

Universitas Islam Indonesia

Faculty of Economics

INTERNATIONAL PROGRAM



ISLAMIC STUDIES PROGRAM

Syllabus: Indonesian Business Practices

Lecturer:	Akhsyim Afandi, Drs, MA, PhD
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Credit (CP):	4
Consultation Times:	By appointment

Subject Overview:

In this subject we will analyse and discuss the macro-economic factors that shape and influence the business environment in Indonesia. Some of the factors that are analysed are not “unique” to the Indonesian business environment but are “general factors” in third world or developing countries, while others are indeed factors unique to the Indonesian business practices. We will discuss the major changes in the macro-economic environment that have occurred during the Old Order government until the period of reformation, encompassing the implications for business and management decision making in Indonesia.

Subject Objectives:

After completing this course, students are expected to:

1. Understand the principles of analysis framework which can be used to analyse and interpret the business environment in Indonesia.
2. Understand the major macro-economic factors which have an important impact on business practices in Indonesia.

3. Understand the nature of the changes in the Indonesian business environment during successive periods of government from the Old Order period, through the New Order and up until the current period of reformation.
4. Understand the uniqueness of the business environment and business practices in Indonesia
5. Assess the relevance of Indonesia's unique macro-economic factors and how these factors influence business strategy in Indonesia.

Assessment:

The final grade will be determined by a composite evaluation of the student's performance based on the following assessment areas:

Task	Value	Deadline
Group Essay/ Presentation	40%	Group essays are due 2 weeks after presentations
Mid Term Exam	30%	During first exam period (week7)
Final Exam	30%	During second exam period (week 14)

Group assignment:

Students will be asked to form groups of four students. Each group will select a topic to analyse and discuss together.

1. These topics will be presented to the class as a group. Each group will have 45-60 minutes for their presentation including questions and answers about the presentation. It is hoped that students will make their best efforts in their presentation to facilitate a discussion that can actively involve other students in the discussion.
2. Each student must write an academic paper based on the group's topic that is critical and scientific. The paper should be of approximately 2500 words in length (tables and pictures are not to be included in the word count). The paper should include theoretical references and data and will be collected two weeks after the day of presentation. Late papers will lose marks at a rate of 10% per day.

Examination:

There will be a mid semester and end of semester exam. Exam questions must be answered in essay format. Student will be given a number of different questions and you must choose two questions and write two essays that relate to the topics discussed in class. The mid exam will focus on material that is discussed in Week 1-6 and the final exam will focus on material from Week 7-12.

Grading System:

Based on university policy, a pass grade or better will only be given to students who achieve a final grade above 55%.

Total	Grade
86 - 100	A
83 - 85	A-
80 - 82	A/B
76 - 79	B+
71 - 75	B
68 - 70	B-
64 - 67	B/C

Total	Grade
61 - 63	C+
56 - 60	C
53 - 55	C-
49 - 52	C/D
45 - 48	D+
35 - 44	D
0 - 34	E

Policy on assessment:

Essays and assignments will not be accepted after the due date unless arrangements for an extension of time have been made prior to the due date. If you do not agree with the result that you achieve for any piece of assessment for this subject please contact the lecturer immediately. You have a right to know the reasons why your work has received a certain grade and to request it be reassessed if you believe it has been unfairly assessed.

Warning Concerning Academic Misconduct:

The International Program expects all students and staff to act with honesty and integrity in all matters. That means being truthful and recognising the intellectual ownership of other people's words, ideas, research findings and information. To not do so academically dishonest and may incur a range of penalties. Academic misconduct includes plagiarism, collusion, cheating in examinations, misappropriating the research of others and misrepresenting research findings.

What is plagiarism?

Plagiarism is the using of another person's ideas or expressions without appropriate acknowledgment and presenting these ideas or forms of expression as your own. It includes not only written works such as books or journals, but

data or images that may be presented in tables, diagrams, designs, plans, photographs, film, music, formulae, web sites and computer programs. Plagiarism includes the use of the work of lecturers or other students as your own without acknowledgment. Self-plagiarism is the reuse of your own work without indicating that you have reused it.

Quoting and Paraphrasing:

A quote occurs when you use 5 or more words from another source exactly as the words appear in the original. You are allowed to incorporate quotes from the work of others into your work. However, only up to 10% of your work can be quoted. A paraphrase is restating what someone else has said or written *using your own words*. A paraphrase is not achieved by simply altering the words from another source slightly. A slight rewording is still effectively a quote. You must either:

- Provide an *exact* quote (and indicate that it is a quote)
- Provide an appropriate paraphrase of the ideas in your words.

An appropriate paraphrase is normally achieved by reading and taking notes, then *closing the book and writing your own words*.

What is collusion?

Collusion involves working with others with the intention of deceiving examiners about who actually completed the work. For example, if a student employs someone else to do their work for them, that would constitute collusion. Or if one student willingly allows another student to copy their work for an individual assessment task, that would constitute collusion. In that case both students may have committed an academic offence. Collusion is not the same as collaboration. Collaboration is working together on a task; collusion is doing so in an unauthorised manner. What is authorised varies from task-to-task. For example, collaboration is allowed or expected on many assignments, but for other tasks such as exams and some in-class or online tests no collaboration is allowed. If you have any doubt about what constitutes authorised and unauthorised collaboration on a particular task you should consult IP management.

Avoiding plagiarism:

Plagiarism is avoided by appropriately acknowledging sources of your ideas or expressions. In this unit this entails:

1. Providing an in-text citation using the APA referencing system at the place where any idea or expression from another source is used, whether directly quoted or paraphrased; and
2. Clearly indicating where material is directly quoted (a direct quote occurs if 5 or more words from another source are used exactly as they are used in the original) by using quotation marks for short quotes or indenting for longer quotes; and

3. Providing a full reference to the source in a list of references at the end of the work, again using the APA referencing system.

Important Note: the *APA Referencing Guide* can be obtained from IP management

Lecture Program/Topics:

Meeting	Topics	Reading
1	Introduction What is different about managing and doing business in Indonesia? Environmental Analysis Framework Business success and success in development programs in developing countries relates concretely to our ability to analyse and comprehend the business environment and this concretely means a business' ability to know its external environment.	Austin, James E.
2	Economic and Demographic factors in Indonesia	Austin, James E., Hill, Hal. Basri, M.Chatib and Van der Eng, Pierre (eds)
3	Political and Legal Factors in Indonesia	Hadiz, Vedi., Forrester, G.
4	Socio Cultural Factors in Indonesia	JA, Basri, M.Chatib and Van der Eng, Pierre (eds)
5	Strategic Management Practice in Indonesia	Basri, M.Chatib and Van der Eng, Pierre (eds) Meng, Tan Teck
6	Strategic Management Practice in Indonesia	Basri, M.Chatib and Van der Eng, Meng, Tan Teck Pierre (eds)
Mid exam		

7	Marketing Management in Indonesia	Erramilli, M. Krishna
8	Human Resource Management in Indonesia	Habir, Ahmad D. and Larasati, Asti B, Basri, M.Chatib and Van der Eng, Pierre (eds)
9	Financial Management in Indonesia	Basri, M.Chatib and Van der Eng, Pierre (eds), DCG
10	Microfinance and SME in Indonesia	Berry, Albert, et.al., Basri,
11	State Owned Enterprises in Indonesia	Basri, M.Chatib and Van der Eng, Pierre (eds)
12	Chinese Business in Indonesia	Basri, M.Chatib and Van der Eng, Pierre (eds)
13	Corporate Governance and Corruption in Indonesia	Wallace, Peter and Zinkin, John King, Dwight Y. Nielsen, Richard P. , RPN, Basri, M.Chatib and Van der Eng, Pierre (eds) Walker, Gordon and Fox, Mark
Final exam		

Materials and References:

A. Main texts:

1. Austin, James E. (2000), *Managing in Developing Countries; Strategic Analysis and Operating Techniques*, The Free Press, New York. (JA)
2. Basri, M.Chatib and Van der Eng, Pierre (eds) (2004), *Business in Indonesia; New Challenges, Old Problems*, ISEAS, Singapore. (MCB)

3. Suryadinata, Leo (1997), *The Culture of the Chinese Minority in Indonesia*, Times Book International, Singapore. (LS)
4. Meng, Tan Teck (Ed.) (1998), *Business opportunities in Indonesia*, Simon & Schuster (Asia) Pte Ltd, Singapore.

B. Additional Textbooks and Readings:

1. Forrester, G. (1999), *Post Soeharto Indonesia*, ISEAS, Singapore. (FG)
2. Hill, Hal (1999), *The Indonesian Economy*, 2nd ed., Cambridge University Press, Singapore. (HH)
3. Hill, Hal (1999), *The Indonesian Economy in Crisis*, ISEAS, Singapore (HH)
4. Wallace, Peter and Zinkin, John (2005), *Mastering Business in Asia; Corporate Governance*, John Wiley and Sons, Singapore. (PW)
5. Hefner, Robert. (1990) *The Political Economy of Mountain Java – an interpretative history*, University of California Press, California
6. Hadiz, Vedi. (2005) *Dinamika Kekuasaan: Ekonomi Politik Pasca Soeharto*, Pustaka LP3ES Indonesia, Jakarta.

C. Journals:

1. Berry, Albert, et.al. (2002) "Firm and Group Dynamics in the Small and Medium Enterprise Sector in Indonesia", *Small Business Economics*, Vol. 18, Iss. 1-3. (AB)
2. Gingerich, Duane J. and Hadiputranto, Sri Indrastuti (2002) "Good Corporate Governance – Indonesia", *International Financial Law Review*. (DJG)
3. Habir, Ahmad D. and Larasati, Asti B. (1999), "Human Resource Management as Competitive Advantage in The New Millenium; An Indonesian Perspective", *International Journal of Manpower*. (ADH)
4. King, Dwight Y. (2000) "Corruption in Indonesia: A Curable Cancer?", *Journal of International Affairs*, Spring 2000, 53, no. 2 pg. 603-624. (DYK)
5. Nielsen, Richard P. (2003) "Corruption Networks and Implications for Ethical Corruption Reform", *Journal of Business Ethics*, 42, pg. 125-149. (RPN)
6. Walker, Gordon and Fox, Mark (2002) "Corporate Governance Reform in East Asia", *Emerald Insight*, pg. 4-9. (GW)

Website

1. Basri, M.Chatib and Eng, Pierre van der (eds) (2004), *Business in Indonesia; New Challenges, Old Problems (Chapter One)*, ISEAS, Singapore. (MCB) @

<http://teaching.fec.anu.edu.au/busn2023/Publications/IndoBus%202004.pdf>