



16 April 2026

A seminar: What your Scandinavian business instincts won't tell you about doing business in Indonesia

On 16 April 2026, SwedCham Indonesia hosted the seminar “What Your Scandinavian Business Instincts Won't Tell You About Doing Business in Indonesia”, bringing together Scandinavian and Indonesian business professionals for an open discussion about the cultural realities that shape daily business interactions in Indonesia.

Rather than focusing on regulations or market data, the seminar explored the less visible factors that often determine whether business relationships succeed or fail: communication styles, hierarchy, trust, decision-making processes, and differing expectations around leadership and accountability. The discussion examined how Scandinavian management approaches — often built around flat structures, direct communication, and individual initiative — can sometimes create misunderstandings or friction when applied in the Indonesian context.

The session featured reflections and practical experiences from long-term business practitioners, including Terje Nilsen and Veve Hitipew, who provided perspectives from both the international and Indonesian sides of the business environment.

Through presentations, audience discussion, and networking, participants explored how cultural assumptions influence negotiations, internal management, stakeholder engagement, and long-term partnership building — and why understanding these dynamics is increasingly important for Scandinavian companies operating in Indonesia.

A summary of the meeting

The meeting, hosted by SwedCham Indonesia under the theme “What Your Scandinavian Business Instincts Won't Tell You About Doing Business in Indonesia,” explored the cultural, organizational, and practical differences that Scandinavian and other Western businesses often encounter when operating in Indonesia. The discussion focused on how misunderstandings emerge not necessarily from business strategy itself, but from differences in communication styles, hierarchy, decision-making processes, and expectations around leadership and accountability.

One speaker, a long-term Norwegian entrepreneur and consultant based in Indonesia since the early 1990s, reflected on how Scandinavian business culture — characterized by flat hierarchies, direct communication, transparency, and individual accountability — often clashes with Indonesian workplace dynamics, where hierarchy, indirect



communication, relationship-building, and social harmony play a much larger role. He argued that many foreign companies struggle because they attempt to apply Scandinavian management models in Indonesia without adapting them to local realities.

The discussion highlighted that Indonesian employees may avoid open disagreement or confrontation, particularly in formal settings. Participants noted that silence in meetings should not automatically be interpreted as agreement, and that statements such as “yes” or “well noted” may simply indicate acknowledgment rather than commitment to action. Public criticism was described as especially problematic because of the importance of avoiding embarrassment or “loss of face.” Several speakers stressed that difficult conversations or criticism are often more effective when handled privately and indirectly.

Another major theme was how Indonesian decision-making processes differ from those common in Northern Europe. Participants described Indonesian organizations as often slower and more consensus-driven, involving multiple layers of stakeholders and approvals. Foreign companies expecting rapid execution or highly decentralized decision-making frequently become frustrated when decisions take time or appear to change unexpectedly. Indonesian speakers emphasized that these processes are often rooted in efforts to preserve relationships, maintain harmony, and avoid conflict among stakeholders.

Speakers also discussed how concepts such as initiative and ownership are interpreted differently. In many Western companies, employees are encouraged to take initiative independently, while in Indonesia employees may perceive independent decision-making as risky if clear instructions or approval have not been provided. Participants argued that trust and empowerment in Indonesian organizations often need to be built gradually through structure, guidance, and long-term relationship-building rather than assumed from the outset.

Several participants stressed the importance of understanding Indonesia beyond stereotypes often found in Western media or business narratives. The discussion portrayed Indonesia as a highly resilient and opportunity-rich market with strong domestic demand and long-term growth potential, despite persistent bureaucratic complexity and regulatory uncertainty. Some speakers argued that many foreign observers underestimate Indonesia because media coverage in Europe tends to focus on disasters, political controversy, or instability rather than business opportunities and economic development.

The conversation also touched on practical business challenges such as permits, licensing, regulatory complexity, import procedures, and overlapping authorities between ministries. Participants working in sectors such as renewable energy, mining,



and infrastructure described the extensive approval processes required to operate in Indonesia, sometimes involving multiple ministries and regional authorities. While some participants acknowledged efforts by the Indonesian government to simplify investment procedures and improve licensing systems, others argued that implementation remains inconsistent and heavily dependent on relationships, hierarchy, and administrative interpretation.

Toward the end of the discussion, participants reflected on broader political and economic developments under the administration of Prabowo Subianto. Some speakers speculated that the government is increasingly focused on food security, energy security, and preparing for geopolitical instability, particularly in relation to tensions involving China and Taiwan. The discussion suggested that this strategic focus may shape future industrial policy, trade priorities, and state intervention in sectors considered strategically important.

Overall, the meeting emphasized that successful business operations in Indonesia require more than technical competence or strong products. Participants repeatedly stressed the importance of patience, cultural understanding, relationship management, adaptability, and long-term engagement. While many acknowledged the frustrations of operating in Indonesia, the overall conclusion was that businesses willing to adapt to Indonesian realities — rather than attempting to replicate Scandinavian business culture unchanged — are more likely to succeed in the long term.