Harmonization of intercultural communication: Chinese state-owned enterprises in Indonesia

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Abstract

Numerous of Chinese state-owned enterprises (CSOE) expand their business in Indonesia. This research is to capture what problems that occur in the CSOE in Indonesia and its effect to enterprise sustainability, that caused by cultural differences. Intercultural Communication can be the best way to reduce the gap between the cultural differences, but in order to have effective intercultural communication is not easy. The enterprise should aware with this issue and harmonizing the intercultural communication to achieved enterprise's goal. Using the observation, interview and literature review method, this research is expected to provide solutions and recommendations to Chinese state-owned enterprises in Indonesia, Indonesian Government as the regulators also to Indonesian workers who works in the enterprise.

Keywords: Intercultural Communication; Chinese State Owned Enterprise ; Organization Culture

1. Introduction

In this era of globalization, the flow of information exchange becomes very easy. People from different continents can easily interact in various ways. International trade or business, although it has been around for thousands of years, now is very easy to do it because of the advancement of technology. Businessmen and enterprises, nowadays do not hesitate to open a branch or representative office in other countries and make their enterprise become multinational, by recruiting workers from various backgrounds.

Currently China and India were the world's two biggest economies and today's "emerging economies" (Coming of Age: The Rich Nations No Longer Dominate Global Production, 2006). They are known for cheap labor wages, produce massive quantities of products and lower prices than American or Japanese products. Their products have been exported to different parts of the world. Companies from China in recent years have also always in the topped ranking of the "Fortune 500" list, as in 2016 the Chinese state-owned enterprise, State Grid of China came in second ranked after Walmart (Fortune 500 List, 2016). This shows how advanced China's economy is today. When we look back on the nineteenth century, China is a poor socialist state. But since the introduction of reform and openness (改革开放) in 1978, China became a country with a system of socialist government but a capitalist economic system. Their openness to the outside world is advancing their economy, but the government still has very strict controls in all lines of nation and state life.

Indonesia is known as a country that has a lot of natural resources. Numerous of Chinese enterprises seen Indonesia, as a promising market. The closeness factor of the relationship between Indonesia and China is also a consideration for Chinese enterprises to open their offices in Indonesia. From bilateral cooperation and cultural closeness, Indonesia becomes a promising host for them. Proven by the rise in the value of Chinese investment in Indonesia which in the third quarter of 2016 reached 1.6 billion dollars and ranks third largest investor in Indonesia (*China's investment in Indonesia reached 1.6 billion, 2017*). Chinese workers have recently become the spotlight, as the number continues to grow in Indonesia. However, can Chinese enterprises in Indonesia especially owned by the government become a multinational organization that has a good performance and efficient by harmonizing Chinese and Indonesian culture? Because despite its closeness relationship both politically and culturally, Indonesia and China have different cultural perceptions, systems and values as well as different languages.

In the Chinese enterprises activities in Indonesia, there is intercultural communication because it involves different cultural perceptions and symbol systems (Samovar et al, 2010). In the intercultural

communication is known two cultures, namely the dominant culture and co-culture. In this research, we will see what culture is dominant and which culture become co-culture. By looking at it, will help us to see the problems that arise and how to solve them. Because when an organization consists of people who have different cultural backgrounds, there will be various problems because one of them will think their culture is better than other cultures or known as ethnocentric. In addition, personal stereotyping and prejudice can lead to false assumptions. In order to avoid these false assumptions, it takes communication to reduce the uncertainty that exists and also to reduce unnecessary prejudices or suspicions. Moreover, in a professional organization such as a enterprise, the relationships between individuals in it should be synergize to create an efficient work process. The relationship between individuals is influenced by the cultural order, the social order and the physical order. These orders are the communication context (Samovar et al., 2010). In an environment that has a different cultural background, communication is not a thing that can be a solution to resolve conflicts but communication can help the sustainability of an organization. When individuals who come from different backgrounds are in a communication context, they must be aware that they have different communication rules.

This communication rule can be learned by understanding it, we can know what things can be done and should not be done while communicating, especially in the process of intercultural communication. Understanding the context also helps to know what communication rule can be used when talking to other person. In his book, Samovar mentions the existence of intercultural communication context is in the context of business, education and health services (Samovar et al., 2010). In this research, the context that will be used is the business context. Chinese state-owned enterprises have a very strong hierarchy and formality, so when we want to call someone who hold higher position, should be addressed with respect. Normally after their name we should add their position, not just only Sir/Madam (e.g: Manager Wang or Engineer Li). In intercultural communication, the way a person represents themselves is also important. China belongs to a category that focuses on relational, formal and monochromic relations, whereas Indonesia, although equally focused on relational and formal relations, but Indonesia is categorized as polychromic (Gesteland, 1999). The Chinese are not used to speaking directly to the goal. They prioritize interpersonal harmony first. The word harmony in Chinese culture is a very important word. Harmony is a very important value of Confucianism, Confucius taught that in this life a man must live in order and respect the people (hierarchy) according to his position or role, so that interaction can go well and harmony can occur in a diversified world (Li, 2006).

The Chinese are also known for those who avoid conflict (Samovar et al, 2010). And also one of the characteristic of Chinese workers who works in state-owned enterprises is avoiding risk as much as they can (Zhang, 2008). Hence, it's common that they have a great sense of distrust towards others, and lack of empathy. In addition, other factors are in the minds of local employees, Chinese workers have a higher power than they are. This can happen because the enterprise is owned by the Chinese government so it seemed that the Chinese workers have the power to control the enterprise. The power problem then will lead to whose culture is more superior or which culture is dominant (Samovar et al., 2015). These three things will cause intercultural communication problems within a enterprise that will lead to performance disruption.

In an intercultural communication environment, emphasis should be placed on intercultural awareness. Thus the intercultural awareness of each side can help them to recognize and understand other cultures and can reduce ambiguity and uncertainty in interacting (Samovar, 2015). The concept of mindfulness should also be applied in an intercultural communication environment, requiring us to be open to new information and using different perspectives in communicating with strangers (Romadhona, 2016). By using the two concepts, it is expected to solve the problems that exist in intercultural communication.

2. Method

This research is concentrated in researching Chinese state-owned enterprises, as state-owned enterprises are still strictly controlled by governments. It always following or being required to comply with government regulations or plans in running their businesses (Zhang, 2008). Other than that. Party power is also very strong in controlling the activities. In every Chinese state-owned enterprise, party leaders participate in it and even closeness to the party can be the basis of someone's promotion. So hopefully this research can clearly see the power that exists in a communication environment. By determining Chinese state-owned enterprise as the scope of research, the research expected to be more focused.

This research used qualitative research method by interviewing several employees of Chinese and local employees in one of China's state-owned enterprise in Indonesia. Interviewees in this study are employees in coordinator or manager position, and has worked in the enterprise for at least three years. These criteria based on their position which is in the middle management level, the level of middle management in an enterprise plays a very important role, because their position is between the top level of management and the employee level. As a connector of these two levels, the level of middle management plays a very important role in an

organization. Moreover, they should make sure that the enterprise can run effectively and the boss and the subordinate have no complaints about anything. Middle management acts as "the works group representative" (Kraut et al: 1989). Hence, it can be said to harmonize the two cultures also become one of their duties.

To help the research process, here's some research questions:

- How does the communication process taking place in Chinese state-owned enterprises in Indonesia occur?
- Problems arising from intercultural communication and how to solve it?

By answering these questions, the result is expected to provide solutions and recommendations to Chinese state-owned enterprises in Indonesia as well as to the government as regulators or to Indonesian workers working in the enterprise.

3. Result and Discussion

The object of research in this study is a Chinese state-owned enterprise that has branch offices in several countries such as Norway, Mexico, United Arab Emirates and Indonesia. In addition to having branch offices in the countries mentioned above, this enterprise also has projects at some other location in the world. So that employees who work there, have diverse backgrounds. For branch office and operations in Indonesia, the employee-origin countries mostly from China and Indonesia. Their organizational structure is basically divided into two categories, namely department and division. Department (corporate) then oversees and controlling the divisions (sub-unit service). The department reports directly all corporate activities to the Corporate headquarters in China, while the division reports their activities to the department in Indonesia and to the division level in China.

From the organizational structure described above, can be seen numerous number of employees involved in the enterprise's activities and have many layers of hierarchy. Besides, the complex structures, communication problems that occurred in this enterprise also because the existence of cultural differences. According to one of interviewee, he mentioned that a problem in corporate activities is not a matter of language barrier but a cultural difference. Cultural differences seem like not a big problem for this enterprise, because China and Indonesia are both Asian country. However, small things can be a problem. The way a person does a task, according to one interviewee can be a problem for others. Chinese culture is a monochromic culture, so Chinese people are accustomed to doing everything in a tightly planned time, in other words they organize everything according to the time set. While Indonesia, has a polychromic culture in which the opposite of monochromic, so time becomes more flexible (Hall & Hall, 1990). From the monochromic and polychromic terms can be seen that, the way Chinese people work and Indonesians are different.

According to interviewees, different ways of working and standards sometimes make themselves frustrated and will ultimately affect the operational activities of the enterprise, and the enterprise's goal cannot be achieved without full cooperation from all organizational members. For example, when a Chinese procurement manager instructs his staff to purchase an item. The manager already has a purchase schedule, includes what to buy and when his department should buy the goods, but sometimes his staff from Indonesia often doesn't do his instruction right away, the staff thinks the purchase can be done later because the stock of needed goods is still enough.

In addition to the problem of time, leadership factors also become one of the causes of problems or conflicts within the enterprise. Chinese managers or even directors often impose their will and rarely ask staff in decision-making. Because they forced to comply with the regulation that are made by the headquarter. However, Indonesian managers will usually discuss a matter first before making a decision. Thus, according to Indonesian employee, for her Chinese employees are too rigid and too afraid in decision making because they are too suspicious and do not trust local employees. Actually, the lack of trust is not because they do not fully trust the local employees, but they must make sure that all decisions are made in accordance with headquarter regulation and decision for the enterprise. From Indonesian employee point of view, Chinese employee position is more superior compare to local employees, although they have the same position. According to the interviewee it is also said that, although Chinese employees empathize with Indonesian culture such as giving a lunch time permit longer on Friday in order to do Friday prayer or they don't consume any food or drink in front of Muslim employee in the holy month, but still many Chinese employees did not do so. Indonesian employees also often do not appreciate Chinese employees' nap hours. After lunch, usually Chinese employee will back to his work station and taking nap for 30 to 45 minutes. After lunch nap is one of the cultures brought by Chinese employees to Indonesia and is still exist until now. Employee from different cultural background should have a high tolerance and intercultural empathy by understanding their target culture so that they can understand well the people of that culture (Zhu, 2011).

In the enterprise, it is seen that everyone brings their own cultures into the enterprise, and unconsciously often has a damaging effect for the enterprise sustainability. Therefore, in addition to have the good level of trust & cultural empathy, cultural awareness must also be owned by every individual within the enterprise. So that mindfulness can grow by itself and can facilitate communication interaction within the enterprise.

Enterprise and leaders must recognize that cultural differences have a direct impact on the sustainability of the enterprise, so the role of organizational culture will play very important role. Corporate culture is formed by the continuity of interaction between individuals within the enterprise either formally or non-formally. Hence, the enterprise must apply corporate culture to mediate cultural differences. Companies also need to name the concept of culture of pride, when a successful culture is incorporated the enterprise will acquire new and innovative ways of operating (Goldhaber, 1993). By doing these things, the sustainability of the enterprise will continue.

5. Conclusion

From the results and discussion above can be concluded that, every enterprise has communication problems moreover an enterprise whose members have different cultural background. To harmonize these differences, every individual in the enterprise must have good level of trust, cultural empathy, cultural awareness and mindfulness. Corporate culture must also be formed and adapted to the needs of the organization, so that when harmony is achieved will bring a positive effect for the enterprise in all aspects of the enterprise's activities.

It is necessary to emphasize to both parties (Chinese and local employees) that although the enterprise is fully controlled by the Chinese government and party but in an enterprise there is no other culture exist, except the corporate culture. And the things that are stipulated and regulated from headquarters or government can't always be implemented in Indonesia, because the circumstances and laws that exist in Indonesia is different from China.

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