

CHAMPION OF CHANGE

To meet its ambitious growth target of more than 7 percent by 2030, Indonesia must do more to develop its human capital, says San Francisco-based IT industry executive SONITA LONTOH. CHRIS HANRAHAN reports

“I

ndonesia has been punching below its weight on the global stage,” declares Sonita Lontoh. The nation, she points out, has only one company (Pertamina)

in the Fortune Global 500 - in 122nd place. Its top universities, University of Indonesia and ITB (Bandung Institute of Technology), are ranked respectively at No. 309 and 461 worldwide. The national soccer team is 168th in the Fifa rankings. No Indonesian has ever won a Nobel Prize.

So is Indonesia doomed to unrelenting mediocrity? Not at all, says Sonita. “It seems that the stars are in line for us, that this is our moment,” says the San Francisco-based IT industry executive and advocate for green technology, leadership and education. She points to the good news for the archipelago: the economy is growing tremendously at about 6 percent per year. Indonesia is the world’s 16th largest economy today, but it will overtake Germany and Britain to reach the top seven by 2030, according to a McKinsey & Company study. To meet its ambitious growth target of more than 7 percent by 2030 and to attract more international investments, Indonesia must do more, says Sonita. In addition to tackling well-known problems such as the ease of doing business, upholding the rule of law and upgrading its infrastructure, the country has to develop its human capital. “We are moving up the value chain to a more service sector and knowledge-based economy than one that’s reliant on agriculture,” she notes. “Indonesia has a population dividend to look forward to as well, as it is in the process of adding 100 million people to its middle class.

Today, we have 55 million skilled workers; in 2030, we will need 113 million. The population is young and productive, but to realise our potential we must develop many more globally competent entrepreneurs and professionals.”

To say that Sonita herself is an example of a globally competent professional would be a grave understatement. She has earned no fewer than three degrees from some of the world’s most renowned universities. She gained her Master of Engineering degree at MIT (where she was cross-registered at Harvard Business School), her MBA at Kellogg at Northwestern University, and her Bachelor of Science in Engineering degree from UC Berkeley. The only child of William and Constance Lontoh, she grew up in Jakarta and went to SMA Santa Theresia in Menteng. “My family is very open-minded and liberal by Indonesian standards,” she says. For the past 25 years, Sonita has lived in the United States and she has been married to Adam Skarsgard, a successful lawyer, for 12 years. She is Head of Global Corporate Marketing at Trilliant, a venture-backed enterprise software company in Silicon Valley. She is a frequent speaker at international conferences, and she writes for *Forbes*, *Bloomberg BusinessWeek* and *The Huffington Post*. In her lectures and her writing, Sonita often focuses on educating consumers on the benefits of green technology, especially “smart grid” energy. She is also a professional mentor and Selection Committee member for TechWomen, a US State Department programme spearheaded by former Secretary of State Hillary Clinton. Sonita was named a “Global Emerging Leader under 40” in the United States and she has been invited to the White House for a celebration honouring “Women Champions of Change”. In addition,

she is co-founder and Board Chairman of the Indonesian Diaspora Foundation (IDF). For this important initiative, she has received a Diaspora Entrepreneurship and Corporate Excellence Award from President Susilo Bambang Yudhoyono.

Sonita took up the issue of developing human capital when she gave the keynote address at the 2013 Human Development Summit in Bali last November. The conference was hosted by three leading companies in the nation’s oil and gas industry - ExxonMobil Oil Indonesia, CNOOC SES and SKK Migas - and sponsored by leading corporations like Schlumberger, Garuda Indonesia, Asuransi Jasindo, Medco Energy, Mandiri, BNI, Pertamina and Semen Indonesia. In her presentation on “building globally competent Indonesian professionals”, Sonita stated that the nation’s educational and training systems are simply not good enough to address yawning talent, skill and leadership gaps. Many of Indonesia’s weaknesses can be put down to cultural traditions. “Indonesian cultures related to seniority, gender, collectivism (preferring to work as a team to avoid personal responsibility), implicit communications and risk avoidance have been a challenge for the country’s professionals to compete at the international level,” she told the summit’s attendees.

Where exactly do Indonesian companies and organisations go wrong when it comes to nurturing talented people so that they can succeed internationally? “A common mistake is the idea that seniors or bosses must always be right, because a limited viewpoint comes from this top-down approach,” says Sonita in an interview with *Prestige* in Jakarta just before setting off for Bali. “Promotions or plum assignments in companies are often

“THE STARS ARE IN LINE FOR US, THIS IS OUR MOMENT. WE ARE MOVING UP THE VALUE CHAIN. INDONESIA HAS A ‘POPULATION DIVIDEND’ TO LOOK FORWARD TO”



based on seniority rather than merit, and predetermined roles exist between men and women in some areas of work. The collective “we” versus “I” culture that exists in organisations can be good, but it can also be bad because it leads to clouded accountability and group-think. There is a tendency to seek safety in numbers and to ‘hide’ behind the group. People become fast followers, but not leaders or market-makers. The communication style of many Indonesians - saying something implicitly, being afraid to hurt someone’s feelings, avoiding risks and confrontation - is counterproductive, not good for professionalism, and misguided modesty leads to low self-confidence. People don’t say what they mean and don’t ask for what they deserve. Instead, they expect other people to notice them and to give them what they deserve. They take constructive criticism personally rather than learn from it in order to improve themselves.”

For Indonesia to develop more globally competitive professionals, the education system needs to undergo nothing short of a paradigm shift. “Indonesia should ensure that quality education is available to all,” says Sonita. “Currently, only 22 percent of college-age students are enrolled at university, and only 68 percent of junior high school students finish their studies. We need to create more

public-private partnerships in the education system, and we must revamp the curriculum to produce graduates with skill sets that match employers’ needs in today’s world.” Sonita has four recommendations. “The first is to develop and strengthen the education system to produce graduates who are capable of critical and creative thinking,” she says. “They need to have strong English and computer skills, and to be technologically literate. There needs to be a transition from ‘rote-memorisation’ learning to ‘creative and critical thinking-based’ learning, and English or another foreign language should be a requirement. Indonesia also needs to invest more in STEM (science, technology, engineering, and mathematics) education. We currently graduate 30,000 engineers a year, but we need 50,000, and we must increase women’s participation in STEM education.

“The second recommendation is to treat human capital development as a strategic imperative. It should not be just an HR department function, but something for all senior leaders in organisations to pursue. Otherwise, companies are just paying lip service to the idea. They should conduct strategic leadership and workforce planning to create a ‘people balance sheet’. Human capital development should become part of the culture, formally included in managers’

evaluations. The idea is to create a culture of meritocracy, not favouritism, and to hold people accountable. Third, companies should develop leadership development programmes for their top 50 to 200 people. They need to identify these individuals early on, match them with mentors, and give them rotational ‘stretch assignments’, based on functions and geography, which will force them to confront business issues outside their comfort zone.”

Sonita’s fourth recommendation is especially ambitious, being nothing less than to harness the wealth, skills and knowledge of the global Indonesian diaspora for the benefit of the homeland. “It’s small in comparison with the Chinese diaspora (50 million people around the world) and the Indian diaspora (30 million), but it is significant,” she says. “Including Indonesian citizens overseas, foreign citizens of Indonesian origin and individuals with an Indonesian affinity, our diaspora totals between 8 million and 10 million people. There are some very successful Indonesians overseas in public service, technology, medicine and energy.” Prominent Indonesians based overseas include Dr Sri Mulyani, former Finance Minister of Indonesia and current Managing Director of the World Bank and Dr Sehat Sutardja, co-founder and CEO of Marvell, the world’s third-largest semiconductor designer.

“It’s time for the Indonesian diaspora to create a real collaboration,” says Sonita. “The Indian and Chinese diasporas are usually well-connected and organised, and they act as hubs or catalysts to spur cooperation. The Indonesian diaspora can do the same, but we need to find each other and to connect the dots. I have lived in the U.S. for 25 years and I know plenty of Indonesians. But when we get together it rarely goes beyond socialising.” The IDF, which she co-founded during a conference in Los Angeles in July 2012, is a nonprofit, volunteer-based organisation. It is a “vehicle for the Indonesian diaspora’s humanitarian efforts and philanthropic activities, focusing on education, empowerment and humanitarian assistance,” says Sonita. “Although it is currently a US-based organisation, it aims to serve Indonesian diaspora communities globally. The IDF seeks to help Indonesian diaspora around the world achieve what they aspire to be - a confident community with local and global impacts.”

The foundation’s mission focuses on three key areas: to help empower Indonesian diaspora worldwide, to help strengthen the Indonesian education system, and to provide humanitarian assistance. Its programmes include “Computers for Schools”, “Foster Family One on One” and “Diaspora for Diaspora”. “Recently, we’ve implemented our ‘Computers-for-School’ programme with 16 sets of computers and trainings at four underprivileged elementary schools in Gunung Kidul, near Yogyakarta,” says Sonita. “We’ve also implemented our ‘One-on-One Foster Family’ initiative in Tegal, Central Java. And we continue to help Indonesian communities in the U.S. adversely affected by disasters with humanitarian assistance. So far, we’ve helped those diaspora adversely affected by the Oklahoma tornadoes and Hurricane Sandy.” Plans for 2014 include a re-launch of a “Quarter-a-Day” programme to encourage Indonesians to donate 25 cents a day (or US\$7.50 per month or US\$90 per year) to help the less fortunate. In the spring, in a bid to integrate the Indonesian diaspora communities more with the Asian-American communities, the IDF plans to get involved with an Asian-American Hall of Fame Gala in Seattle.

Sonita has lived in the San Francisco Bay area since 1993, but she says it was not originally her intention to stay in the United States after graduating from university. “I met some interesting people at Berkeley, and we ended up starting a company together,” she explains. She co-founded a successful Silicon Valley-based online game company, which she subsequently sold to one of the largest players in the Greater China region. “That was my real MBA experience,” she says of that period. “I was so young and

inexperienced.” Next, she had a stint in management consulting at Bain & Company. Then she spearheaded smart-energy solutions at PG & E Corporation, a San Francisco-based energy company serving more than 15 million customers in California. She joined Trilliant after a period as Head of Marketing at Grid Net, a San Francisco-based software company.

“I like to mix technology with business and public policy,” says Sonita. “That’s why I’m in green technology. It’s an area where

all three intersect. There is a large policy component because government needs to create incentives to support the development of green technology. Throughout my career, I have always done things that fit in with my passion, skills and purpose. These three factors are all very important, I think, but many people focus only on the first. In the next few years, I want to start my own company. I don’t know exactly what it will be yet, but it will be something to benefit Indonesia. I’m an entrepreneur at heart.” ■

