

Ideas to lead by

Optimism, trust, and creative decision making enabled Kuntoro Mangkusubroto, ME'77, to repair a torn region of Indonesia.

By John Ombelets

Within months after tsunamis devastated Indonesia's Aceh province and Nias Island in late 2004 and early 2005, the Indonesian government called on Kuntoro Mangkusubroto, ME'77, to bring order to chaos.

Over the next four years, the former Indonesian government official, who had already served with distinction in a number of public- and private-sector leadership positions, managed to do just that—and perhaps transformed Indonesia's development practices for good.

Today, as head of the President's Delivery Unit for Development Monitoring and Oversight, Kuntoro applies the innovations of Aceh to projects across the nation.

His organization is charged with ensuring that the

ventures deliver the promised benefits to the public, honestly and fairly. It also conducts what Kuntoro refers to as “debottlenecking”—moving projects that are considered essential to the nation's economic development past regulatory red tape, legal impediments, and other obstacles.

Some of the issues that require this kind of trou-

bleshooting range from energy security, to transportation and infrastructure, to navigation service and state borders.

In addition, Kuntoro has a substantial say in other major national initiatives: reforming the bureaucracy, reducing the environmental impact of deforestation, and ending corruption in the judiciary.

MEETING A CHALLENGE

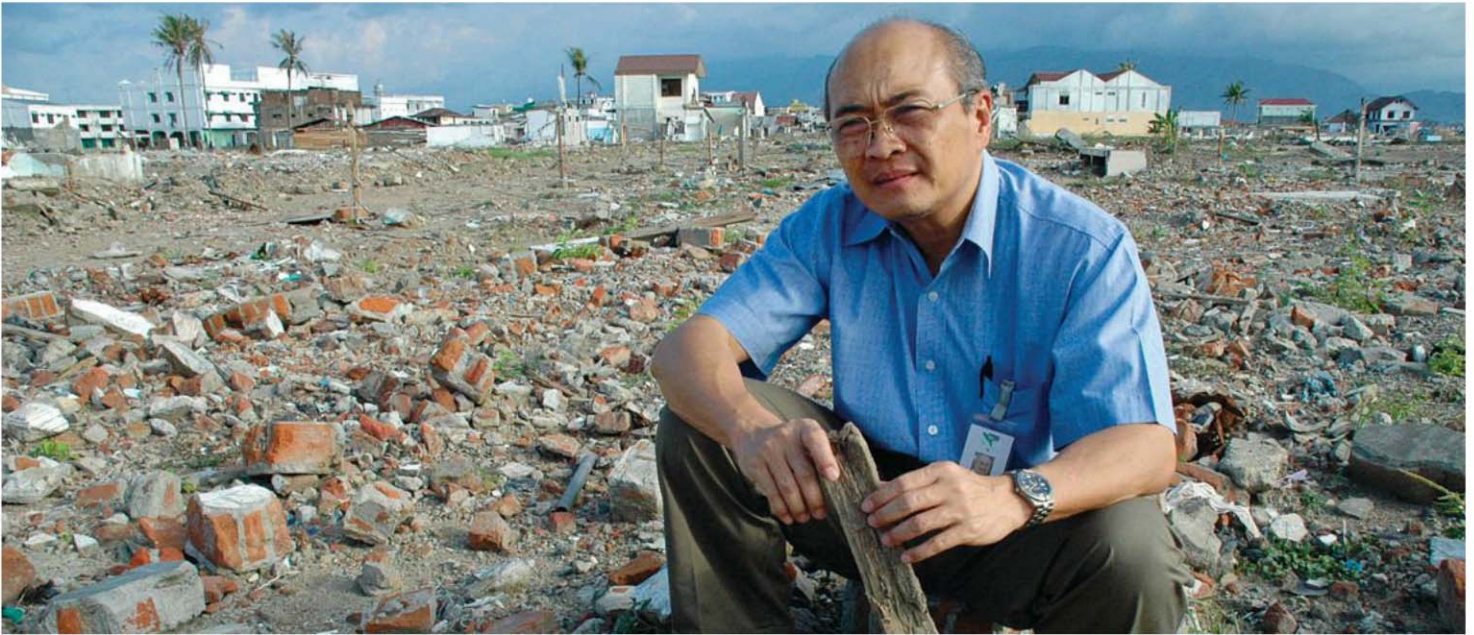
His position requires a broad base of technical knowledge, cultural sensitivity, and political savvy—qualities that Kuntoro showed as director of the Rehabilitation and Reconstruction Agency for Aceh and Nias.

Among the challenges he faced in that role: Hundreds of thousands of dead, missing, or homeless, and a gutted communications and transportation infrastructure, in a region already shattered by civil war. This all in a country so marked by corruption that the international agencies providing billions of dollars in aid openly feared that much of the money would be embezzled.

Against these obstacles, Kuntoro brought an engineer's analytical mind, a politician's negotiating skills, and a focus on the value of positive thinking and trust learned from his favorite Northeastern professor, David Freeman.

Kuntoro earned a master's in industrial engineering from Northeastern, as well as bachelor's and doctoral degrees in engineering from Indonesia's Bandung Institute of Technology. Northeastern was special, he says, because students were encouraged to think creatively and faculty treated students as equals.





“David taught me values that shaped my life,” recalls Kuntoro. “He always told me, ‘Don’t think bad, and you will make it.’ He also showed me trust, and I concluded that once you are a trusted man, people are more likely to listen to you.”

But to convince everyone from then World Bank president Paul Wolfowitz to disaffected villagers in Aceh that there were reason for optimism and grounds for trusting him, he had to make good decisions—and fast.

ART OF THE DECISION

That is where his experience as a CEO in Indonesia’s mining industry, as founder of the School of Business and Management at Bandung Institute of Technology, and in his various government posts proved invaluable.

“Effective leadership is the art of making good decisions with incomplete or imperfect information,” he says.

One of his first decisions turned out to be a turning point, says Kuntoro. A systematic process, in which planning precedes action, would cause unacceptable delays, he decided. Instead, Kuntoro’s agency would plan and execute simultaneously, and learn from the inevitable mistakes.

Among other prudent decisions, Kuntoro resolved the thorny issue of land titling through local consensus building that no outside agency could have achieved, while including a progressive provision for joint husband-wife ownership.

He established an anticorruption unit, made every member of his agency sign an integrity pact, and sought

partnerships with global “brands” such as McKinsey & Company, Ernst & Young, and the World Bank to boost the trust level of the international community.

But he kept the concerns of the Acehnese in the front of his mind, aware of their distrust of Jakarta. His headquarters was sited in Banda Aceh, not the capital. And when it came time to hire contractors to rebuild the provinces’ housing stock, he decided that the first ten thousand houses would be built by small local contractors.

As for the civil war, the destruction wrought by the tsunamis provided an opening for peace talks (brokered by a Finland-based NGO and resulting in a signed agreement in August 2005). But the effectiveness of Kuntoro’s agency in creating jobs helped provide the right economic environment for peace to take root.

“No political and military conflict can be resolved without an economic solution,” says Kuntoro. “Through reconstruction, I could train hundreds of ex-combatants who didn’t have any skills except shooting people.”

He believes that the relief and reconstruction of Aceh and Nias could be a transformative event for Indonesia, and his current position enables him to pursue that goal.

But at age sixty-four, he sees himself more as a David Freeman, inspiring others to create change. “I seek to train and educate young Indonesian cadres who will become the future leaders of Indonesia with high integrity, professionalism, motivation, and capacity.”

John Ombelets is a senior managing editor.