

Congratulations on your expansion to Indonesia! Growing your company across borders is an exciting time for you and your business, but there's still plenty to learn. You need to hire employees and ensure you meet all of Indonesia's employment compliance laws, on top of running a new location in a new country. That's why Globalization Partners offers Indonesia hiring outsourcing. As a global PEO, we will hire talented employees in Indonesia to fill your open positions, as well as take on matters of compliance.

Recruiting in Indonesia

Understanding Indonesian culture will help you through the interpersonal aspect of the recruitment process. That said, you should also take some time to learn about the practical side of staffing. It's important to familiarize yourself with the laws surrounding the hiring process in any new country. If your company is non-compliant, you may face fees and an even lengthier setup process for your new business.

Laws Against Discrimination in Indonesia

Under the Indonesian constitution and labor laws, employees are protected against any form of discrimination throughout the hiring process and the course of their employment. Types of discrimination include unfair treatment based on the following characteristics:

- Ethnicity
- Gender
- Race
- Skin color
- Religion
- Nationality
- Origin
- Politics
- Disability
- HIV-positive status

You should avoid asking candidates questions about any of the above characteristics. If any of these subjects do come up in casual conversation with prospective employees, make sure

you do not factor them into any hiring decisions.

How to Hire Employees in Indonesia

Understanding Indonesian culture is essential to hiring and negotiating with employees. The country focuses on the group instead of the individual, so businesses are often hierarchical, and employees care about “face” – how others perceive them. Indirect communication is normal, and employees that tell you “yes” may often mean no.

You should also prepare for long negotiations over an employment contract, as deliberations are a sign of respect. Indonesians view time as a fluid concept and believe everything will happen in its own time and space, so punctuality is not a concern. Instead of rushing through business transactions, take the time to build relationships.

Indonesia Employment Laws

You must follow Indonesia employment compliance laws starting with an employment contract. You can use a fixed-term employment agreement as long as it’s written in the official language, Bahasa Indonesia. The contract cannot exceed two years, but you are allowed to extend it for up to one year.

Employment contracts can also last for an unspecified period of time. When you hire an employee in Indonesia under this contract, you should include information regarding compensation, benefits, termination requirements, and more. Make sure you state all compensation amounts in Indonesia rupiah instead of foreign currency.

Once hired, employees generally work a standard workweek of 40 hours, either eight hours over a five-day period or seven hours over six days. Overtime is permitted up to three hours per day and 14 hours per week, paid at a rate of 150% of standard pay.

Onboarding in Indonesia

Once you understand how to hire employees in Indonesia, you need to onboard them. Indonesia's laws do not mandate one way to onboard employees, so you can choose the option that is best for your company. Since negotiations can be complex, we recommend reviewing the agreed-upon employment contract together during the employee's first day or week.

You can also choose to onboard multiple employees at one time. This approach will streamline the process for you and help new hires bond with each other over their employment with your company.

Benefits of Hiring Outsourcing in Indonesia

If you opt for Indonesia hiring outsourcing services with Globalization Partners, you can hire employees and start working faster. You will not have to establish a subsidiary to start working in the country as we use our existing subsidiary to run your business. Our Employer of Record solution means we will hire employees through a compliant process and assign them to work for you. You only need to worry about building up a new location.

Work With Globalization Partners To Expand Globally

Globalization Partners understands all of Indonesia's employment compliance laws, and we'll help you hire top talent quickly and compliantly. [Contact us today](#) to learn more.