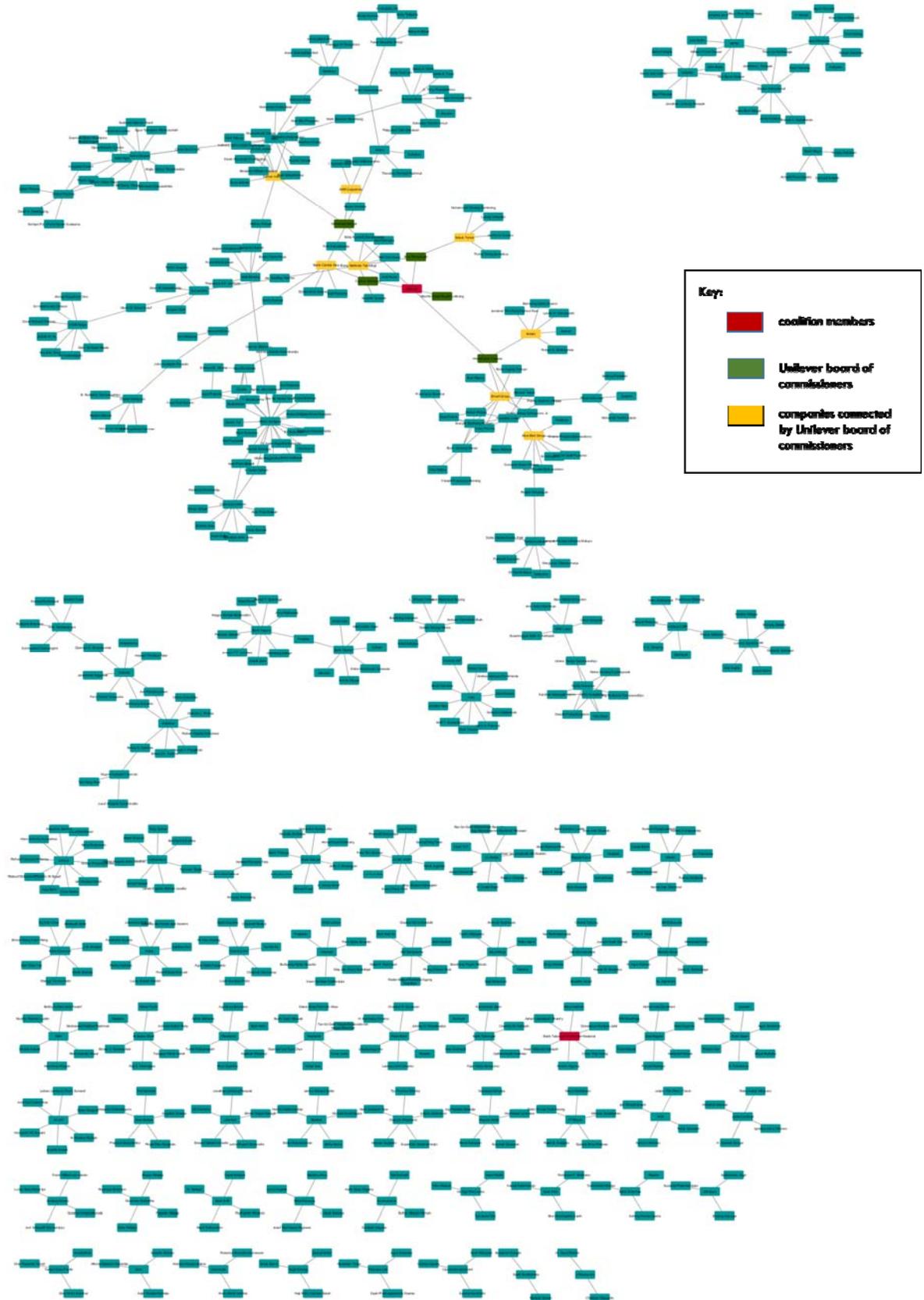




Business coalition analysis

Indonesia

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Characteristics

The Indonesia Business Coalition for Women Empowerment (IBCW) is composed of eight organisations representing a range of industries:

- Accenture (professional services)
- PT Adis Dimension Footwear (manufacturing)
- PT Bank Tabungan Pensiunan Nasional (financial services)
- PT Gajah Tunggal (manufacturing)
- PT Mitra Adiperkasa (retail)
- PT Pan Brothers (manufacturing)
- Sintesa Group (major diversified conglomerate with interests in real estate, energy, industrial products and consumer goods)
- PT Unilever (consumer goods)

On the whole, the members represent some of the largest industries driving the country's economy. However, only Unilever and Bank Tabungan Pensiunan Nasional are among the largest listed companies in the country (ranked according to 2015 market capitalisation).

Unilever is the largest consumer goods company in Indonesia, and ranked third in terms of market capitalisation. Bank Tabungan Pensiunan Nasional is the 14th largest financial services company, and ranked 62nd in terms of market capitalisation.

While the coalition members are situated in some of the largest industries in the country, there are some very large industries that are not represented, namely mining and energy and equipment, engineering and construction.

Challenges and Opportunities

The highly fragmented nature of Indonesia's corporate governance network presents significant challenges for creating a ripple effect for change across Indonesia's largest companies. While Bank Tabungan Pensiunan Nasional is among the largest financial services companies in the country, it has no links to any of the sub-clusters in the country's corporate governance network.

The membership of Unilever in the coalition, however, presents significant opportunities, given that the company has an influential position in the largest sub-cluster in Indonesia's corporate governance network. Members of Unilever's board of commissioners are highly connected individuals, being members of up to three other boards. These board interlocks effectively extend the coalition's reach to eight other companies in six other industries:

- agriculture
- chemicals
- technology
- communications
- mining and energy
- transportation

In light of this, the major industry that remains beyond the scope of the coalition is the equipment, engineering and construction sector. The coalition will need to consider ways to explicitly reach out to this sector if it wishes to have comprehensive coverage of major industries.

The membership of Accenture in the coalition also presents some opportunities in this respect. While the company is not among the country's largest, the nature of its business exposes it to a wide range of clients across several industries. This represents a significant avenue for communicating change initiatives.

Finally, given the extent of fragmentation in the country's corporate governance network, the role of industry groups and professional associations cannot be overemphasised. The challenge will be to identify alternative networks linking companies together, and to harness the scope and reach of those networks to facilitate change.

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