2025; Sanyal et al., 2023; Utami et al., 2023). Trust and relationship-specific investments serve as the foundational mechanisms through which small enterprises avoid destructive conflict and maintain supply continuity (Sanyal et al., 2023). However, when avoidance crosses into organizational silence, the deliberate suppression of quality concerns to preserve relational harmony, the operational costs can be substantial. Studies of food service enterprises confirm that when quality feedback is withheld, the quality control chain at the upstream level deteriorates, exposing businesses to recurring defect risks (Warwick, 2024; Mitchell, 2024).

In the bakery sector, the management of perishable raw materials, eggs, whipped cream, butter, introduces additional operational risk. Without structured supplier feedback mechanisms, spoilage and hidden defects discovered in the kitchen translate directly into uncompensated capital losses (Zarreh et al., 2024; Maulana & Widjaja, 2020). At the same time, quality-oriented MSMEs that prioritize premium ingredients over cost minimization achieve competitive differentiation and brand loyalty that justify higher procurement expenditures (Chevallier-Chantepie & Batt, 2021; Kesuma et al., 2025; Vroegindewey et al., 2021).

Despite the growing body of literature on MSME organizational behavior and supply chain management, empirical case studies documenting the specific financial and relational trade-offs of conflict avoidance in Indonesian micro-enterprises remain scarce. This study addresses that gap by analyzing how conflict avoidance behavior manifests in the procurement and supplier relationship practices of Bopan Cake Samarinda, and what implications this behavior carries for cost efficiency, product quality, and organizational performance. The study's objectives are: (1) to identify the mechanisms through which avoidance behavior overrides economic logic in supplier interactions; (2) to measure the operational and financial consequences of organizational silence in procurement; and (3) to propose an assertive communication model that preserves relational harmony while eliminating uncompensated waste losses.

METHOD

This study employs a qualitative single-case study design, appropriate for investigating behavioral and contextual phenomena within a bounded real-world setting (Husriadi et al., 2024; Ng'ora et al., 2022). The case unit is Bopan Cake Samarinda, a micro-scale bakery enterprise located in the Pramuka 6 area of Samarinda, East Kalimantan, owned and operated by Mr. Adi. The enterprise was selected purposively because it exhibits a clearly observable conflict avoidance pattern in its upstream supply chain operations,

making it a theoretically relevant and information-rich case.

Data were collected through two primary instruments. First, semi-structured interviews were conducted with Mr. Adi as the sole key informant, covering five thematic domains: business profile, price negotiation tactics, raw material quality management, conflict management and challenges, and trust and long-term supplier commitment. Interview questions were open-ended to allow elaboration of context and reasoning behind procurement decisions (Cooper, 2024). Second, non-participatory direct observation was conducted at the business premises to document daily operational activities, material handling procedures, and supplier interaction patterns.

Qualitative data were analyzed through an iterative three-stage process: data reduction (selective focusing of raw field notes and interview transcripts), data display (organization into thematic matrices mapping conflict avoidance to financial outcomes), and conclusion drawing with verification (interpretation of emergent patterns against relevant theoretical frameworks). This approach aligns with established best practices for thematic analysis in MSME organizational behavior research (Cooper, 2024; Kesuma et al., 2025; Ng'ora et al., 2022; Saad et al., 2023).

RESULT

Bopan Cake Samarinda specializes in halal custom cakes, mille crepes, whipped cream bento cakes, and brownies, with double chocolate and tiramisu varieties identified as best-selling products. The enterprise employs two workers and operates on a made-to-order basis with takeout-only service. All procurement decisions are made directly by the business owner. Table 1 summarizes the key operational characteristics observed during fieldwork.

Table 1. Operational Profile of Bopan Cake Samarinda

| Dimension | Description |
|---------------------------|---|
| Business Sector | Culinary / Bakery & Cake Shop |
| Location | Pramuka 6 Street, Samarinda, East Kalimantan |
| Number of Employees | 2 |
| Best-Selling Products | Double chocolate cake and tiramisu |
| Key Ingredient | Rich's Gold brand whipped cream (non-substitutable) |
| Regular Suppliers | Tobaku (Lambung Mangkurat St.) and Toko Kaka |
| Procurement Method | Independent sourcing; cash payment; no price negotiation |
| Conflict Management Style | Avoidance (defective goods discarded; no complaint filed) |
| Volume Strategy | Wholesale/bulk purchasing to access automatic discounts |

Interview data reveal that when hidden defects in raw materials, rotten eggs or spoiled cream, are discovered during production, Mr. Adi invariably discards the affected materials without filing a complaint or initiating a return. This decision is explicitly motivated by the desire to preserve long-standing relationships with regular store owners: "Bapak tidak pernah return, bapak lebih baik buang langsung saja daripada harus merusak hubungan baik dengan toko penjual." This pattern exemplifies the conflict-avoiding

style described in organizational behavior literature, characterized by low concern for one's own interests in favor of preserving relational stability (Sim & Tan, 2023).

The financial consequences are direct and cumulative. Because all procurement is conducted on a cash basis, discarding defective materials without reimbursement constitutes an immediate loss of working capital. Replacement purchases require additional internal cash outflows, increasing the accumulated production cost per unit. Research on Italian restaurant suppliers confirms that robust supplier relationship management (SRM) practices, including transparent feedback mechanisms, reduce procurement expenses and mitigate quality failure costs; their absence allows quality degradation to go unaddressed (Mitchell, 2024, 2024). For Bopan Cake, the financial impact manifests as erosion of net profit margins on flagship products.

Paradoxically, the same avoidance behavior that generates financial losses also serves a critical quality control function. By immediately discarding substandard ingredients rather than incorporating them into production under cost pressure, Mr. Adi effectively filters defective inputs before they affect product quality. This is consistent with evidence from food service research demonstrating that quality-oriented MSMEs prioritize premium ingredients even at higher cost to protect brand differentiation and customer loyalty (Chevallier-Chantepie & Batt, 2021; Warwick, 2024). The avoidance behavior thus operates simultaneously as a financial liability and a quality assurance mechanism.

Beyond individual conflict avoidance, the study identifies a systemic pattern of harmony-seeking behavior rooted in the owner's sociological familiarity with his regular store owners, referred to as Tobaku and Kaka. Mr. Adi regards these relationships as valuable social capital and treats newly discovered defects as a risk better absorbed than contested. Conceptually, Nlemaa Aleelo (2023) explains that workplace harmony-seeking prioritizes psychological comfort and long-term interpersonal trust over short-term corrective assertiveness.

This harmony-seeking pattern creates a negative feedback barrier: the flow of quality-critical information from buyer to supplier is structurally blocked. Empirical research on organizational silence demonstrates that suppressing quality concerns to avoid damaged relationships has a significant negative correlation with organizational communication quality and overall performance. Without corrective signals reaching the supplier, Bopan Cake faces an elevated and persistent risk of recurring defective deliveries. Cooper (2024) identifies communication breakdowns and perceived opportunism as primary barriers to trust formation, suggesting that the supplier itself may misread the owner's silence as satisfaction rather than as reluctance to complain.

Bopan Cake's procurement model is fully independent: the owner sources materials directly from local cake ingredient retailers in Samarinda without formal supplier contracts or binding agreements. This independent sourcing model preserves operational autonomy but exposes the enterprise to supply instability (Siswati & Pudjowati, 2024). Inventory management research confirms that food service MSMEs without structured supplier relationship management and FIFO inventory controls face substantially elevated spoilage and stock-out risks (Maulana & Widjaja, 2020).

The quality orientation embedded in this procurement strategy is non-negotiable. Mr. Adi stated explicitly that Rich's Gold whipped cream cannot be substituted with cheaper alternatives without irreparably altering product quality. When regular suppliers are out of stock, he sources from alternative stores at a premium rather than compromise ingredient standards. Masruroh et al. (2023) confirm that

accurate supply chain strategy determination significantly impacts supply chain performance, and the enterprise's unwavering commitment to premium ingredients aligns directly with the competitive advantage logic described by Chevallier-Chantepie and Batt (2021): long-term quality-supplier relationships prioritize quality over price, yielding brand differentiation that commands consumer loyalty.

The perishable nature of Bopan Cake's primary inputs, eggs, cream, butter, and milk, creates a distinctive risk profile. Research on closed-loop supply chains for perishable products demonstrates that without proper shelf-life management and quality controls, spoilage generates financial losses that erode profit margins (Zarreh et al., 2024). For Bopan Cake, this risk is partially mitigated through the suppliers' transparency about product expiration dates at the point of purchase. However, hidden defects that manifest only during production in the kitchen remain unmanaged.

Osman et al. (2023) identify the minimization of post-procurement losses as the central challenge in perishable food supply chain management. Bopan Cake's current approach, immediate disposal of defective materials without compensation, successfully prevents quality contamination but fails to recapture procurement cost. Table 2 presents an illustrative cost impact framework for defective ingredient events under the current avoidance regime.

Table 2. Financial Impact of Conflict Avoidance in Defective Ingredient Events

| Impact Dimension | Current Avoidance Regime | Under Assertive Communication |
|---------------------------|---------------------------------|--|
| Working capital loss | Full cost absorbed by owner | Partially recovered via return/exchange |
| Production cost overrun | Replacement purchase required | Reduced or eliminated |
| Supplier quality feedback | None transmitted | Supplier alerted; defect recurrence reduced |
| Net profit margin | Eroded per defect event | Stabilized |
| Relational harmony | Preserved | Maintained with proper communication framing |

As an individual micro-buyer, Bopan Cake possesses structurally limited bargaining power relative to its suppliers. Chang et al. (2022) confirm that small-scale buyers who rely heavily on specific raw material types face low bargaining leverage with their suppliers. In Bopan Cake's case, this is compounded by the dependence on Rich's Gold whipped cream, a non-substitutable branded input, which eliminates any credible threat of supplier switching as a negotiation tactic. Research on MSME supplier dynamics further confirms that high supplier concentration constrains small firm negotiating leverage (Herawati & Febriansyah, 2024).

Rather than engaging in adversarial price negotiation, Mr. Adi compensates for this structural weakness through volume tactics. By purchasing in wholesale quantities, he activates automatic discount tiers offered by suppliers without requiring explicit negotiation. This strategy is consistent with Hezarkhani and Sošić's (2019) analysis of fixed-price market mechanisms, where increasing order quantities constitutes the primary tool for activating structured discount schemes. Song and Gao (2023) similarly confirm that scale-based procurement and supplier reciprocity arrangements constitute primary cost control mechanisms for food enterprises operating under non-negotiable price regimes.

Delina et al. (2021) provide additional support for the effectiveness of structural procurement interventions, demonstrating that introducing new potential suppliers into procurement processes generates cost savings of approximately 3.4% even in transparent fixed-price environments. For conflict-averse MSMEs such as Bopan Cake, this represents a viable cost-improvement pathway that does not require direct confrontation with existing suppliers.

The foregoing analysis indicates that Bopan Cake's operational challenges are not attributable to deficient product strategy or supplier selection, but to a communication gap between quality discovery and supplier feedback. Cooper (2024) identifies transparency, trust, and preparation as the foundational elements of effective procurement negotiation; Grant (2024) demonstrates that principled negotiation and collaborative problem-solving are the most effective strategies for resolving supplier disputes while preserving long-term partnerships. Applied to Bopan Cake's context, an assertive communication model need not involve confrontation: framing quality feedback as collaborative information-sharing rather than accusation, "We found some eggs that had spoiled by the time they reached the kitchen; can we discuss how to detect this earlier?", preserves relational harmony while transmitting the corrective signal that prevents recurrence.

This approach aligns with Hinterhuber et al.'s (2021) value-first procurement paradigm, which argues that the shift from adversarial price-focused procurement to value-oriented supplier partnerships represents the most sustainable pathway for MSMEs seeking to reconcile cost efficiency with quality imperatives. Sulistyorini et al. (2018) further establish that antecedents of retailer trust on suppliers, including ethical conduct and mutual benefit orientation, are strengthened, not weakened, by transparent quality communication.

CONCLUSION

This study demonstrates that conflict avoidance behavior at Bopan Cake Samarinda produces a paradoxical operational outcome: it simultaneously safeguards product quality and erodes cost efficiency. The owner's decision to discard defective raw materials without complaint preserves supplier relationships and prevents substandard ingredients from entering production, but it eliminates the corrective feedback loop necessary to reduce future defect recurrence and blocks recovery of wasted procurement capital.

Five behavioral and operational patterns were identified: (1) conflict-avoiding style that prioritizes relational stability over economic rationality; (2) harmony-seeking behavior that generates negative feedback barriers in the supply chain; (3) an independent, quality-driven procurement strategy centered on premium ingredients; (4) perishable goods risk exposure resulting from organizational silence; and (5) constrained individual bargaining power offset through wholesale volume tactics. These patterns interact to create a procurement system that is simultaneously quality-robust and financially vulnerable.

The study's primary practical contribution is the proposition that an assertive communication model, framing quality feedback as collaborative information rather than complaint, offers a cost-neutral pathway to reducing waste losses without jeopardizing relational capital. Future research should test this model through intervention studies across a broader sample of food service MSMEs in East Kalimantan to assess its scalability and generalizability.

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