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1; INTRODUCTION

The objective of this research is to foster a knowledge of international business communications as well as the variations in cultural sensitivities and expectations from one country to the next. As the UK-based company is considering moving their production to a developing country, "Indonesia " is the country chosen for the same. Report will highlight context of international business and communications and a brief introduction about Indonesia. The report will explain international and intercultural communication theories with respect to Indonesia and the UK along with a critical evaluation of cultural sensitivity within the business in Indonesia. The research will also go over several communication challenges faced by international companies doing business in Indonesia as well as the value of networking. The study will conclude by providing pertinent advice and proper communication methods to help the business prosper in Indonesia.

2; INTERNATIONAL BUSINESS AND COMMUNICATION

International business communication is a very important element in the **modern business environment**, whether working with an employee from a different country, business with an international client, or while exploring new business opportunities effective business communication is essential. International business communication is in many ways **different from regular** business communication, it involves cross cultural aspects, diversity, and many barriers which can be internal or external. While **internal business communication** involves reports memos emails and meetings, **external business communication** involves direct calls, meetings, promotions, website content, and press releases. To successfully conduct business internationally it is important to understand the communication principles and resolve the barriers such as culture and language (Davidavičienė et al., 2020). Business is not just about understanding the clients, but it also involves colleagues whose **diverse cultures, beliefs, and languages** must be understood and respected. As a company plans to expand or move their operations or business into a new country **effective international business communication** can be a key to making the decision a success.

Some of the benefits of **effective international business communication** can be better relationships with employees and clients, improved customer services, reduction in conflicts and misunderstandings, better productivity and efficiency, efficient teamwork and collaboration and improved reputation and brand awareness. Companies can achieve better international business communication with a progressive approach towards training and development of staff by investing in language and cross-cultural training as well.

3; ABOUT INDONESIA

Indonesia also known as **Republic of Indonesia** (Britannica.com, 2022) is a South Asian country between Indian and Pacific Ocean. The transcontinental country has over 17000 Islands and is the 14th largest country by area of approximate 735000 square miles. Indonesia is a **densely populated** country with over 270 million people and is the world's most populous country. The **national currency** of Indonesia is the **rupiah**, and the **central bank** is responsible for issuing the currency, and the capital market is majorly dominated by state-owned banking systems. Indonesia is South Asia's largest **economy** and the recent advanced economic development due to the strong support of the government certainly has **great economic potential** (Investindonesia.go.id, 2022). The country is rich in commodities such as coal, gas and gold but does show over-dependency on the export of raw commodities and has a good transportation system.

The country also has wide-spread deposits of oil and minerals and is a **major supplier** of natural gas and crude oil (Indonesia-investments.com, 2022), this has also led to a growth in large-scale projects which contributed to the nation's economy. The country's **manufacturing** has significantly boosted since the early 1990s and is at par with their agriculture sector. Manufacturing has become a significant contributor to the Indonesian economy, it includes **production handled by SMEs** which are state or privately owned. The country is also frequently subject to **foreign direct investments** and expansion of the private sector with the support of the government. The country has overcome from their dependency on agriculture and has become an established international supplier of commodities to **various countries around the globe**.

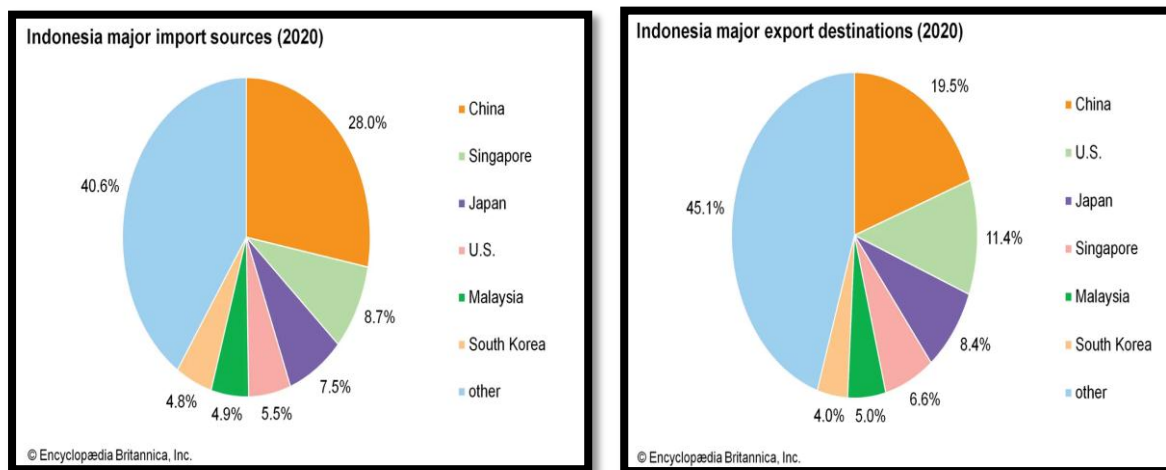


Fig: Indonesia's major import and export sources

(Source: Britannica.com, 2020)

4; APPLICATION OF THEORIES OF INTERNATIONAL AND INTERCULTURAL COMMUNICATION TO THE SELECTED CONTEXT/COUNTRY

Hofstede cultural dimension theory (Escandon-Barbosa et al., 2022) emphasizes on cross cultural communication and represents the effect of culture on the behaviour of its members. Six components make up the framework: the power distance index, individuality vs. collectivism, uncertainty avoidance, masculinity vs. femininity, long term vs. short term orientation, and indulgence vs. restraint. According to the Hofstede theory, companies in Indonesia are hierarchically structured, with status being a key component that is highly prized by both employees and organisations. The country has thousands of Islands and with most of the population being Muslim there are certainly a few groups that can be seen in every aspect of the society. As the Indonesian economy has shifted from its earlier dependency on agriculture and has significantly progressed towards urbanization and globalization the country has certainly become more welcoming towards foreign organizations and business opportunities.

Ethnocentrism (Hurlbert, 2022) is a social science and anthropological term that involves applying one own cultural frame of reference to build judgements about other cultures, behaviour, practices people, and beliefs. As the two diverse cultures collide, they will certainly experience communication gaps and a lack of clarity in communication practices. It can obviously **lead to judgements** over each other's culture and can also develop into disputes and judgements. As the company invest in training it must incorporate developing and understanding the cultures of everyone concerned with the business.

Another communication theory about **high-context cultures and low-context cultures** (Davis et al., 2022) can be applied to this situation, while the **high-context culture** has a distinct communication style that is based on tone, body language, and overall context, on the other hand, **low-context culture** has a straightforward and explicit communication style.

As a UK-based company enters Indonesia it must emphasize the local culture that gives high regard to elements such as the local language, religion, and societal status. The company must **analyze the context of culture** and use **appropriate communication styles** and regularly assess its effectiveness.

5; CRITICAL EVALUATION OF CULTURAL SENSITIVITY WHEN DOING BUSINESS IN THE SELECTED COUNTRY SUPPORTED BY RELEVANT EXAMPLES

Indonesia is a Muslim-dominated country with a following of over 85% of its population, religious groups such as Christian and Hindu groups are also visible. The country places a **high value on harmony and public reputation** in business culture as well, every party needs to be treated respectfully and an open display of rudeness and aggression is acceptable.

The business in Indonesia comes with a significant number of restrictions from the government, but as the country is progressing by leveraging its resources such as coal and petroleum it has a great opportunity for new businesses to evolve.

The **culture is certainly given high emphasis in the country** (Business.hsbc.com, 2022), the hierarchy is clearly visible within a business or a family, and it is significantly different from the western perspective. There is a good amount of **reputation** among the employees towards their superiors which are addressed with “Bapak” and “Ibu” which can translate to sir and madam respectively.

The country has a vast area comprising over 17000 islands and has multiple ethnic groups that again have **diversity in culture** and language within Indonesia. Open display of aggression is concerned with negative behaviour and high regard for family, reputation, and respect towards the community.

The country does offer a good deal of resources, also the labour costs are low. For businesses to grow in Indonesia it is important for them to display an entrepreneurial mindset and stay **prepared for uncertainties**, it is neither easy nor a quick process to become established in new markets. Any company entering the Indonesian market must analyze its negative sides as well, the country has witnessed a fair amount of **corruption cases** which must be looked out by every organization.

6; IMPORTANCE OF NETWORKING

Networking is highly important factor when it comes to business in terms of local or international, as the business environment grows the necessity of networking is also increasing simultaneously. Networking primarily concern **establishing long term relationships** that provides **mutual benefits** to the parties involved. The network opportunities are always there, and it requires a keen interest in other parties' perspective as well as interest and expectations.

In a business perspective if the business is looking to access into a new location or **a new country** it is important that they must give high emphasis on networking which can benefit them in terms of day-to-day operations as well as long-term sustainability. It is important to understand and get acquainted with Indonesian culture to successfully establish a business in the country (Indonesia-investments.com, 2022).

It is important for a business to understand that different locations will have different types of people with **diverse cultures, beliefs, languages, and expectations** from a foreign organization.

It is important for a business to interact with people from different backgrounds, cultures nationalities to **cope with the ever-changing business environment**.

Indonesia is completely different from the country's country of origin the UK, the country has high value for relationships public image language and the local culture, while networking the company **must display respect** towards the new culture and must implement necessary changes to accommodate the local staff.

7; DISCUSS AND ANALYZE DIFFERENT COMMUNICATION BARRIERS EXPERIENCED BY FOREIGN BUSINESS IN THE SELECTED COUNTRY, SUPPORTED BY DIFFERENT EXAMPLES WHEN RELEVANT

As the global business environment becomes more diverse companies explore new markets and different countries, there is an ever-growing need of effective business communication strategies. Management must understand the **cross-cultural aspects** and analyze whether the behaviour is due to the personality or the cultural differences.

As a UK based company plans moving to Indonesia, it must implement many changes into its operations such as training and development of the staff. There is a clear **necessity for language training**, mostly since the **Government of Indonesia** has increased its involvement towards culture and language and has mandated using the Indonesian language in many aspects (Eastasiaforum.org, 2020). These do not only concern education and culture but **business practices** as well. With an emphasis on law number 24/2009 protects the purity of language, national flag, national emblem, and the national anthem by regulating its use and reproduction. Also, article number 26 states that the Indonesian language should be used in agreements involving organizations and individuals in Indonesia.

As the Government of Indonesia enforces such laws it provokes organizations mainly foreign ones to **incorporate language and cultural training** for the staff. For example, **Japan** one of the most important sources of **foreign direct investments into Indonesia** was subjected to an intentional deterred due to the increased language restrictions. **Vietnam's** government in the year 2008 invested over 400 million dollars into a nationwide foreign language training program. Not only foreign organizations but also the government is an important contributor to **resolving cultural barriers**, they must improve their education and provide training about foreign languages for the local people.

8; PROVIDE APPROPRIATE COMMUNICATION STRATEGIES AND OTHER RELEVANT RECOMMENDATIONS TO ENABLE THE COMPANY TO SUCCEED IN THE SELECTED DEVELOPING COUNTRY

As the company enters a new geographic location for operations such as manufacturing and production, they will certainly **use the resources available** within the country. Indonesia is a good source of resources such as petroleum mineral along with **labour** that will certainly benefit the company.

The company must find an **efficient location** to establish its **infrastructure**, it should be easily accessible for employees as well as for transportation services. Also, as Indonesia is a frequent victim of **natural disasters** such as tsunamis and earthquakes the location must be in a safe area with precautions.

The company must **hire local people** as employees but **not only at low-level** positions but also acquire **highly competent and skilled local individuals** in important positions such as a manager or supervisors. This will benefit the company in many ways, they can act as a medium between employees and management, also the employees will feel more connected and open to **intercultural communication** (Yang, 2020) can boost with a local person.

The company must **invest in training** for all employees, emphasizing on effective delivery of information and resolving **barriers such as language and intercultural** with a special focus on **conflict resolution** and **language training**.

The company must focus on **proper channels of communication** and **not just rely** on email memos or reports but **rather physical meetings** and discuss issues and expectations of its employees. The company must analyze and identify the local culture and implement necessary changes in its operations such as important dates for holidays to connect with the employees more.

The company must also **incorporate nonverbal communication** into its business practice, but communication modes such as signals and signs can have different interpretations in different culture, they must be thoroughly comprehended before implementation.

9; CONCLUSION

The report achieved its objective and examined various aspects of cultural expectations and differences in cultural sensitivity from one country to another. The UK-based company considering moving their production to Indonesia was analyzed to be a useful option to consider. The report highlighted the context of international business and communication and provided a brief introduction about the country Indonesia. International and intercultural communication theories were successfully applied to the situation and a critical evaluation of cultural sensitivity within the business in Indonesia was explored. The importance of networking was examined, and different communication barriers experienced by foreign businesses in Indonesia were assessed. Concludingly, the report delivered communication strategies and recommendations for the company to succeed in Indonesia. The country is a great option to consider for the UK-based company to move its production to Indonesia, along with the abundant resources the country has to offer the low-cost labour can be particularly beneficial. The communication barriers were emphasized and analyzed that with effective communication training and progressive involvement of the management towards the culture can be critical for the business.

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