

Indonesia



Indonesia is now one of Asia Pacific's most vibrant democracies that has maintained political stability and emerged as a confident middle-income country. It is now the fourth most populous country in the world with a population estimated at 269 million. Over 50% of the population lives on Java, the Lesser Sunda Islands Bali, Timor and Lombok.

The country is made up of about 300 ethnic groups, located on countless islands, each with their own customs, cultures and local languages, however, the indigenous population of the major islands is mainly of Malay stock. The country is essentially Islamic and it has the world's largest Muslim population.

Jakarta is the capital of Indonesia, with a population of over 10 million. The economy is based on trading, industries (food and beverage, cigarette, textile, chemical and craft) and services (property, banking, insurance and telecoms). With a population of nearly 3 million people, Surabaya's economy centres on services and trading industries. Bandung, with a population of 2.5 million is well known as a centre for textile and garment manufacturing.

Despite the challenging economic environment, Indonesia's economy, the largest in ASEAN (the Association of Southeast Asian Nations), outperformed many of its neighbours at 6.2% GDP growth in 2012.

Indonesia's culture is strongly group-oriented. Asserting individual preferences may be seen as less important than having a sense of belonging to a group, conforming to its norms and maintaining harmony among its members. People in this country usually do business only with those they know and like. Establishing productive business co-operation requires a long-term perspective and commitment. Relationships are based on familiarity, respect and personal trust.

In Indonesia's culture, 'saving face is essential. Reputation and social standing strongly depend on a person's ability to control emotions and remain friendly at all times. If you have to bring up an unpleasant topic with an Indonesian, never do so in public and always convey your message in ways that maintain the other's self-respect.

Indonesians are usually very friendly and polite. They like to do business with others who treat them with deference and genuinely like them. Admired personal traits include patience, good listening skills, experience and wealth. It is difficult for Indonesians to have a conversation with a person whose status is unclear, since knowing whether someone is a superior, inferior or equal influences behaviours.

Indonesians want to know whom they will be meeting so provide details on titles, positions and responsibilities of attendees ahead of time. Agree on an agenda, but it may not be strictly followed. Indonesians have little sense of urgency about time and dislike being hurried. Meetings tend to be formal and participants may enter the meeting room in hierarchical order. Many variations of naming patterns exist in Indonesia. It is often best to ask people politely how to address them correctly and make sure you do the same for your own name. Properly pronouncing your colleagues' names is very important and academic and professional titles should be used as they are highly valued. Men should wait for Indonesian women to initiate handshakes as they may not want to make physical contact with men, in which case it is best to nod and smile.

Meetings will start with a lot of small talk, which can be extensive. This allows everyone to become acquainted. Be patient and let the Indonesians set the pace.

Indonesians usually speak in quiet, gentle tones and may appear shy. However, this reflects their politeness and respect for others. Conversations may have extended periods of silence. Because saving face is so important, communication is generally very indirect. Indonesians may allow a project to go ahead incorrectly since correcting a manager may cause embarrassment for that person. Similarly, people may be reluctant to admit if they do not know the answer to a question. This desire to preserve honour is known as 'keeping father happy'. Candid comments and criticism may only be conveyed in private, often through a third party.

In negotiations, while the communication style is deferential and quiet, they respect hard bargainers. Remain friendly throughout the negotiation and promote 'win-win' as this is the best way to save face. Negotiations will be slow and protracted as relationship building, information gathering and decision-making all take considerable time. Never take interim commitments for final agreements as they may still change before both parties sign the final contract. Business people in the country may view contracts only as general guides for conducting business, expecting that both parties are willing to change terms if there is a variation of conditions.

Indonesians have a polychronic style of working which means they are used to pursuing multiple actions in parallel. They may jump back and forth, but again demonstrating patience and persistence are vitally important.

The country's business culture is extremely hierarchical and superiors are shown enormous deference. Superiors tend to behave in a paternalistic manner but normally seek the consensus of the group.

Gestures are usually subtle, and non-verbal communication is important so you will need to carefully watch for others' small hints, just as they will be watching you. Indonesians consider frequent eye contact intrusive and rude and may look down when speaking to senior or elder people. Smiles do not always mean amusement or approval but may mask embarrassment, disapproval or shyness.

Hindus and Muslims consider the left hand unclean, so use it only if inevitable. Avoid showing the soles of your shoes when seated, and pointing is generally considered rude.