

Cultural Aspects Of Doing Business

by Walter L. Williams, Ph.D.

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Some foreigners who come to Java for the first time find it a frustrating and difficult place in which to do business, Yet Westerners who make an effort to learn about Indonesian culture and are willing to adapt their style of doing business accordingly will find their chances of success greatly increased, along with their appreciation of Indonesia and its people.¹

Language and Culture

Indonesians are particularly appreciative when foreigners make an effort to learn their language. Though there are many local native languages, the national language is Bahasa Indonesia and it is spoken practically everywhere in the far-flung nation. It is an easy language for Westerners to learn. Written in the Roman alphabet and spelled phonetically, it has no complex verb conjugations, or even verb tenses. Local people are happy to help foreigners with pronunciation, and many know a smattering of English.

While foreigners can get around the capital. city of Jakarta fairly easily using English alone, anyone planning to go to other sections of the islands should learn some basic Bahasa Indonesia. Even just the polite greetings will be helpful.

Visitors who learn something of the culture before arriving in Indonesia will also have an advantage since they can avoid inadvertently offending the local people and will make a better impression. Companies that send representatives to live in Indonesia would be wise to invest in language and cultural training courses for them before sending them off. In the long run, this kind of training more than pays for itself in terms of increased business and better company relations with Indonesian workers. Company officials who know the language can more effectively supervise national employees and promote those who do the best job, rather than those who are just more fluent in the company's home language.

Japanese companies appear to do a much better job at this kind of education than U.S. firms. In addition, Japanese companies tend to keep their officials in a country long enough for them to learn local practices thoroughly. The length of stay for U.S. company representatives is often less than two years. As a result, Americans in Indonesia tend to isolate themselves socially in a small expatriate community. This isolation severely restricts their interactions with Indonesians, and thus their effectiveness, and it takes a psychological toll as well. One of the best ways to learn about Indonesian customs is to form good friendships with Indonesians.

Don't Discuss Politics

Indonesians are generally reluctant to discuss politics, mostly because of the political turmoil they have experienced. Until 1942, the islands were known as the Dutch East Indies and were firmly under the control of The Netherlands. Then Japan invaded. After World War II, Indonesian nationalists established their independence in a hard-fought war against the Dutch. Sukarno became the first president of the newly independent nation, and while he was an effective unifier of the nation, his economic policies were disastrous. After years of economic chaos, the army took power in 1965 and began a massive extermination of leftists. Shortly thereafter, Sukarno was removed from office, and a new regime was established under General Suharto, who is still in power.

The stability that Suharto has brought to Indonesia has come with a price: the suppression of dissent and some civil liberties. Most Indonesians privately recognize both the strengths and weaknesses of Sukarno and Suharto, but foreigners are outsiders and must be careful about criticism. In general, it is best to respect Indonesians' reluctance to discuss politics and avoid expressing strong opinions for or against either president.

Don't Be Offended by Personal Questions

Indonesians may be reluctant to discuss politics, but they do not hesitate to ask new acquaintances the kinds of questions that some Americans find too personal. Upon meeting a stranger, an Indonesian is likely to ask: "Where are you coming from?" and "Are you married?" It's not that Indonesians are nosy or prying. These questions are simply normal polite interchanges, much like "How are you?" in the U.S. The specific answer to the first question is not particularly important. It is quite acceptable simply to say where you live or even where you were born. What is important is to show that you can engage in the polite conversation that marks an *alus* (refined) person. The second question can be trickier. If you answer that you are not married, Indonesians will not consider it rude to ask, "Why not?" If you answer that you are married, the next question will be, "How many children do you have?" Children are highly valued in Indonesia, and they are considered the most important reason for marriage, much more important, for example, than Western notions of romantic love or companionship. If you say you have no children, you will likely be asked, "Why not?"

While such questions may cause some discomfort, they are meant merely as polite passing-the-time conversation. When I asked an unmarried, gay, childless Indonesian how he would answer such questions, he said, "Well, if it is someone I am not likely to get to know well, I tell them yes, I'm married, and I have six children.

According to him, that will put an end to the exchange, and both parties can then go on their way. This is much the same as the way Americans typically respond to a polite "How are you?" in the U.S: They simply say "fine" even if they have a bad case of the flu, since it is considered uncouth to launch into a detailed description of aches and pains. Americans in Indonesia who do not recognize the general introductory nature of the questions asked are often considered uncouth because they are inclined to "tell the truth" and respond literally and in detail.

Indonesians may also ask foreigners about religion. While more cosmopolitan Indonesians, especially those in Jakarta, have learned not to ask Westerners what religion they are, the question still may come up. For the foreign business person, the important thing is not to worry about giving a literally "true" answer, but simply to reply and be polite.

Indonesians expect Americans to be either Catholic or Christian (the latter term is used to refer solely to Protestants), and they will be pleasantly surprised if someone is Muslim, Hindu, or Buddhist, the other common religions in Indonesia. However, if you explain that you are not religious, many Indonesians will suspect that you are a communist, practically the only people in Indonesia who explicitly rejected religion. It is probably better to mention some religion rather than say you are not religious. Again, it is important to recognize that the question is not asked to find out how religiously active a person is, but rather because Indonesians want to find some way to place foreigners in their scheme of the world. The vast majority of Indonesians, especially those in cosmopolitan Jakarta, will be gracious to everyone, but foreigners who are Jewish may have some difficulties in dealing with some fundamentalist Muslims.

Dress, Treatment of the Elderly

Another important indication of an *alus* person is neatness in dress. Indonesians are extremely status-conscious about attire—even poor people try to present a neat appearance—and they are amazed at Western tourists who appear in public in sloppy clothing.

Don't make the mistake of thinking you can dress informally because the climate is hot. Shorts should be worn only in very informal settings. While it is not necessary to wear a coat and tie in most situations, a collared shirt and neatly pressed trousers or skirt are considered an indication of self-respect. Indonesians also appreciate seeing foreigners wearing clothing made of native batik fabrics—which is a great bargain.

The elderly are highly respected in Java. They are active, useful members of society, and are not considered superfluous "senior citizens." They serve their villages as advisers and mentors, spiritual intermediaries, and important providers of child care. These services are considered important, and the elderly who perform them are treated as people of authority. Consequently, they are confident and ready to offer advice.

The current generation of elders is considered particularly deserving of respect. Many of them were active in the Indonesian revolution and are looked upon as heroes and heroines. They have experienced many years of upheaval and turmoil, and have seen colossal changes, including massive industrialization and urbanization as Indonesia has moved into the modern era during the last decade. Indonesians look to them to learn how they got through all these changes and yet were able to maintain their purpose in life, their happiness, and indeed their sanity.

Male-Female Behavior in Public

While it is common in Indonesia to see people of the same sex holding hands in public, public displays of affection between men and women are not acceptable— even a kiss or hug between husband and wife. Traditional segregation of the sexes in Indonesia is on the wane among the young because of Western influences (movies, and so forth), but public displays of affection make older people uncomfortable.

A foreigner should never kiss an Indonesian in public, even lightly on the cheek. Even a handshake between a man and woman might be considered awkward. If in doubt, it is always acceptable to bow slightly in greeting, as a sign of respect. What is considered innocent affection in the West may be totally unacceptable to Indonesians.

Diverse Influences

Nothing is more evident to a foreigner in Indonesia than the country's incredible diversity. Its people are not only culturally diverse, but are also at varying stages of modernization.

This diversity stems from the country's geography and history. Geographically, Indonesia is a large nation, with 13,000 islands spread over an area roughly the size of the continental U.S. In terms of population, it is now the fourth largest nation on earth. The earliest local cultures shared linguistic and cultural roots with mainland Southeast Asia and the Philippines. But Indian traders and migrants arrived over a thousand years ago, followed by traders from the Middle East, China, and Europe. Each group brought its religion and culture, resulting in a multiple overlay of cultures. Indonesia's national motto is "unity in diversity."

In the last 25 years, there has also been a significant American influence. Since 1965, Suharto has had a firm military-political alliance with the U.S. This influence has been strengthened by three factors:

- resentments of Japanese, Russian and Chinese involvement in Indonesian internal politics from 1942 to 1965;
- the impact of American universities and graduate schools—many of Suharto's economic advisors were educated in the U.S. and were influenced by American philosophies and practices; and
- the impact of the American entertainment industry. American movies, television, and especially pop music have made American culture the high-status foreign influence in Indonesia

(Michael Jackson and Madonna are the U.S.'s most effective ambassadors to Indonesian youth). Young Indonesians are anxious to learn English so they can understand the dialogue in U.S. television shows that are rerun on Indonesian state television with subtitles. They want to dress in American blue jeans and listen to cassettes of American pop music.

Given these political, educational and cultural influences, it is ironic that U.S. business has not played a leading role in Indonesia. While there are economic and political factors that have inhibited U.S. trade with Indonesia, cultural factors have also been responsible. The fact is that many Indonesians feel vaguely threatened by America. They see America as materialistic, aggressive, impolite, obsessed with sex, crime ridden, violent, and anxiety ridden. Indonesians traditionally value a smoothly flowing life, with a minimum of stress and conflict. In contrast, Americans seem to Indonesians to be rather psychotic and inexplicably unhappy.

This unease about the U.S. reflects the uncertainty some Indonesians feel about changes in the Indonesian family and youth. Reaction against these changes also lies at the root of the anti-Western fundamentalist Islamic revival in Indonesia. Much like fundamentalist Christians in the U.S., fundamentalist Muslims in Indonesia feel threatened by these changes.

Chinese-Indonesians

In doing business in Indonesia, it is important to understand the differences between the Chinese-Indonesian minority and the Javanese majority. Many Chinese migrated to Indonesia in the 19th and early 20th centuries to work on the Dutch plantations. Prohibited from owning land, many went into business as the best way to advance themselves. Most Chinese who left China (at least before the P.R.C. was established) intended to live frugally, save their money, and eventually retire in China. They therefore tended to develop a close-knit circle of family and friends and to put a high priority on economic education, making money, and savings. They were practically the only people in Indonesia with significant cash reserves when the Dutch left the country, and when the departing Dutch sold their businesses, the highest bidders were often Chinese. As a result, while Chinese-Indonesians make up less than 10 percent of the population, they own the majority of the nation's private businesses.

The Chinese-Indonesians are basically buy-and-sell merchants, and many of their business practices are similar to those in the U.S., although there are individual variations, of course. The major difference is their strong reliance on relatives and long-term friends as business associates. As an ethnic minority, they have experienced discrimination and still feel a certain amount of alienation from native Indonesians. While Suharto's staunchly procapitalist government has quietly supported Chinese businesses and investment, it has also publicly espoused affirmative action policies that discriminate against Chinese. As a result, many young Chinese are leaving Indonesia even though their families are economically prospering there.

Javanese

In contrast to the Chinese-Indonesians, the Javanese are the majority group in Indonesia's population, and they have dominated the government under both Sukarno and Suharto. Government officials are likely to be Javanese, and any foreign business that wants to be successful in Indonesia must learn something about their culture.

It is difficult to imagine any two groups more different in outlook than the Chinese-Indonesians and the Javanese. A local maxim holds that if Chinese make money, they will invest it in a business, while if Javanese make money, they will use it either to buy land or throw a big feast for their friends and relatives.

The Javanese are status-conscious and are likely to display their wealth. During the colonial era, most Javanese were powerless peasants in the grip of Dutch landlords, and the chance to own one's own land became of paramount importance—in contrast to the Chinese, who originally intended to make money and retire to China.

The Dutch ruled Indonesia through a strict class system, with *priyayi* Javanese elites handling the administration. With little real power, the local elites focused on the appearance of status. The Dutch tolerated Javanese sultans and their courts as long as ornate dress and jewelry, art, dance, feasting and ceremonials were their goals. Money was thus not of much concern to the Javanese, and they developed no tradition of savings and investment. Instead, the Javanese elite developed a leisurely lifestyle, putting much emphasis on philosophy and the arts. In many ways, Indonesia's economic difficulties are a direct result of the Dutch not allowing a native mercantile business class to develop.

One of the most important Javanese values is to have a controlled mental attitude ("to keep one's cool," in American slang). To the Javanese, the worst characteristics of Americans are their perceived impatience and lack of control of their emotions. To a traditional Javanese, losing one's temper is a major social disgrace. It is therefore not difficult to understand their negative reaction to Americans who lose their tempers and let everyone know they are angry. The Javanese consider such behavior outrageous and an indication of immaturity, regardless of the circumstances and whatever the justifications. In their view, stress and personal misery are the certain result of such behavior. Foreign business people who must deal with the Javanese should try, above all, to be patient. Everything will happen in its own time, and getting angry will seldom help things in the long run. Foreigners in Indonesia should take time to appreciate Javanese music, dance, and art. The Javanese approach to life asks the individual to consider what is really most important in life in the long run, and the Javanese people evince a certain tranquility, a quiet enlightenment that appears to reflect a more balanced and fulfilled life. For me, this approach was the most important value I learned during my stay in Indonesia.

Footnote

1. From the time I arrived in Indonesia, I found it to be the most fascinating place I had ever lived. This fascination led to research, which resulted in the book, *Javanese Lives: Wotnen and Men in Modern Indonesian Society*, Rutgers University Press (109 Church St., New Brunswick NJ 08901) (1991), which is an introduction to the culture and attitudes of the people in Java today and is intended to help those wishing to do business in Indonesia's main island