

**COMPARISON OF HUMAN RESOURCE MANAGEMENT PRACTICES AND  
PERCEPTIONS OF AGRI-BUSINESS EMPLOYEES ACROSS  
THREE INDONESIAN SUBCULTURES**

A Dissertation

by

MARK CHRISTOPHER KELLY

Submitted to the Office of Graduate Studies of  
Texas A&M University  
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

May 2008

Major Subject: Agricultural Education

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**ABSTRACT**

Comparison of Human Resource Management Practices and  
Perceptions of Agri-Business Employees Across Three Indonesian  
Subcultures. (May 2008)

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Prior research has shown that differences in human resource management (HRM) perception/practices do exist between nations. These differences have been attributed to variations in culture. The fundamental purpose of this study was to determine whether subcultures differing in location, religion, and ethnicity significantly affect perception/practices of human resource management within a common national context (Indonesia). A secondary purpose of the current study was to compare with those found within Indonesia by the Best International Practices Consortium or Best Practices Project (BPP).

Participants in the present study were 762 agri-business employees who were members of three distinctly separate subcultures within Indonesia; Sundanese/ Javanese, Balinese, and Minahasan. Data are obtained through the distribution of written questionnaires modeled after those employed by the BPP.

Within each subculture, there were numerous disparities between current perceived practices and those desired by employees. This study also revealed several significant differences in HRM practices and perceptions across the three observed subcultures in the areas of hiring, training, performance appraisal, leadership, and communications. Participants reported differences in current and desired managerial styles across subcultures. However, within these groups, current management practices matched employee preferences. The overall findings of the present study differed from those of the BPP. These differences may be attributable to dissimilarities in the samples for the two studies' samples.

This study indicates that employee attitudes and perceptions of HRM practices do differ across cultural boundaries within a common national context. This discovery has wide implications for international companies which may be looking to establish overseas enterprises in countries with diverse cultural populations.

## **DEDICATION**

“Mark, are you studying?” This question will forever be etched in my memory. To my parents, Thomas and Vickie Kelly, thank you so much for never ceasing to ask. This manuscript and the work it represents are small examples of what one can accomplish when given the love and support you so selflessly gave me. You also gave me Kelly stubbornness and lots of prayer. Those helped too.

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## CHAPTER I

### INTRODUCTION

As the world's economic and social structures become ever-more connected and reliant upon one another, understanding how humans interact with one another within these structures becomes more and more vital. Managers expanding or linking their operations internationally must be aware of how entities in different nations and regions recognize and respond to commonly faced human resource issues and demands (Budhwar & Sparrow, 2002). By acknowledging these differences and trying to understand the pretexts for their existence, managers and policymakers will be better able to integrate and/or redesign their entities' human resource management practices to achieve desired objectives and success on the global stage (Marquardt & Berger, 2003).

In response to the need for information concerning regional human resource management (HRM) differences, various researchers have asked which HRM practices and perceptions appear to be universally implemented or pursued and which are culture specific. Others searched for significant similarities and distinctions between nations and the ascertainment of whether these differences are shrinking or expanding. Other researchers have sought the determinants and consequences of these differences (Clark, Gospel, & Montgomery, 1999).

Jackson and Schuler (1995) asserted that much of this research focuses on finding differences, but their research failed to address the cultural contexts of the

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This dissertation follows the style and format of the *Journal of Agricultural Education*.

organizations in which these divergences occur. Cultural contexts are recurrently linked to national boundaries, and therefore HRM policies and procedures are frequently compared across nations. Indeed, national boundaries have been shown to be correlated with differences in HRM policies and perceptions. Hofstede (1983) supported the importance of “nationality” on a culture’s psyche. “National and regional differences are felt by the people to be a reality and therefore they are a reality” (p. 75).

In an effort to quantify the concept of “culture,” Hofstede (1983) proposes four dimensions of national culture. The dimensions were measures of Individualism, Power Distance, Uncertainty Avoidance, and Masculinity. Hofstede formulates these dimensions to be virtually independent and, hypothetically, exclusive of one another. With these dimensions (others have been subsequently added), Hofstede asserted the importance of national and/or cultural context on human resource management practices and perceptions.

Budhwar and Sparrow (2002) outlined a framework which may be used to study cross-national differences in human resource management practice. Within this framework, Budhwar and Sparrow contended that four “national factors” (national culture, institutions, industrial sector, and business environment) set the overall “climate” for variances in HRM across countries. Budhwar and Sparrow identified several mechanisms by which cultural context may affect HRM policies. These included managerial roles, behaviors, and assumptions.

Several researchers joined together to form the “Best International Practices Consortium” or “Best Practices Project” (BPP), a series of studies designed to measure

cross-national differences in perceptions and practices in several areas of human resource management including personnel selection, performance appraisal, training, compensation practices, leadership, and communication (Von Glinow, Drost, & Teagarden, 2002). These researchers took into account national/cultural differences as they compared perceptions and attitudes of HRM across nine countries, including Indonesia, and one region, South America. The BPP's findings indicated that Indonesia is unique in several areas of HRM and that as a nation, Indonesia does not lend itself to any one grouping and differs greatly from other Asian nations as well as Western nations.

The contributing members of the BPP demonstrated how implementation and perceptions of HRM areas including hiring, training, performance appraisal, and compensation can differ across national and regional contexts. Results pointed to certain aspect groupings among nations with similar cultural characteristics. Taiwan, South Korea, China, and Japan displayed parallel traits in HRM emphasis as did Canada, Australia, and the United States. Drost, Frayne, Lowe, and Geringer (2002) acknowledged Indonesia's variance and pointed out an inability to find any literature on training and development practices within Indonesia, which left their analysis of this difference, self-admittedly, incomplete.

Possible explanations for Indonesia's distinctive characteristics in training and other HRM areas may lie in the nation's unique geographic and social composition. This relatively young nation comprises more than 13,000 islands encompassing more than 700,000 sq miles. Indonesia possesses the fourth largest population in the world,

with the 2000 census placing the nation's population at an estimated 206 million. Indonesia's people are as varied as the nation's geography. A vast majority of Indonesians (88 percent) are Muslim, making Indonesia the most populous Muslim nation in the world. Christians account for approximately eight percent, while Hindus make up roughly two percent of the population (Suryadinata, Arifin, & Ananta, 2003). These religions stretch across several ethnic groups who have traditionally held differing social and cultural practices. A shared sense of nationality does not translate into cultural homogeneity within a nation's borders. Factors such as ethnicity, religion, class, and education can be the basis for numerous subcultures within a single national context (Smith, Bond, & KagitcibasI, 2006).

Therefore, this study replicated portions of the BPP research within Indonesia across three subcultural/ regional contexts. This study provided comparable measures to the BPP's existing results, as well as measured possible differences across Indonesia's complex societal fabric.

### **Statement of the Problem**

Contrasted with the relative cultural homogeneity of other previously observed nations, Indonesia presents a unique opportunity to study possible effects of cultural differences on aspects of human resource management inside a single national context. Such a context offers the possibility of controlling for factors such as national regulations and laws, which, in previous studies, were considered independent variables. The practices and perceptions measured by the BPP go beyond "daily" operational

implications and affect long-term strategic goals of the company such as competitive advantage and compatibility within regional and global market places.

As Indonesia's role in the global market place increases, so will the need for greater understanding of how varied subcultures affect the nation's workforce.

### **Purpose of Study**

Therefore, the fundamental purpose of this study was to determine whether regional/religious/ethnic subcultural contexts significantly affect perception/practices of human resource management within the Indonesian national perspective. A secondary purpose of the current study was to provide comparable results with those found in Indonesia by the Best Practices Project.

### **Specific Objectives**

The following specific objectives were identified to achieve the purpose and facilitate the development of this study:

1. Identify three definable subcultures within Indonesia.
2. Modify existing instrument utilized by the Best Practices Project.
3. Develop methodology for application of the survey instrument within Indonesian businesses.
4. Measure and compare existing importance ratings of HRM factors across subcultures.
5. Measure and compare perceived importance ratings of HRM factors across subcultures.

6. Compare findings of current study with those of the Best Practices Project for Indonesia and other nations/regions.
7. Discuss possible implications of findings.

### **Theoretical Base**

The following concepts summarize the theoretical structure on which this study is based. These concepts are expanded in the review of literature as described in Chapter II:

1. Societies exhibit empirical differences in cultural dimensions across national boundaries (Hofstede, 2001).
2. Human resource management perceptions and practices differ across national contexts (Drost, Frayne, Lowe, and Geringer, 2002).
3. Factors such as ethnicity, religion, class, and education can be the basis for numerous subcultures within a single national context (Smith, Bond, & KagitcibasI, 2006).
4. Several subcultures based on religion/ethnicity/geography comprise the regional structure of Indonesia (Kumar, 2003; McVey, 2002; Suryadinata, Arifin, & Ananta, 2003).

### **Research Questions and Hypotheses**

The following research questions and hypotheses were addressed in this study:

1. Do Indonesian employees' perceptions of current HRM practices differ from desired practices?

2. Do Indonesian employees' perceptions of current and desired HRM practices differ across cultural regions?
3. Do companies' cultural contexts affect personnel's perceptions of HRM practices?
4. How do measures of this population compare to those found by BPP?

H<sub>01</sub>: Subjects' perceptions of existing and perceived HRM areas do not differ significantly across subcultures.

H<sub>02</sub>: Subjects' perceptions of existing and perceived individual HRM practices do not differ significantly across subcultures.

H<sub>03</sub>: Total mean scores of combined subcultures in the current study do not differ from those found in Indonesia by the Best Practices Project.

### **Methodology**

The instrument employed in this study was sections of the survey used by the Best Practices Project. This survey was translated from English into the Indonesian language by individuals whose first language is Indonesian. This first translation was then converted back into English by another Indonesian speaker to determine if any concepts did not translate literally between the two languages. A consensus by a panel of Indonesian speakers insured that any questionable items transferred the desired concept to participants. The completed instrument was pilot-tested among a small group of Indonesian workers. Questions and comments were solicited from these workers to further insure content validity. The instrument was then administered to personnel of

agri-businesses of similar size located in three geographical regions of Indonesian including West Java, Bali, and Northern Sulawesi.

These regions represent the central locales of three of Indonesia's prominent ethnicities- Javanese/ Sundanese, Balinese, and Minahasan. Each of these ethnicities practice an overwhelmingly predominate religion (Muslim, Hindu, and Christian respectively) as well as self-identify themselves along cultural characteristics.

### **Delimitations**

This study was designed to measure agri-business employees' perceptions of human resource management practices in three Indonesian regions- Western Java, Bali, and Northern Sulawesi. The data collected in this study may not be generalizable to other cultures within Indonesia. However, results may be used for comparisons between these other cultures or nations of interest.

### **Limitations**

1. Respondents may have given culturally or socially "correct" answers even though they knew they would remain anonymous and were informed that there were no "right or wrong" answers.
2. Because of the diversified nature of many Indonesian businesses, replicable samples of businesses engaged in identical enterprises were difficult to obtain.

### **Assumptions**

1. Respondents would be familiar with basic concepts of “human resource management” including: training, hiring, performance appraisal, leadership, communication, and pay practices, if not the specific term itself.
2. Respondents would be representative of the general workforce present in their respective regions.
3. The instrument employed would accurately measure respondents’ perceptions of the targeted concepts.
4. Data collection methods did not influence participants’ responses.

### **Definition of Terms**

**Culture:** “Collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001, p. 9).

**Human resource management:** “The planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and societal objectives are accomplished” (Shonhiwa & Gilmore, 1996, p.16) .

## **CHAPTER II**

### **REVIEW OF LITERATURE**

In an effort to engage new markets and seek labor and financial competitive advantages, companies have become increasingly global in the scope of their operations. With accompanying advantages of reaching new potential consumers and utilizing new labor forces, companies are facing the challenges of how to conduct business in new regions of the world. Employing new labor forces entails the implementation of human resource management (HRM) practices. These practices include recruitment, selection, and hiring of the workforce. Once individuals are hired, they need to be incorporated into the company's framework through training and socialization. Appraising the progress of these employees and motivating them via compensation are also key components of HRM (Schuler & MacMillan, 1984).

#### **Human Resource Management**

Shonhiwa and Gilmore (1996) define HRM as the “planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and societal objectives are accomplished” (p. 16). Effective management of one's labor force results in the increased capacity to recruit and keep qualified personal. Properly motivating these workers increases productivity and product quality while decreasing production costs and worker turnover (Schuler & MacMillan, 1984). By building and maintaining such a workforce, an enterprise can

gain a competitive advantage over its competitors (Sparrow, Schuler, & Jackson, 1994; Tayeb, 1995; Wright, McMahan, & McWilliams, 1994).

How to select, train, appraise, compensate, and communicate with one's domestic workforce can seem daunting enough. Successfully managing employees who do not share the same opinions, values, and outlooks as those found in the company's country of origin can pose a myriad of issues which, if not handled knowledgeably, can negate the advantages of entering new markets. Because of the increasing pressures and interconnectedness of the global market, researchers are now studying how well HRM practices can be transposed across different countries and which practices need to be modified to fulfill their respective purposes (Begin, 1992, Budhwar & Khatri, 2001; Clark, Gospel, & Montgomery, 1999; Easterby-Smith, Malina, & Yuan, 1995).

For corporations or other organizations to be successful in different international settings, they must first understand the cultural context in which they will be operating (Morden, 1995). Several studies have shown that the effectiveness of HRM practices is dependent on how well these methods fit with the culture in which they are implemented (Debrah, McGovern, & Budhwar, 2000; Huo & Von Glinow, 1995). Newman and Nollen (1996) linked three fiscal performance measures of 176 international offices of a US-based firm with managerial practices and cultural dimensions of the offices' respective countries. Newman and Nollen found that offices employing management styles fitting the cultural contexts were more financially productive than those offices whose management practices did not fit with the cultural background.

Having established that HRM practices do affect performance, researchers in both the business and academic community have begun to study how HRM practices differ across countries in which they are applied (Kidger, 1991). These studies attempt to address the need for managers and policy-makers to understand how their overseas counterparts and respective employees perceive and react to general HRM areas and specific practices. By matching the HRM practices with cultural contexts, companies hope to safeguard the advantages gained by globalization.

### **International HRM**

Schuler, Budhwar, and Florkowski (2002) define the purpose of international HRM as the enabling of companies to be successful globally by increasing competitiveness. This competitiveness is accomplished by increasing local efficiency, responsiveness, and flexibility and by the transference of information across national borders (Kidger, 1991). The theory that HRM is perceived and implemented differently across nations has been tested by many comparative studies.

One of the first and largest empirical studies of culture was undertaken at the behest of one of the world's largest international corporations, IBM, by Geert Hofstede (Hofstede, 2001). Hofstede quantifies four aspects of culture including Individualism, Power Distance, Uncertainty Avoidance, and Masculinity. Using these dimensions, Hofstede demonstrated that cultural variations between nations do exist and that they have the real potential to affect differences in HRM practices and perceptions.

Individualism, and its corresponding opposite Collectivism, measures the strength of ties between a society's members and their fellow members. An

individualistic culture is characterized by loose affiliations with those outside immediate family. One is expected to take care of him or herself and immediate family members. In contrast, members of collectivist cultures receive protection and care from the community in return for unwavering loyalty (Hofstede, 2001).

Power Distance is a measurement of the degree to which members of a society accept an unequal distribution of power between other members and organizations. Uncertainty Avoidance is a measure of how members of a culture feel threatened or stressed by the prospect of unfamiliar situations or uncertain outcomes. Masculinity, or Femininity, refers to how well defined gender roles are within a culture as well as the level of objectivity used to measure outcomes or performance. A more masculine culture would be characterized as one in which men and women have clearly separate jobs, duties, and emotions. In a feminine culture, these roles and emotions would be blurred or shared between men and women (Hofstede, 2001).

For a general comparison, Indonesia's Uncertainty Avoidance score (48) is higher than that of the US (36). Indonesia's Power Distance score (78) is also higher than the US (40). Indonesia and the US are at the opposite ends of the scale in terms of Individualism, with the US displaying much greater Individualism (91) than the collectivist society of Indonesia (14). Gender roles in the US are somewhat more defined than those in Indonesia, as by a higher Masculinity score (62) compared to that of Indonesia (46). This also indicates that performance measures in Indonesia are more subjective than in the US.

As with subsequent researchers, Hofstede made comparisons across the national context. In justifying the reasoning for this level of comparison, Hofstede states that nationality is a critical determining factor for management styles. One reason is that employees, managers, and companies within a nation share a common legal system, educational structure, and labor history. Nations impart a symbolic value of belonging and common identity to their respective citizens. These differences are seen as reality by the citizens, and, therefore, Hofstede surmises, are reality. Along with these common institutions, structures, and psyche comes a combined effect of differentiating one group or nation from another. In turn, these differences affect behaviors and mindsets which are manifested in such areas as customs, traditions, schools of thought, legal and educational systems, and government and business institutions (Hofstede, 1983).

Jackson and Schuler (1995) asserted that while comparative research often focuses on differences across nations, much of it fails to address the cultural contexts of the organizations in which these divergences occur. In an effort to fully understand why HRM differences are present between nations, many studies have tried to establish links between differences in culture and HR practices.

Verburg, Drenth, Koopman, van Muijen, and Wang (1999) sampled Dutch and mainland Chinese industrial companies and found several differences in HRM perceptions across the two nations in the areas of hiring, performance appraisal, training, and compensation practices. For example, companies in the Netherlands were more likely than Chinese industries to have formal procedures for hiring and compensation. Chinese companies demonstrated a greater tendency to base pay on both company and

personal performance than did Dutch companies. Training needs analysis was more likely to occur within Dutch companies. Verburg *et al.* identify aspects of each culture including values and historical contexts which might explain these differences.

Aycan, Kanungo, and Sinha (1999) compared HRM perceptions of both workers and managers in Canadian and Indian organizations and observed the effect of cultural contexts on these perceptions. The authors found several significant differences in opinions between the two nations. Canadians stated they felt more autonomy and self-control, or the ability to make decisions and work without direct supervisions, than their Indian employee counterparts. Indian employees indicated that they worked more in tandem with their managers when setting personal goals than did Canadian employees. Indians also displayed more forward thinking when planning actions and goals. Aycan *et al.* found significant correlations between these differences in perceptions and differences in cultural characteristics, including power distance, uncertainty avoidance, and paternalism. Canadians scored lower on these traits than did Indians.

Aycan *et al.* (2000) linked differences in HR job enrichment, supervision, and reward allocation across Canada, China, Germany, India, Israel, Pakistan, Romania, Russian, Turkey, and the United States to cultural dimensions established by the researchers. These dimensions included paternalism, power distance, fatalism (the belief of the inability to control the outcomes of one's actions) and loyalty toward community. Managers in nations scoring higher on the fatalism scale, such as Russia and India, were less likely to engage in job enrichment, performance-based reward systems, or employee empowerment. Management in countries with high paternalism scores (India, Turkey,

and China) were also less likely to empower employees to set personal goals, make decisions, or accept responsibility.

Budhwar and Khatri (2001) discovered differences between British and Indian companies in the HR practices in the areas of recruitment, compensation, training, and communications. In order to control for possible confounds that may be caused by different manufacturing sectors or business size, businesses with more than 200 employees were matched with their British or Indian counterparts in specific areas such as plastic, steel, textiles, or pharmaceuticals. Distinctions were also made between blue- and white-collar employees. Budhwar and Khatri found that differences did exist between matched British and Indian businesses but were dependent on HR strategies such as cost reduction or talent acquisition.

Not all comparisons are made between such obviously distinct countries such as Canada and India or China and the Netherlands. Neelankavil, Mathur, and Zhang (2000) compared perceived management performance factors in the United States with those of three Asian nations: mainland China, India, and the Philippines. While these Asian countries are distinct from one another, it is probable that they do share a more common sphere of cultural influence with each other than with western nations.

Neelankavil *et al.* found significant differences between Chinese, Indian, Filipino, and American managers' perceived importance of characteristics such as planning/ decision-making, self-confidence, educational achievement, communication skills, past experience, and leadership ability. The largest differences between perceived importance of management factors were educational skills, planning, and decision-

making abilities. Surprisingly, the largest national differences were not seen between the three Asian nations and the US but between China and the rest of the sampled countries. This phenomenon suggests that perhaps simply grouping nations by only one, two, or three cultural dimensions is no guarantee that the group will display similar HRM preferences. Neelankavil *et al.* concluded that these differences in HR practices originate from variations of Hofstede's cultural dimensions such as collectivism/individualism found between the four countries.

Brewster and Larsen (1992) observed variances in the utilization of companies' HR departments across ten European nations: Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom. The companies sampled represented several business and public sectors such as health, manufacturing, agriculture, chemical, and engineering. Brewster and Larsen measured the degree to which these companies considered HRM as part of business strategy (integration) and the extent to which HRM responsibilities were placed on line managers as contrasted to HR specialists (devolvement). Nations which displayed higher levels of devolvement more closely matched one another's cultural dimensions than countries with lower devolvement levels. Denmark and the Netherlands were shown to have low integration and high devolvement. These two countries share common scores on Hofstede's cultural dimensions of high individualism, small power distance, and low masculinity. Sweden and Switzerland display similar high individualism and small power distance scores. Brewster and Larsen found that these two countries both have high levels of both integration and devolvement.

Nations with low devolvement did not fit each other's cultural dimension scores. Countries with high integration and low devolvement included France and Spain, which are culturally similar to one another. However, Norway, which has lower power distance and uncertainty avoidance (Hofstede, 1983), was also included in this HR grouping. Nations with low integration and devolvement, including Italy, Germany, and Great Britain, did not lend themselves to similar cultural groupings. Germany was closer to Italy with higher uncertainty avoidance but more closely matched Great Britain with lower power distance (Hofstede, 1983). These findings suggest that different combinations of cultural dimensions may affect HR practices in varied ways.

### **The Best Practices Project**

In response to a growing need for information concerning how HRM practices are affected by the cultural context in which they are implemented, a conglomeration of international researchers undertook a transnational survey to compare how cultures impact employees' perceptions and attitudes of specific HRM practices.

The Best International Practices Consortium, known as the Best Practices Project (BPP), sought to determine which HRM practices are most effective within specific contexts such as national and regional cultures (Von Glinow, 2002). To accomplish this, the BPP employed several researchers from various national backgrounds to develop and administer surveys which measured different areas of HRM, including hiring, training, performance assessment, and compensation. Management styles, leadership, and communications practices were also included in the survey, but data from these areas were either not obtained or remain unpublished. The BPP comprises nine countries and

one region- Australia, Canada, Indonesia, Japan, Latin America, Mexico, South Korea, Taiwan, the People's Republic of China, and the United States.

The BPP survey included a section which asked respondents to choose which of four management options they currently believed their supervisors exhibited and which management style they would prefer (see Appendix A). These management styles are modeled after those constructed by Likert (1967) which were classified as Exploitive Authoritative, Benevolent Authoritative, Consultative, and Participative. Likert based these management styles on levels of interaction, cooperation, and communication between subordinates and superiors, such as the degree to which managers encourage employees to discuss important issues and incorporate subordinates' ideas into solutions. Exploitative Authoritative managers exhibit little or no regard for employees' opinions. Benevolent Authorities managers still fully control decision making but are more open to employees' inputs and needs. Consultative managers make an active decision to obtain employee input and incorporate it into their final decision process. Participative managers allow employees to directly influence decision making processes.

Using an "is now" and "should be" Likert-scale format, BPP asked whether a specific practice was utilized in the respective country and to what extent respondents believed these practices should be employed in the future. BPP also asked how respondents perceived these practices as related to employee performance, job satisfaction, and overall organizational effectiveness. The manner in which BPP researchers distributed questionnaires differed according to the method which received the most responses. Researchers in some countries such as Mexico and Indonesia had to

administer survey instruments in person as initial mail-in response rates were extremely low or impractical (Geringer, Frayne, & Milliman, 2002).

Results of these surveys indicated several differences in perceptions and opinions of HRM practices across nations. While some HRM practices followed regional or cultural patterns as in Asia (Japan, Korea, Taiwan, PRC) or Western (Australia, Canada, US), others did not lend themselves to suspected trends. Indeed, Indonesia stands out as a country which did not readily follow any categorical classification. As mentioned in Chapter I, very little literature exists regarding Indonesian business models or HRM practices (Drost *et al.*, 2002). The following is a short summary of the BPP findings and the manner in which Indonesia relates to them.

### **Indonesia and the Best Practices Project**

Huo, Huang, and Napier (2002) studied hiring (recruiting) practices across the countries involved in the BPP. Huo *et al.* hypothesized that choosing the most qualified persons for vacant positions would be a universal goal of companies worldwide. While selecting the best qualified candidates may be a common objective, the findings of Huo *et al.* suggest that methods for meeting this purpose differ across countries. Huo *et al.* measured several aspects of recruitment including importance of candidates' ability to meet technical requirements and the method by which this ability is determined. Significance of candidates' social attributes such as his or her capacity to interact well with current employees and the company's value system, as well as the methods by which these were ascertained, were also observed.

The results of Huo *et al.* show that, with some exceptions, candidates' ability to perform the technical requirements of the job and the outcome of personal interviews were commonly employed across countries. Indonesia, China, and South Korea were the only countries that indicated a current emphasis on employment tests. Desired hiring practices were more widely varied according to country. Indonesian respondents indicated a desire to see employment tests play a larger role than that currently perceived.

Drost, Frayne, Lowe, and Geringer (2002) studied training and development practices in BPP countries. Among the countries surveyed, Indonesia rated the lowest in current training for improvement of technical skill, while showing a high level of interest in future use. Indonesia was the third highest behind PRC and Taiwan in the current utilization of training as a reward to employees but was the lowest among all nations in the area of improving interpersonal skills as both a current and desired practice. Although overall scores were low, Indonesia grouped with PRC, Taiwan, and Latin America in the upper ranking of countries for the current improvement of poor employee performance.

Milliman, Nason, Zhu, and De Cieri (2002) observed performance appraisal practices across the BPP nations by grouping individual survey questions into four main purposes. Documentation included employees' past performance, strengths and weaknesses, and goal achievement. Development purposes were composed of planning, training, and ascertaining specific methods by which performance could be improved. Administrative purposes consisted of using evaluations to determine compensation and

promotion. Subordinate expression centered on the utilization of evaluative practices as ways for employees to express their opinions.

Appraisals as documentation tools were rated as low (below 3.0) by respondents in Indonesia, Australia, and Mexico and moderate (between 3.0 to 3.5) in the remaining countries. Desired documentation was ranked moderately high (3.5 to 3.9) in all Asian countries with the exception of Taiwan, which, along with Western nations, ranked desired documentation highly (above 4.0). Respondents from Asian countries, excluding Taiwan, indicated a moderate desire to see appraisals used as development tools, contrasted to high rankings of Western and Latin American nations. Indonesia joined Mexico, the US, PRC, and Canada in rating appraisals as currently being used for promotion applications. Respondents from most nations stated only a moderate desire to see appraisals employed for promotions. All nations scored low to moderate for current subordinate expression. Desired expression was higher in all countries.

Lowe, Milliman, De Cieri, and Dowling (2002) present the BPP's findings on compensation practices within BPP countries. When considering seniority in salary determination, Indonesia joined Taiwan and Japan as nations scoring above 3 as a current practice. Indonesia joined all other countries, excluding PRC and Korea, in indicating less of a desire for seniority to influence salaries in the future. In the current utilization of pay as an incentive (or motivation), Indonesia scored closer (2.8) to Western nations but showed more similarity to Korea, PRC, and Japan in the desire to see motivational pay (3.92). Indonesia scored current performance-based salary (2.81)

closer to China and Japan than the other Asian nations of Korea and Taiwan, whereas desired emphasis on performance was closer to that shown by Canada (3.85).

The BPP survey also included sections on leadership and communications (see Appendix A) which consists of items focusing on companies' specific practices of motivating, directing, and disseminating information. Results from these sections are not published with other BPP findings and therefore could not be compared with current findings within Indonesia.

### **Indonesia's Uniqueness**

Cultures within nations are not necessarily uniform. Factors such as religion, race, class, and education often lead to the existence of several subcultures within national contexts (McGuire, O'Donnell, Garavan, Saha, & Murphy, 2002; Smith & Bond, 1993; Smith, Bond, & KağıtçibasI, 2006). Hofstede (1983) acknowledged the existence of culturally distinct groups within some national contexts but maintained the focus of his study at the national level. He asserted that these distinct groups can still display a single, distinguishable culture when compared to that of another nation.

National boundaries make for ready delineators of dependent variables, the countries themselves. If, as discussed above, factors such as religion, ethnicity, class, education, and geography all contribute to the definition of a specific culture (McGuire, O'Donnell, Garavan, Saha, & Murphy 2002), then how might these reflect in the results of a nation with a culturally heterogeneous population? Nations with populations displaying variations of these factors may be home to several distinct groups which do not lend themselves to one homogenous national culture. Smith and Bond (1993) argued

that in comparing one nation to another, a researcher could easily find subcultures within one country which are more similar to those of the opposite nation than they are to their national culture.

The reason that Indonesia does not lend itself readily to regional groupings from the BPP results may lie within its cultural heterogeneity. Within Indonesian ethnicity, the active effort to define oneself or group is commonly synonymous with religion and regional location or territory (McVey, 2002).

### **Indonesian Cultures**

With more than 1,000 separate ethnic groups, Indonesia is a prime example of numerous cultures within a single nation (Suryadinata *et al.*, 2003). Most of these groups are dwarfed by the Javanese, whose 83 million members make up approximately 40 percent of Indonesia's population. Despite this numerical superiority and a relative monopoly on central political power, topography and deep-seated traditional differences have preserved many of these unique identities (McVey, 2002; Kingsbury & Aveling, 2002).

This study focused on three distinct ethnic groups: the Javanese/ Sundanese, the Balinese, and the Minahasans. These groups were chosen because they possess recorded cultural distinctiveness among one another as well as geographic centralities in which these ethnicities constitute the respective majorities (see Appendix B).

## **Javanese and Sundanese**

With a combined population of ~112 million, the Javanese and Sundanese people are the first and second largest ethnic groups in Indonesia, comprising 40 percent and 15 percent of the total population respectively. These groups share the 48,900 square mile island of Java (Suryadinata *et al.*, 2003). Javanese inhabit Eastern Java while the majority of Sundanese inhabit the western portion of the island, an area roughly 17,000 square miles, where they form the largest ethnic group with approximately 26 million, or 74 percent of the region's population. The overwhelming majority of West Javan residents, 97 percent, is Muslim (Suryadinata *et. al*, 2003). The city of Bogor represents a major center of Sundanese ethnic identity despite being only thirty miles from the national capital of Jakarta (Grant, 1965).

Javanese and Sundanese neighbors do consider their cultures unique from each other. The bases of these differences include variations in religion and language. Sundanese have traditionally followed a more orthodox form of Islam than the Javanese (Lamourex, 2003, Freyer & Jackson, 1977), which may be a reflection of a resistance to change in general. This orthodoxy may also be, in part, a response to a self-awareness of loss of Sundanese culture reported by Wessing (1977). Another aspect that separates the Sundanese from Javanese is their language, which is distinct from that of Javanese or the national language of Indonesia, and is still spoken by a majority of Sundanese (Chalmers, 2006).

Javanese and Sundanese do, however, share much common history because of the unification of various kingdoms under the Hindu Majapahit Empire from 1293-1500

(Taylor, 2003). Muslim merchants and leaders continued this merging of cultures from the Sixteenth Century onward (Taylor, 2003; Koentjaraningrat, 1990). The development of Jakarta, Western Java as the national capital and center of commerce has also resulted in a further blurring of regional distinctions.

Etiquette and courtesy play large roles in Javanese relationships (Williams, 1990; Palmier, 1969; Geertz, 1960). As with the Javanese, Sundanese relationships are built upon the show of respect and manners to one of higher status. Javanese and Sundanese relationships are also characterized as patriarchal authoritarianism in which dependents look to a leader for support in return for loyalty, which is expressed as one of the major tenets of “being Javanese” (Sutarto, 2006). Social status can be measured in the number of dependents one has under his (or her) purview. The status of these dependents within society is also directly correlated with the status of the benefactor himself (Wessing, 1977).

Maintaining social harmony is an important aspect of life on Java. In many instances, one will avoid a negative verbal response to a question, but will instead answer in the affirmative with a corresponding facial expression that denotes an actual negative answer. Javanese generally try to avoid expressing displeasure or confrontation directly, favoring a more indirect approach using irony or omission (Sutarto, 2006). Self-effacing behaviors such as unwillingness to assert oneself openly are also seen as ascribable Javanese traits (Sutarto, 2006), as are the avoidance of negative feelings and disappointment through a general attitude of acceptance of negative outcomes or events (Williams, 1990).

## **Balinese**

The Balinese people comprise roughly 1.5 percent (or ~ 3 million) of the total Indonesian population. Balinese can be found in relatively small numbers in numerous regions of the country. The vast majority (~2.8 million) live on the island of Bali, where they make up 88 percent of the island's population. Eighty-seven percent of the island's inhabitants are Hindu, a faith that constitutes 1.8 percent of Indonesian religious beliefs (Suryadinata *et al.*, 2003). Denpasar is the major city on Bali and is located on the southern tip of the island.

Though some practices and observances are fading from daily life, such as functional adherence to the caste system, the Balinese ethos has been very resilient in the face of encroaching cultures, both Western and Eastern (Barth, 1993). Underlying much of Balinese life is a sense of balance and harmony within the individual as well as within the community (Belo, 1970). To preserve such harmony, Balinese practice emotional restraint and place a premium on maintaining poise and dignity (Belo, 1970). Balance is also perceived to originate from order. Correspondingly, Balinese society is very hierarchical in nature with much regulation and structure dictating social behavior (Parker, 2003; Jensen & Suryani, 1992). Balinese actions historically center on sociological and communal benefits as opposed to exclusive individual goals or values (Bateson, 1970).

Balinese society may be viewed as egalitarian, though not in the sense of wealth, status, or power. Equality of dignity or of "face" is seen as a way to maintain harmony within the community. A manager or foreman may show restraint in giving orders or

correcting mistakes in deference to maintain good social relations and to avoid conflict with the workers below him (Belo, 1970).

Balinese generally follow the adage “know little, say little” to avoid the chance of being incorrect (Jensen & Suryani, 1992). Depending on the status of those discussing an issue, consensus may or may not be reached. It is more likely that an inclusive agreement will be required among a group of equals than it would be in a group with a leader of higher status (Parker, 2003).

Because of a high level of regulation and structure, responsibilities and duties within the social or work organization are often very clearly defined and rarely altered (Parker, 2003). Complex tasks such as spiritual rituals are routinely undertaken with great attention to detail. However, reasons behind these detailed actions are often unknown to those participating in them (Parker, 2003).

### **Minahasans**

The Minahasans inhabit the northern tip of the island of Sulawesi. Though a relatively small ethnic group on the Indonesian national scale, 0.3 percent of the total population, the Minahasans constitute the majority ethnicity present in the province of North Sulawesi, numbering roughly 650,000 or 33.19 percent of regional population in 2000 (Suryadinata *et al.*, 2003).

The Minahasa people are a conglomeration of eight tribal groups - the Tombulu, Tonsea, Tondano, Tontemboan, Tonsawang, Ponosakan, Ratahan, and Bantik. Although these eight Minahasan tribes possessed distinct languages and quarreled internally, they banded together to face outside threats from neighboring groups. The tribes shared a

common creation story and perceived ancestral lineage. While each tribe had its own distinct ritualistic practices, these individual practices were seen as components of the larger purpose of the whole when joined with other tribes (Henley, 1993).

The title Minahasa comes from the word “Mahasa,” meaning “those who unite” (Renwarin, 2006, p 1). The first mention of “Minahasa,” meaning “united, become one” comes from the 1789 Dutch colonial administrators (Henley, 1993). The Dutch wrested control of the region from the Spanish in 1660 and proceeded to leave their colonial impression on the people. With the arrival of the Dutch, Christianity replaced traditional spiritual practices as a common thread throughout the eight tribes (Henley, 1993).

Dutch missionaries and authorities encouraged unifying ideas already present, including a common creation story, intertribal marriage, and formalization of a common governing body, further promoting a sense of a single Minahasan culture. Increased infrastructure in the region also more closely linked the loose tribal confederation (Henley, 1993).

The Minahasans readily adapted to the presence of the Dutch and quickly became an administrative class across the entire Indonesian archipelago. Minahasans served as mid-level bureaucrats and elite soldiers in the colonial army. The founding of Minahasan newspapers, schools, and a governing body which negotiated directly with the Dutch parliament illustrated a robust sense of Minahasan identity, however far from its ancestral roots (Henley, 1993; Renwarin, 2006). Minahasans have garnered a relatively large amount of literature on their culture and self-perception despite being

one of the smaller Indonesian ethnic groups. This proliferation of research is due in part to close ties with The Netherlands.

Jacobsen (2006) asked Minahasans to identify traits they themselves see as “Minahasan.” The respondents listed land holdings, family history, Christianity (especially evangelical Protestantism), and Westernization as the most self-identifiable Minahasan characteristics. Minahasans describe themselves as open, generous, dynamic, and cooperative.

Minahasans also place importance on individual achievement through courageous acts and quick wittedness (Schouten, 1995). The roots of these traits can be traced back to Minahasans’ unique creation stories in which man tricks or directly steals from the gods to obtain the necessities of life such as rice, wild pigs, or cloth (Schefold, 1995).

The cultural variations between Javanese/Sundanese, Balinese, and Minahasans, as well as other Indonesian groups, are not simply academically cataloged distinctions. These differences are felt by members of each of the groups. Hofstede (1983) stated that “regional differences are felt by the people to be a reality-and therefore they are a reality” (p. 76). Evidence of this reality was observed by Hutchings and Ratnasari (2006) who qualitatively studied Indonesian workers moving from one culture to another within the country. Hutchings and Ratnasari found that Indonesians do perceive differences in values and behavioral norms, such as the role of women, across these cultures. These differences were substantial enough to cause stress among the relocating

workers. It is therefore plausible that these cultural differences also affect HRM practices and perceptions.

### **Agricultural Leadership and Education**

Despite the importance of both human resource management and agricultural education, only a tenuous link between the two exists in the literature. There are few direct references to the application of human resource management practices to issues being faced by both private agribusiness and the public agricultural sector.

As agricultural operations become more commercialized, traditional labor management practices may not be as applicable as they once were (Howard, McEwan, Brinkman, & Christensen, 1991). In developed nations such as Canada and the US, shortages of skilled agricultural labor are also an issue as hired laborers have become a larger portion of the farming workforce. As a result, the need for knowledge of HRM practices has increased among farm owners and managers (Bitsch & Olynk, 2007). Farm owners are finding it increasingly difficult to recruit and retain skilled workers (Howard, McEwan, Brinkman, & Christensen, 1991).

Here, effective HRM is important for the motivation of skilled workers. By compensating workers with attractive incentives and benefits, farms and businesses stand a much better chance of retaining workers in the face of industries which can offer higher wages. Some research suggests that agricultural labor offers better non-economic rewards, such as high-self esteem, recognition, and comradery with other workers, than do other industries (Howard, McEwan, Brinkman, & Christensen, 1991).

Developing and managing agricultural workforces are also important in developing nations, where agriculture often remains the main source of income for the majority of the population. In Africa alone, an estimated 510 million inhabitants still rely on agriculture as a main source of income (Kamoche, 2002). Food handling and processing are key sections of the agricultural chain. In developing nations, such operations can vary widely in size and efficiency (FAO, 2003).

Along with other areas of agricultural industry in developing nations, these areas have traditionally employed large percentages of low skill and unskilled workers. However, the implementation of relatively complex procedures, food safety, and product manufacturing calls for increasingly higher levels of worker aptitude. Devising and implementing effective HRM practices for these emerging workforces should be a major concentration area of agricultural leadership and education research and curriculum.

As with specializations in other business sectors, HRM practices may, by necessity, vary across different agricultural industries (Burton, Schurle, Williams, & Brester, 1996). As an example, some practices employed in dairy production may not be as applicable or effective when applied to pork production (Bitsch & Olynk, 2007; Erven, 2001).

Proper management of human resources is crucial to the building and maintenance of a functioning civil service, which includes agricultural extension agents. This is especially true in developing nations, where agriculture serves as a vital source of income and sustenance for the populous (Tessema, Soeters, & Abraham, 2005). As in the private sector, recruitment, training and development are key to staffing

governmental positions. Problems arise from nepotism as well as inadequate or inappropriate training. In many instances, connections are used to fill positions with individuals who have little or none of the required expertise. Uneven recruitment, or the lack of a cohesive hiring plan that does not address the actual needs of constituents is also a major hindrance to effective extension services (Karbasioun & Mulder, 2004).

Training and development programs can be neglected because of a lack of resources. If agents are not given access to the latest information or technology, then passing these innovations on to their constituents is impossible (Karbasioun & Mulder, 2004). When training does occur, it can be haphazard, or irrelevant to the issues faced by the agents attending. Supervisors may employ training as a system of rewards or punishments. Trips, per diems, and other perks associated with these trainings can be seen as a way of rewarding favorite subordinates, as opposed to targeting needed knowledge areas. Conversely, supervisors may relegate tedious or laborious training to out-of-favor agents as a way of punishment (Tessema, Soeters, & Abraham, 2005). There is no reason to exclude training as part of a reward system, provided that it is extended to agents who would benefit most from learning new skills.

If civil service positions are filled with skilled personnel, retaining these agents becomes an issue that must be addressed. The loss of skilled civil servants to the private sector due to inadequate compensation or motivation is a major concern in developing nations. Because often scarce resources are used to train these individuals, the loss of these individuals can place a large burden on already strained government agencies. While individual practices may vary across nations and cultures, some form of merit

based pay and promotional system should be utilized to encourage high standards of performance (Birmingham, 1999). Implementing a transparent and consistent reward system that focuses directly on the needs of these civil servants is critical to their retention (Tessema, Soeters, & Abraham, 2005). Clear paths to promotion and other career opportunities should also be provided, with criteria based not only on academic background, but actual skill level as well (Birmingham, 1999). Lack of mobility within extension organizations can also lead to the loss of skilled personnel (Karbasioun & Mulder, 2004).

While HRM is not as clearly linked with agricultural enterprises as it is with other businesses, efforts are being undertaken by institutions of higher learning to incorporate management and leadership into agricultural educational programs and research. Human resources are equally important to a business or nation as are natural resources and man-made infrastructure (Van crowder, 1996). Therefore, much of the task of developing this human capital falls to colleges and universities, which, in turn, pass the mission onto their graduates.

Emphasis on human resource management in agriculture is pursued in developing nations such as India. There, efforts are being made in India to introduce human resource management curricula in agricultural extension in order to better prepare extension graduates to face the changing needs of the nation's economy (Sulaiman & van den Ban, 2000). Sulaiman and van den Ban argue that training in the social aspects of agriculture development has been overlooked in favor of more statistically based research methodology.

Studies indicate that HRM is being addressed in agriculture education departments at US institutions of higher learning (Brown & Fritz, 1994, Fritz, Hoover, Weeks, Townsend, & Carter, 2001). Thirty six of 55 surveyed departments stated they offer courses dealing with leadership and HRM (Brown & Fritz, 1994). While curricula may have changed, many of these courses have been offered for over ten years, establishing a definite presence of HRM within the context of agricultural education (Brown & Fritz, 1994). Fritz *et al.* (2001) found that over half of departments surveyed required students to take at least one HRM course.

As with any subject, curricula must be periodically updated to keep pace with the realities found outside the classroom. To this end, HRM must be a continuing focus of agricultural education researchers (Sonka & Hudson, 1989).

### **Summary of Related Literature**

This chapter presented a review of literature outlining the current state of research concerning the effects of different cultures on perceptions and attitudes of HRM and the need for such research. Differences in perceptions and attitudes have been shown to exist across national boundaries. This review discloses possible limitations of current research in finding studies which endeavor to explain these differences in terms of specific cultural variations. A review of the literature finds that studies do not take into account intra-national cultural consistency, which leaves unanswered the effects of multiple cultural groups within a national context. Research has indicated that Indonesia is in many ways unique from its Asian neighbors. Further research shows that Indonesia

is far from cultural homogeneity and that it contains several distinct ethnic groups. In summary, past research has shown that:

- HRM perceptions and attitudes do differ across national cultures.
- Actual cultural characteristics are not always employed to account for these differences.
- Indonesia is distinctive from its Asian counterparts in many areas of HRM.
- Indonesia comprises several divergent ethnic groups.
- These ethnic groups are likely causes of differences in HRM perceptions and practices.

## **CHAPTER III**

### **METHODS AND PROCEDURES**

#### **Selection of Sample**

Accurate estimations of the number of businesses involved in food processing, handling, or production in Indonesia are extremely difficult to ascertain. Many companies are diversified into several varying industries and do not categorize themselves solely by one aspect. Individual company size can also vary widely according to seasonal production or other market forces. Businesses are often reluctant to divulge proprietary figures such as exact employment or production. The majority of businesses are not legally registered with respective provincial governments, further complicating accurate statistical data. However, some estimates do exist. Agriculture employs the majority of the Indonesian work force. In total, various sectors of agriculture employ ~42 million workers above the age of 15 in some form of agricultural enterprise (Badan Pusat Statistik, 2007).

There are an estimated 3.5 million businesses of varying sizes operating in West Java. Of these, only 37,499 are registered with the government (Heriawan, 2004). The remaining majority are generally cottage-sized operations or street vendors. A similar, but less exaggerated trend is observed on Bali, where approximately 35,000 of a total of ~180,000 businesses are registered (Bank Indonesia, 2004a). Manado is home to approximately 60,000 businesses. An estimate of the number of registered businesses was unavailable (Bank Indonesia, 2004b).

With such a varied business population, it was necessary to narrow selection to those companies that had registered with their respective regional governments. These businesses are generally much larger than their unregistered counterparts. Access to major national firms was difficult, usually requiring essentially unobtainable authorization from home offices in Jakarta. Prospective companies were limited to firms own and operated by Indonesians and employing between 25 and 300 workers in order to control for possible confounds stemming from international control or ownership.

Population statistics are clearer due to the 2000 national census. West Java was the most populated of the studied regions with 35 million inhabitants. Of these, 26 million are Sundanese, while nearly 4 million (11%) are Javanese. The population of Bali numbers 3.1 million, of which 2.7 (88%) are Balinese. North Sulawesi possesses a population of nearly 2 million, with ~660,000 of (33 %) Minahasans (Suryadinata *et al.*, 2003). While these numbers give an approximation of the populations from which this study's sample was obtained, care should be taken when interpreting them, especially in the cases of West Java and North Sulawesi. Participants in North Sulawesi were from the city of Manado and the surrounding areas. Though the minority in the region (which covers a large area), Minahasans comprise the majority in the city and Manado regency.

The sample was defined as 762 non-management workers employed by 36 Indonesian companies within the food processing, handling, and production industrial sector. These targeted convenience samples were selected to represent employees in three geographical regions/ cities of West Java, Bali, and Northern Sulawesi (Manado

Regency) and corresponding ethnic majority – Javanese/Sundanese, Balinese, and Minahasan respectively (see Table 1).

Potential registered companies were selected from a variety of sources. Several were located via the database of the SEAFast Project, a US funded, Texas A&M administered food safety development project. These companies had been previously identified by the project as potential participants in upcoming training initiatives. Other companies were found using local phonebooks and internet searches. Some companies were discovered simply by driving past their locations.

A Bahasa staff member contacted these companies via phone to re-confirm the companies' main focus and contact information. A letter detailing the study's purpose and scope was then sent to the prospective companies. Once companies agreed to take part in the study, an appointment was made with the management. The study's purpose and scope were explained with company management. If management agreed to allow the company to participate, volunteers were then solicited from the respective companies' workforce.

Table 1

<i>Regional Representation of Sample</i>			
Majority Subculture	Region	Companies	Employees
Javanese/ Sundanese	Bogor/ West Java	12	220
Balinese	Denpasar/ Bali	13	206
Minahasan	Manado/ North Sulawesi	11	336
		36	762

### **Instrumentation**

The instrument employed in this study was a shortened form of a questionnaire used in a study conducted by Geringer *et al.* (2002) as part of the Best International Human Resource Management Practices Project (BPP). The instrument used in the present study was modified to reflect the goal of measuring differences solely across cultures and not gender, age, or education level. Questions asking gender, age, education level, and occupation title were excluded to help ensure anonymity of respondents. Questions exploring job satisfaction, opinions of direct supervisors, and future career plans were also removed to further protect respondents and to reduce possible anxiety. Questions specifically tailored for managerial staff were also excluded (see Appendix A).

Using a “Is Now” (current practices)/ “Should Be” (desired practices) question format, the instrument in the present study measured participants’ perceptions of current HR practices within their respective companies as well as their opinion of how the practices should be implemented in the future. This format allowed for the contextual comparison of both current practices and employees’ preferences between regions. Questions were posed in a 5-point response scale from “Not at all” to “A very great extent” and covered six areas of HR - hiring practices, training and development, performance appraisal, pay, leadership, and communications. Effectiveness of companies’ policies toward attracting and retaining qualified personnel, employee satisfaction, and overall organizational success were also measured using the same response scale.

### **Translation**

The original BPP instrument deployed within Indonesia was translated into Bahasa, the national language. To ensure a conceptual translation in which ideas conveyed matched those of the English original, several renditions were produced using the back translation method (Brislin, 1970). A native Bahasa Indonesian speaker was asked to translate the original version from English to Bahasa. Three other Bahasa speakers then independently converted this translation back into English. The three versions were compared for conceptual conformity, with the resulting versions found to be very similar in context to the original English version. A panel of Indonesian speakers was then consulted to confirm the items' validity (see Appendix A).

### **Data Collection**

On location at the various companies, another detailed explanation of the study was given to employees, who were then asked if they would like to participate. Those who agreed were given information sheets in Bahasa explaining that they were not required to participate or to answer any questions with which they had concerns. Employees were also informed that their responses would remain anonymous and that management would have access only to the overall findings within the company.

Employees who agreed to participate were then given the instrument with the further instructions to answer each question honestly, with the knowledge that there were no right or wrong answers. Participants completed questionnaires independently and were encouraged not to discuss the questionnaires while completing them.

The principal investigator directly collected completed instrument. A code was assigned to each completed instrument to later identify from which company and region each survey originated. All methods employed in data collection received prior approval by the Texas A&M University Institutional Review Board (see Appendix C).

### **Comparison of Data**

Several assessments of data were made to obtain an accurate representation of HRM practices within Indonesia and between the studied regions. When analogous means were available, combined national means for individual items from the current study were compared to those obtained by the BPP.

Current and preferred managerial styles were compared across regions, as were means of combined items from each of the six HRM areas addressed. Combined means for desired and current practices were also compared nationwide as well as between regions/ subcultures. Individual items with the six HRM areas were also compared between each region.

### **Analysis of Data**

Data were analyzed using the Statistical Package for the Social Sciences (SPSS®) version 14. Responses for survey questions were organized according to individual, company, and region respectively. Descriptive analyses were conducted to measure frequencies, means, and standard deviations of responses within each region.

Chi-square tests were used to find significant relationships between managerial styles and regions. Cross-tabulations were conducted to illustrate these differences across regions.

Cronbach's alpha tests for reliability were employed to measure relatedness of items within the contexts of current practices, desired practices, and perceived effectiveness of current practices within the six HRM areas studied.

Paired samples t-tests were conducted to compare combined item means of nationwide current practices with desired practices within the six HRM areas.

One-way analyses of variance were performed to test for significant differences among regions in combined item means for both current and desired practices of each of the six HRM areas. One-way analyses of variance were also used to compare individual current and desired practices between regions. Unless otherwise noted, Bonferroni Correction post hoc analyses were conducted to ascertain which regions differed significantly from one another if significant differences of means were discovered.

## CHAPTER IV

### RESULTS

The purpose of this study was to determine whether food industry employees' perceptions of current and desired HRM practices varied across cultural differences. This study also asked if overall Indonesian employees' perceptions of current HRM practices differed from desired practices. This study further sought to compare current results with those recorded by the Best Practices Project (BPP) within Indonesia. To achieve these goals, Indonesian employees from three different cultural groups were surveyed using methods described in Chapter III.

Results of data analysis were organized by HRM areas including managerial perception and preference, hiring practices, training and development, performance appraisal, payment practices, leadership, and communications. Within each area, current and desired combined mean scores, as well as individual item scores, are compared across cultural groups. Combined individual scores are also compared to previous findings by the BPP for the areas of hiring, performance appraisal, and payment practices.

#### **Managerial Perception and Preference**

The percentage of current management styles indicated by participants differed by region  $\chi^2(6, N=735) = 30.92, p < .001$ . Perceived current occurrences for Exploitative and Benevolent Authoritative management were similarity distributed across all three regions. Manado respondents indicated a higher incidence (31%) of Participative management and a lower incidence of Consultative management (18%) compared to

both Bogor and Denpasar. Bogor and Denpasar employees pointed out fewer instances of Participative management (<20% each) than those in Manado (see Table 2).

Table 2

*Perceived Current Management Style*

Management Style <sup>a</sup>		Region			Total
		Bogor	Manado	Denpasar	
Exploitive Authoritative	Count	56	78	44	178
	% within Region	26.54	24.00	22.11	24.22
Benevolent Authoritative	Count	48	86	51	185
	% within Region	22.75	26.46	25.63	25.17
Consultative	Count	70	59	67	196
	% within Region	33.18	18.15	33.67	26.67
Participative	Count	37	102	37	176
	% within Region	17.54	31.38	18.59	23.95

The percentage of current management styles preferred by participants differed by region  $\chi^2(6, N=728)=41.57, p<.001$ . Participants across all regions indicated Exploitive Authoritative as the least desired management style in the work environment. Participative management was more desired in Manado (~half) than in the other two regions (< one-third). Within Bogor and Denpasar, Benevolent Authoritative, Consultative, and Participative were almost equally desired (~one-third) (see Table 3).

Table 3

Management Style		Region			Total
		Bogor	Manado	Denpasar	
Exploitive Authoritative	Count	21	28	8	57.00
	% within Region	10.05	8.70	4.06	7.83
Benevolent Authoritative	Count	74	82	63	219.00
	% within Region	35.41	25.47	31.98	30.08
Consultative	Count	61	57	63	181.00
	% within Region	29.19	17.70	31.98	24.86
Participative	Count	53	155	63	271.00
	% within Region	25.36	48.14	31.98	37.23

### Hiring Practices

Overall means for current and desired hiring practices, each comprised of seven items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .595 (*scaled*  $M=20.32$ ,  $SD=3.91$ ) and .607 (*scaled*  $M=24.92$ ,  $SD=3.96$ ) respectively. The overall means were compared to obtain national differences between current and desired practices.

Based on a paired-samples *t*-test, the perceived current hiring practices of combined regions ( $x=2.90$ ) were significantly lower ( $-.65$  mean difference) than desired hiring practices ( $x=3.55$ ),  $t(742) = -28.39$ ,  $p < .001$ .

While no significant differences were observed between combined means for either current or desired practices across cultural regions, significant within-region differences were seen between current or desired practices for all three regions (Bogor,

$t(215) = -14.58, p < .001$ ; Manado,  $t(321) = -19.49, p < .001$ ; Denpasar,  $t(204) = -14.67, p < .05$ ) (see Table 4).

Table 4

*Combined Means for Current and Desired Hiring Practices Across Regions*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Current Hiring Practices	2.93 <sup>x</sup>	.54	2.88 <sup>y</sup>	.63	2.89 <sup>z</sup>	.49
<i>n</i>	217		329		206	
Desired Hiring Practices	3.53 <sup>x</sup>	.54	3.58 <sup>y</sup>	.64	3.54 <sup>z</sup>	.51
<i>n</i>	216		322		205	

<sup>xyz</sup> Significant differences at the .05 level within regions indicated by shared superscript.

Significant differences were observed across regions for five of fourteen individual question items. These included the current perceived and desired importance of individual interviews, the right connections, and the current perception of a skills test on being hired (see Table 5). Significant differences ( $p < .001$ ) were present between all perceived and desired hiring practices compared within regions.

Table 5

*Individual Hiring Practices Survey Items Across Regions*

Item *	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Applicants' ability to perform technical requirements	2.84	.96	2.76	1.02	2.87	.93
	3.94	.88	3.97	.91	4.02	.68
Individual interview	3.19 <sup>ab</sup>	1.12	2.84 <sup>a</sup>	1.10	2.86 <sup>b</sup>	.96
	3.82 <sup>a</sup>	1.0	3.63	1.10	3.4 <sup>a</sup>	1.02
Applicants' ability to interact with co-workers	3.06	.88	2.96	.96	3.08	.89
	4.02	.83	4.05	.82	4.02	.86
Having the right connections	2.81 <sup>abc</sup>	1.22	3.5 <sup>abc</sup>	1.16	3.21 <sup>abc</sup>	1.01
	2.47 <sup>a</sup>	1.31	2.76 <sup>a</sup>	1.43	2.51	1.22
Skills test	2.97 <sup>a</sup>	1.20	2.64 <sup>a</sup>	1.13	2.78	1.02
	3.88	.84	3.83	.99	3.87	.76
Applicants' potential to do a good job	2.96	.84	3.10	.87	2.99	.83
	3.50	1.1	3.71	1.02	3.73	.85
Future co-workers' opinions of applicant	2.60	1.08	2.45	1.14	2.40	1.09
	3.03	1.22	3.15	1.31	3.21	1.05

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

No significant differences in perceived effectiveness of current hiring practices were observed across cultural regions (see Table 6).

Table 6

*Perceived Effectiveness of Current Hiring Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Combined hiring practices	3.46	0.77	3.47	0.86	3.45	0.83
<i>n</i>	215		322		205	
Hiring process affects employees' good performance	3.46	1	3.39	1.04	3.41	1
	215		320		204	
Hiring process affects employees' satisfaction	3.36	0.96	3.39	1.06	3.42	1.01
<i>n</i>	214		320		205	
Hiring process contributes to overall company's effectiveness	3.59	0.99	3.67	1.05	3.54	0.98
<i>n</i>	214		318		204	

The greatest differences between hiring practices measured in the present study and in the BPP are seen in current perceptions of an applicant's ability to perform technical requirements (mean difference of -.77) and desired importance of having the right connections in order to be hired (mean difference of .73) (see Table7).

Table 7

*Comparison of Individual Hiring Practices Survey Items Between Present Study and**Best Practices Project*

Item *	Present Study		BPP	
	Mean	SD	Mean	SD
Applicants' ability to perform technical requirements	2.81	0.98	3.58	0.90
	3.98	0.84	4.16	0.66
Individual interview	2.95	1.08	3.55	0.89
	3.62	1.06	3.93	0.70
Applicants' ability to interact with co-workers	3.02	0.92	3.13	0.88
	4.03	0.83	3.82	0.77
Having the right connections	3.22	1.17	2.69	1.22
	2.61	1.35	1.88	1.06
Skills test	2.78	1.13	3.27	1.09
	3.86	0.89	4.04	0.75
Applicants' potential to do a good job	3.03	0.85	3.08	0.73
	3.66	1.00	3.82	0.70
Future co-workers' opinions of applicant	2.48	1.09	2.46	1.09
	3.13	1.22	2.64	1.16
	N=719-746		N=233	

Note: \* Current practices means and standard deviations provided first (top value); desired practices means and standard deviations provided next (bottom value).

### **Training and Development**

Overall means for current and desired training and development practices, each comprised of six items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .805 (*scaled M=17.32, SD=4.43*) and .807 (*scaled M=25.06, SD=3.22*) respectively.

These overall means were compared to obtain national differences between

current and desired practices. Based on a paired-samples *t*-test, the perceived current training and development practices of combined regions (2.88) were significantly different (-1.29 mean difference) than desired training and development (4.17),  $t(751) = -44.40, p < .001$ .

The means of combined items measuring perceptions of current training and development practices differed significantly between Bogor (2.75,  $SD=.73$ ) and Manado (2.99,  $SD=.75$ )  $F(2, 753)=7.533, p=.001$ . Denpasar (2.85,  $SD=.70$ ) was not significantly different from either Manado or Bogor (see Table 8).

The means of combined items measuring desired training and development practices differed significantly between Bogor (4.11,  $SD=.56$ ) and Manado (4.22,  $SD=.53$ )  $F(2, 753)=7.533, p>.05$ . Denpasar (4.17,  $SD=.54$ ) was not significantly different from either Manado or Bogor (see Table 8). Significant within-region differences were also seen between current or desired practices for all three regions Bogor,  $t(217) = -12.33, p < .001$ , Manado,  $t(328) = -11.72, p < .001$ , Denpasar,  $t(205) = -11.05, p < .001$  (see Table 8).

Table 8

*Combined Means for Current and Desired Training and Development Practices Across*

*Regions*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Current training practices	2.75 <sup>ax</sup>	.73	2.99 <sup>ay</sup>	.75	2.85 <sup>z</sup>	.70
<i>n</i>	219		331		206	
Desired training practices	4.11 <sup>bx</sup>	.56	4.22 <sup>by</sup>	.53	4.16 <sup>z</sup>	.53
<i>n</i>	219		329		205	

Note:<sup>abc</sup> Significant differences at .05 level between regions indicated by shared superscript. <sup>xyz</sup> Significant differences within regions indicated by shared superscript at .05 level.

Significant differences were observed for seven of twelve individual question items. These included the current perceived practices of using training as an employee reward, using current and desired practice of training to build teamwork, teaching business technology and procedures, and enabling employee multitasking (see Table 9). Significant differences ( $p < .001$ ) were present between all perceived and desired training practices compared within regions.

Table 9

*Individual Training and Development Survey Items Across Regions*

Item *	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Rewarding employees	2.16 <sup>ab</sup>	.96	2.45 <sup>a</sup>	1.18	2.45 <sup>b</sup>	.99
	4.09	.79	4.05	.86	4.17	.68
Increase employees' technical skills	2.90	1.69	3.05	.97	2.92	.93
	4.12	.71	4.24	.70	4.21	.70
Fix employees' past poor performance	2.81	.89	2.97	1.00	2.89	.89
	4.16	.73	4.15	.80	4.12	.70
Build the teamwork in the company	3.11 <sup>a</sup>	.88	3.33 <sup>ab</sup>	.91	3.09 <sup>b</sup>	.95
	4.19 <sup>a</sup>	.73	4.37 <sup>a</sup>	.69	4.31	.65
Helps employees understand business tech, procedures	2.42 <sup>ab</sup>	1.03	2.90 <sup>a</sup>	1.10	2.72 <sup>b</sup>	.95
	4.02 <sup>a</sup>	.81	4.27 <sup>ab</sup>	.77	4.08 <sup>b</sup>	.78
Enables employees to do multiple tasks	3.11	1.02	3.30 <sup>a</sup>	1.10	3.02 <sup>a</sup>	.90
	4.10	.81	4.27 <sup>a</sup>	.80	4.07 <sup>a</sup>	.81

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

No significant differences in perceived effectiveness of current hiring practices were observed across cultural regions (see Table 10).

Table 10

*Perceived Effectiveness of Current Training Practices*

	<i>n</i>	Region					
		Bogor		Manado		Denpasar	
		Mean	<i>SD</i>	Mean	<i>SD</i>	Mean	<i>SD</i>
Combined training practices		3.5	0.83	3.57	0.94	3.53	0.9
		218		330		206	
Training contributes to employees' good performance		3.49	1.00	3.48	1.07	3.49	1.03
		218		328		206	
Training process contributes to employees' satisfaction		3.4	0.95	3.53	1.05	3.5	0.96
		217		328		206	
Training process contributes to overall company effectiveness		3.64	0.91	3.73	1.06	3.59	1.00
		217		328		206	

The greatest differences between hiring practices measured in the present study and in the BPP are seen in current perceptions of training employed as a reward (mean difference of -.36) and current perception of enabling multitasking (mean difference of .42) (see Table 11).

Table 11

*Comparison of Individual Training and Development Survey Items Between Present**Study and Best Practices Project*

Item*	Present Study		BPP	
	Mean	SD	Mean	SD
Rewarding employees	2.36	1.08	2.72	1.01
	4.1	0.79	3.67	1.06
Increase employees' technical skills	2.97	1.21	3.22	0.89
	4.2	0.70	4.24	0.83
Fix employees' past poor performance	2.9	0.94	3.02	0.9
	4.14	0.75	4.19	0.81
Build the teamwork in the company	3.2	0.92	2.95	1.02
	4.3	0.70	4.07	0.96
Helps employees understand business tech, procedures, etc	2.71	1.06	2.6	0.96
	4.15	0.79	4	0.90
Enables employees to do multiple tasks.	3.17	0.99	2.75	0.93
	4.16	0.81	3.85	0.96
	N=745-754		N=242	

Note:\* Current practices means and standard deviations provided first (top value); desired practices means and standard deviations provided next (bottom value).

### Performance Appraisals

Overall means for current and desired performance appraisal practices, each comprised of seven items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .859 (*scaled M=19.51, SD=4.97*) and .838 (*scaled M=28.35, SD=3.76*) respectively. These overall means were compared to obtain national differences between current and desired practices.

Based on a paired-samples *t*-test, the perceived current performance appraisal practices of combined regions (2.80) were significantly different (-1.27 mean difference) than desired hiring practices (4.08),  $t(740) = -44.98, p < .001$ . Significant within-region differences were also seen between current or desired practices for all three regions (Bogor,  $t(213) = -24.30, p < .001$ , Manado,  $t(321) = -30.33, p < .001$ , Denpasar,  $t(204) = -22.80, p < .001$ ) (see Table 12).

The means of combined items measuring perceptions of current performance appraisal practices differed significantly between Bogor (2.71,  $SD=.69$ ) and Manado (2.86,  $SD=.74$ )  $F(2, 746)=3.057, p<.05$ . Denpasar (2.80,  $SD=.67$ ) was not significantly different from either Manado or Bogor (see Table 12).

The means of combined items measuring desired performance appraisal practices did not differ significantly across cultural regions.

Table 12

*Combined Means for Current and Desired Performance Appraisal Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	<i>SD</i>	Mean	<i>SD</i>	Mean	<i>SD</i>
Current appraisal practices	2.71 <sup>ax</sup>	.69	2.86 <sup>ay</sup>	.74	2.80 <sup>z</sup>	.67
	<i>n</i>	214	327		206	
Desired appraisal practices	4.02 <sup>x</sup>	.51	4.09 <sup>y</sup>	.56	4.08 <sup>z</sup>	.71
	<i>n</i>	214	322		205	

Note:<sup>a</sup> Significant differences at .05 level between regions indicated by shared superscript: <sup>xyz</sup> Significant differences within regions indicated by shared superscript at .05 level.

Significant differences were observed for two of fourteen individual question items. These included the desired importance of appraisals for evaluation of goal achievement and current perception of appraisals' role in employee promotions (see Table 13). Significant differences ( $p < .001$ ) were present between all perceived and desired appraisal practices compared within regions.

Table 13

*Individual Performance Appraisal Survey Items Across Regions*

Item *	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
To determine an appropriate salary	2.57	.99	2.74	1.00	2.75	.97
	4.12	.72	4.15	.76	4.11	.74
To plan employees' training activities	2.54	1.03	2.67	1.01	2.63	.88
	3.9	.76	3.95	.87	3.89	.74
Awareness of good performance	2.92	.91	3.03	.94	3.04	.81
	3.99	.72	4.09	.77	4.09	.73
Design specific methods to improve performance	2.84	.91	2.98	.98	2.86	.93
	4.04	.67	4.14	.76	4.08	.67
Discuss employees opinions	2.58	1.02	2.68	1.02	2.66	.91
	4.13	.73	4.07	.79	4.05	.74
Evaluation of employees' goal achievement	3.12	.89	3.19	.93	3.09	.88
	4.02 <sup>a</sup>	.68	4.18 <sup>a</sup>	.75	4.11	.72
Promotion planning	2.36 <sup>a</sup>	.99	2.75 <sup>a</sup>	1.09	2.55	.99
	3.98	.83	4.01	.88	4.03	.71

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

Significant differences were observed between both combined means ( $F(2, 738)=3.83, p<.05$ ) and overall effectiveness ( $F(2, 735)=4.80, p<.05$ ) of Manado and Denpasar (see Table 14).

Table 14

*Perceived Effectiveness of Current Performance Appraisal Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Combined appraisal practices	3.44	0.86	3.58 <sup>a</sup>	0.87	3.37 <sup>a</sup>	0.94
	<i>n</i>	213	323		205	
Performance evaluation contributes to workers' high performance	3.40	1.00	3.48	1.00	3.27	1.04
	<i>n</i>	213	322		205	
Performance evaluation contributes to employees' work satisfaction	3.41	0.98	3.55	1.01	3.35	1.00
	<i>n</i>	212	320		205	
Performance evaluation contributes to overall company effectiveness	3.53	0.98	3.73 <sup>a</sup>	1.00	3.48 <sup>a</sup>	1.02
	<i>n</i>	212	321		205	

Note:<sup>a</sup> Significant differences at .05 level between regions indicated by shared superscript.

The largest differences between hiring practices measured in the present study and in the BPP are seen in current perceptions of appraisals as goal achievement evaluations (mean difference of .32) and current perception of performance appraisals' use in promotions planning (mean difference of -.33) (see Table 15).

Table 15

*Comparison of Performance Appraisal Survey Items Between Present Study and Best**Practices Project*

Item*	Present Study		BPP	
	Mean	SD	Mean	SD**
To determine an appropriate salary	2.70	0.99	2.94	-
	4.11	0.75	3.90	-
To plan employees' training activities	2.62	0.98	2.71	-
	3.92	0.81	4.05	-
Awareness of good performance	3.00	0.90	3.00	-
	4.13	2.02	3.94	-
Design specific methods to improve performance	2.91	0.94	2.74	-
	4.09	0.71	4.05	-
Discuss about employees' opinions	2.65	0.99	2.71	-
	4.08	0.76	3.81	-
Evaluation of employees' goal achievement	3.14	0.91	2.82	-
	4.11	0.72	3.84	-
Promotion planning	2.58	1.05	2.91	-
	4.01	0.82	3.94	-
	N=722-742		N=220-241	

Note:\* Current practices means and standard deviations provided first (top value); desired practices means and standard deviations provided next (bottom value).

\*\* SD not reported in BPP study.

### Payment Practices

Overall means for current and desired payment practices, each comprised of four items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .738 (*scaled*  $M=10.87$ ,  $SD=3.37$ ) and .677 (*scaled*  $M=15.73$ ,  $SD=2.67$ ) respectively. These overall

means were compared to obtain national differences between current and desired practices.

Based on a paired-samples *t*-test, the perceived current payment practices and appraisal practices of combined regions (2.73) were significantly different (-1.25 mean difference) than desired payment practices (3.98),  $t(739) = -34.48, p < .001$ . Significant within-region differences were also seen between current or desired practices for all three regions (Bogor,  $t(215) = -20.22, p < .001$ ; Manado,  $t(320) = -22.31, p < .001$ ; Denpasar,  $t(202) = -18.13, p < .001$ ) (see Table 16).

The means of combined items measuring perceptions of current payment practices differed significantly across Bogor, Manado, and Denpasar  $F(2, 749)=25.68, p<.05$ . The means of combined items measuring desired payment practices differed significantly between Bogor and Manado,  $F(2, 737)=5.61, p<.05$  (see Table 16).

Table 16

*Combined Means for Current and Desired Payment Practices Across Regions*

	Region					
	Bogor		Manado		Denpasar	
	Mean	<i>SD</i>	Mean	<i>SD</i>	Mean	<i>SD</i>
Current payment practices	2.42 <sup>abcx</sup>	.76	2.93 <sup>abcy</sup>	.87	2.76 <sup>abcz</sup>	.83
<i>N</i>	218		329		205	
Desired payment practices	3.85 <sup>ax</sup>	.70	4.05 <sup>ay</sup>	.74	3.99 <sup>z</sup>	.63
<i>N</i>	216		321		203	

Note: <sup>abc</sup> Significant differences at .05 level between regions indicated by shared superscript. <sup>xyz</sup> Significant differences within regions indicated by shared superscript at .05 level.

Significant differences were observed for seven of eight individual question items. The only item that did not generate a significantly different response across regions was the desire for pay to be used as a motivating tool (see Table 17). Significant differences ( $p < .001$ ) were present between all perceived and desired payment practices compared within regions.

Table 17

*Individual Payment Practice Survey Items Across Regions*

Item *	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Seniority is considered in the salary decision	2.67 <sup>a</sup>	1.14	3.02 <sup>a</sup>	1.10	2.91	1.12
	3.54 <sup>a</sup>	1.07	3.90 <sup>a</sup>	1.08	3.75	.94
Pay is designed to motivate employees	2.11 <sup>ab</sup>	1.00	2.81 <sup>a</sup>	1.18	2.67 <sup>b</sup>	1.09
	4.06	.79	4.17	.84	4.13	.76
Salary is based on performance	2.39 <sup>ab</sup>	1.03	2.94 <sup>ac</sup>	1.11	2.69 <sup>bc</sup>	1.04
	3.98 <sup>a</sup>	.87	4.22 <sup>a</sup>	.78	4.13	.78
Significant salary gap exists high and low performance employees	2.44 <sup>ab</sup>	1.16	2.93 <sup>a</sup>	1.15	2.74 <sup>b</sup>	1.11
	3.51 <sup>a</sup>	1.05	3.82 <sup>a</sup>	1.13	3.70	.99

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

Significant differences were observed between both combined means ( $F(2, 745)=4.88, p < .05$ ) and perceived contribution towards employee satisfaction ( $F(2, 743)=4.08, p < .05$ ). Perceived contribution to overall company effectiveness differed

significantly between both Bogor/Manado and Bogor/Denpasar ( $F(2, 741)=7.28, p<.05$ ) (see Table 18).

Table 18

*Perceived Effectiveness of Current Payment Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Combined payment practices	3.48	0.95	3.65 <sup>a</sup>	0.92	3.41 <sup>a</sup>	0.93
	<i>N</i>	216	328		204	
Salary system/practice contributes to workers' performance	3.46	1.12	3.52	1.06	3.30	1.06
	<i>N</i>	215	325		204	
Salary system/practice contributes to employees' satisfaction	3.48	1.08	3.68 <sup>a</sup>	1.07	3.44 <sup>a</sup>	1.04
	<i>N</i>	216	326		204	
Salary system/practice contributes to overall company's effectiveness	3.51 <sup>ab</sup>	0.98	3.76 <sup>a</sup>	0.99	3.47 <sup>b</sup>	0.95
	<i>N</i>	215	326		203	

Note: <sup>abc</sup> Significant differences at .05 level between regions indicated by shared superscript.

The largest differences between payment practices measured in the present study and in the BPP are seen in the level of desire to see payment based on seniority (mean difference of .79) and desire for pay to be used as a motivating factor (mean difference of .44) (see Table 19).

Table 19

*Comparison of Payment Practices Items Between Present Study and Best Practices*

<i>Project</i> Item*	Present Study		BPP	
	Mean	SD	Mean	SD**
Seniority is considered in the salary decision	2.89	1.123	3.01	-
	3.75	1.049	2.96	-
Pay is designed to motivate employees	2.57	1.144	2.82	-
	4.13	0.804	3.69	-
Salary is based on performance	2.71	1.092	2.81	-
	4.12	0.812	3.85	-
	N=731-746		N=241	

Note: \* Current practices means and standard deviations provided first (top value); desired practices means and standard deviations provided next (bottom value).

\*\* SD not reported in BPP study.

### Leadership

Overall means for current and desired leadership practices, each comprised of five items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .800 (*scaled M=15.15, SD=3.57*) and .829 (*scaled M=20.36, SD=2.95*) respectively. These overall means were compared to obtain national differences between current and desired practices.

Based on a paired-samples *t*-test, the perceived current leadership practices of combined regions (3.02) were significantly different (-1.04 mean difference) from desired leadership practices (4.06),  $t(732) = -37.95, p < .001$ . Significant within-region differences were also seen between current or desired practices for all three regions

(Bogor,  $t(213) = -19.88, p < .001$ ; Manado,  $t(317) = -26.23, p < .001$ ; Denpasar,  $t(200) = -18.99, p < .001$ ) (see Table 20).

The means of combined items measuring perceptions of current leadership practices did not differ significantly across Bogor, Manado, and Denpasar  $t(749)=25.68, p<.05$ . The means of combined items measuring desired leadership practices differed significantly between Bogor and Manado,  $F(2, 730)=3.21, p<.05$  (see Table 20).

Table 20

*Combined Means for Current and Desired Leadership Practices Across Regions*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Current leadership practices	2.95 <sup>x</sup>	.71	3.04 <sup>y</sup>	.74	3.06 <sup>z</sup>	.70
	<i>N</i>	215	324		204	
Desired leadership practices	3.98 <sup>ax</sup>	.64	4.12 <sup>ay</sup>	.59	4.07 <sup>z</sup>	.59
	<i>N</i>	214	318		201	

Note:<sup>a</sup> Significant differences at .05 level between regions indicated by shared superscript. <sup>xyz</sup> Significant differences within regions indicated by shared superscript at .05 level.

Significant differences across regions were observed for five of ten individual leadership practices question items (see Table 21). Significant differences ( $p<.001$ ) were present between all perceived and desired leadership practices compared within regions.

Table 21

*Individual Leadership Survey Items Across Regions*

Item <sup>z</sup>	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Determines the specific goals to be achieved	2.88	.97	2.93	.92	2.93	.81
	3.88 <sup>a</sup>	.81	4.06 <sup>a</sup>	.73	4.03	.72
Emphasizes high standard of performance	3.34	.96	3.29	.90	3.15	.87
	3.81 <sup>a</sup>	.83	3.98 <sup>a</sup>	.84	3.95	.74
Friendly and open to employees' opinions	3.00	.97	3.17	.94	3.03	.96
	4.10 <sup>a</sup>	.73	4.26 <sup>ab</sup>	.72	4.10 <sup>b</sup>	.74
Shows enthusiasm for good performance	2.47 <sup>ab</sup>	1.04	2.82 <sup>a</sup>	1.10	2.83 <sup>ab</sup>	.95
	4.09	.75	4.13	.79	4.15	.71
Treats you with respect	3.12	.95	3.04 <sup>a</sup>	.99	3.35 <sup>a</sup>	.93
	4.08	.85	4.17	.79	4.12	.78

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

No significant differences in perceived effectiveness of current leadership practices were observed across cultural regions (see Table 22).

Table 22

*Perceived Effectiveness of Current Leadership Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Combined Leadership Practices	3.6	0.91	3.63	0.99	3.65	0.87
	<i>N</i>	214	321		204	
Leadership system/practice contributes to workers' performance	3.60	1.00	3.54	1.00	3.59	0.96
	<i>N</i>	213	321		204	
Leadership system/practice contributes to employees' satisfaction	3.51	1.02	3.63	0.97	3.65	0.95
	<i>N</i>	214	319		204	
Leadership system/practice contributes to overall company's effectiveness	3.60	1.03	3.76	0.92	3.70	0.97
	<i>N</i>	212	320		204	

**Communications**

Overall means for current and desired communication practices, each comprising of six items, were calculated across all regions, yielding Cronbach's  $\alpha$  values of .822 (*scaled M=17.85, SD=4.26*) and .485 (*scaled M=23.57, SD=4.19*), respectively. These overall means were compared to obtain national differences between current and desired practices.

Based on a paired-samples *t*-test, the perceived current communication practices of combined regions (2.95) were significantly different (-.97 mean difference) from desired communication practices (3.92),  $t(740) = -33.21, p < .001$ . Significant within-region differences were also seen between current or desired practices for all three

regions (Bogor,  $t(214) = -18.95, p < .001$ ; Manado,  $t(321) = -21.58, p < .001$ ; Denpasar,  $t(203) = -16.72, p < .001$ ) (see Table 23).

The means of combined items measuring perceptions of current communications practices differed significantly between Bogor and Manado  $F(2, 744)=3.14, p<.05$  (see Table 23). No significant differences were observed for combined desired communication practices between regions.

Table 23

*Combined Means for Current and Desired Communications Practices Across Regions*

	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Current communications practices	2.86 <sup>ax</sup>	.72	3.04 <sup>ay</sup>	.75	3.06 <sup>z</sup>	.67
	<i>N</i>	215	326		206	
Desired communications practices	3.84 <sup>x</sup>	.59	3.98 <sup>y</sup>	.74	3.92 <sup>z</sup>	.75
	<i>N</i>	215	323		204	

Note:<sup>a</sup> Significant differences at .05 level between regions indicated by shared superscript using LSD post hoc test. <sup>xyz</sup> Significant differences within regions indicated by shared superscript at .05 level.

Significant differences were observed for two of twelve individual communication practices, which included current direct supervisors asking employee opinions and clearly stating goals and objectives (see Table 24). Significant differences ( $p<.001$ ) were present between all perceived and desired communications practices compared within regions.

Table 24

*Individual Communication Survey Items Across Regions*

Item *	Region					
	Bogor		Manado		Denpasar	
	Mean	SD	Mean	SD	Mean	SD
Informal communication is more effective than formal	2.89	.86	2.96	.92	3.07	.83
	3.66	.84	3.91	.81	4.05	3.54
Your direct supervisor shows that he/she trusts you	2.96	.99	3.11	1.00	3.15	.85
	3.86	.81	4.02	.75	3.91	.67
Your direct supervisor often asks your opinion	2.74 <sup>a</sup>	1.11	2.98 <sup>a</sup>	1.01	2.95	.96
	3.90	.76	3.94	.75	3.91	.64
Your direct supervisor often gives suggestions	3.17	1.01	3.25	1.00	3.16	.94
	4.07	.73	4.12	.78	4.02	.64
Goals are stated clearly and easily understood	3.08 <sup>a</sup>	.90	3.28 <sup>a</sup>	.89	3.11	.88
	4.10	.73	4.29	2.80	4.07	.67
You are allowed to make decisions usually made by higher management	2.35	1.07	2.53	1.14	2.52	1.03
	3.54	.93	3.57	1.00	3.53	1.01

Note: \* Current practices means and standard deviations provided as top value; desired practices means and standard deviations provided as bottom value.

<sup>abc</sup> Significant differences at .05 level across regions' respective current and desired practices indicated by shared superscript.

No significant differences in perceived effectiveness of current communications practices were observed across cultural regions (see Table 25).

Table 25

*Perceived Effectiveness of Current Communications Practices*

	Region					
	Bogor		Manado		Denpasar	
	Mean	<i>SD</i>	Mean	<i>SD</i>	Mean	<i>SD</i>
Combined Communication Practices	3.71	0.81	3.71	0.82	3.64	0.85
	<i>n</i>	213	328		206	
Communication system/practice contributes to workers' performance	3.71	0.92	3.57	0.96	3.58	0.97
	<i>n</i>	213	328		206	
Communication system/practice contributes to employees' satisfaction	3.63	0.94	3.72	0.92	3.63	0.93
	<i>n</i>	214	327		206	
Communication system/practice contributes to company's effectiveness	3.82	0.97	3.88	0.88	3.70	0.91
	<i>n</i>	213	326		206	

**Summary**

The above findings indicate that employees located within the three studied regions of Bogor, Manado, and Denpasar do possess significant differences in attitudes and perceptions of HRM practices despite sharing a common nationality. These findings and possible explanations for them will be further expounded upon in Chapter V.

## **CHAPTER V**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

This chapter presents a summary of the current study's findings and sets forth conclusions and implications derived from the findings. Recommendations for the application of findings and for further research are also included.

#### **Summary**

The fundamental purpose of this study was to determine whether regional/religious/ethnic subcultural contexts found within the Indonesian national setting significantly affected perception/practices of human resource management and development of persons employed in the private food industrial sector. A secondary purpose of the current study was to provide results able to be compared with those recorded for Indonesia by the Best Practices Project (BPP). Understanding how cultural contexts within a national setting may affect employees' perceptions and preferences for various HRM practices will allow companies to better tailor their policies to more efficiently utilize their respective workforces as well as more effectively maintain workforce job satisfaction (Debrah, et al., 2000; Huo & Von Glinow, 1995; Newman & Nollen, 1996).

To measure potential differences in perceptions and practices across cultures, portions of the original BPP instrument were shortened and translated into Bahasa Indonesia. These instruments covered six main areas of HRM: management style preferences, hiring and recruitment, performance appraisal, payment practices,

leadership, and communications. Employee perceptions of current and desired practices in the remaining HRM areas were measured using a 5 point response scale.

These shortened instruments were administered to a total of 762 food industry employees in cities located within three culturally distinct regions of Indonesia: West Java, Bali, and North Sulawesi (Bogor, Denpasar, and Manado, respectively).

### **Conclusions**

Findings by the current study indicate that employees' perceptions and desires of HRM practices do differ significantly across cultural boundaries even while sharing a national context. These differences encompassed general areas of HRM as well as individual practices.

### **Current Versus Desired HRM Practices**

Comparisons of managerial styles across regions indicated that Indonesian managers exhibit, with few exceptions, similar leadership behaviors. Exploitative and benevolent authoritative styles were equally distributed across cultural regions consultative management style was more prevalent in Bogor and Denpasar, while participative group management was more apparent in Manado.

Employees in all three regions showed the least predilection for an exploitative authoritative style. Employees in Bogor and Denpasar favored consultative management while Manado employees favored participative group management. These patterns indicate that, with the exception of those employees whose managers use exploitative authoritative style, current management practices match employee preferences.

Comparisons between combined regional measures of current and desired practices indicate that there is a significant difference between what Indonesian employees perceive as current practices and practices that employees would like enacted. Likert-scale measurements of current practices in all HRM areas were below 3, or “to moderate extent.”

These differences between current and desired HRM practices ranged from -.65 to -1.29. These measures may be seen as an indicator of which areas employers are more closely matching to their employees’ preferences. Mean differences of current and desired training and development, performance appraisal, and payment practices (-1.29, -1.27, and -1.25 respectively) indicate that these areas are not as closely matched to employee preference.

Significant differences between current and desired combined practices appeared in five of six HRM areas when compared across Indonesian cultural regions. Only current and desired hiring combined practices showed no significant differences when compared across cultural regions.

Bogor and Manado differed significantly in both current and desired training, current appraisal, current and desired payment, desired leadership, and current communications practices. Denpasar differed significantly from Bogor in the combined measures of current pay practices only.

### **Individual HRM Items**

Significant differences were observed within each region between perceived current and desired practices for each HRM item. This indicates that there are no practices with which employees are completely satisfied.

Of 70 individual HRM practices items, 28 displayed a significant difference across cultural regions. Of these 28, 15 were perceived current practices. The fewest relative differences were observed within the areas of performance appraisal and communication practices. The greatest number of significant differences was observed between Sundanese/ Javanese and Minahasan employees.

### **Perceived Effectiveness of Current Practices**

Significant differences in perceived effectiveness of current practices were observed only in the areas of performance appraisal and payment practices. In both areas, Manado respondents demonstrated higher perceived effectiveness in maintaining or increasing employee satisfaction and overall company efficiency. This was also reflected in higher scores on individual appraisal and payment practices.

### **Present Study Versus BPP Findings**

In most cases, individual item scores in the present study differed from those observed by the BPP. Of the 46 comparable items, 18 displayed absolute differences greater than .25 with the largest overall differences occurring within the areas of hiring and payment practices.

Respondents in the BPP study placed more emphasis on applicants' ability to perform technical requirements and skills tests than did participants in this study. BPP respondents also downplayed both the current and desired importance of needing the right connections to obtain the applied for position. In addition, BPP respondents cared less about future coworkers' opinions of the applicant than did those in the present study (Huo *et al.*, 2002).

BPP respondents and participants in the present study displayed few differences within the HRM training and development area. BPP respondents gave more credence to training as a current reward to employees but showed less desire to see this practice increase than did current participants. Current participants indicated both a higher perception and desire over BPP respondents for training to increase teamwork within the company. BPP respondents reacted more negatively to current and desired abilities of training to increase employees' multitasking abilities (Drost *et al.*, 2002).

The smallest overall difference between BPP and current scores was observed in the HRM area of performance appraisal. BPP respondents placed more importance on appraisals as a current method to determine both salary and promotions but placed less desired value on these practices than did current participants. BPP respondents were also less interested in using appraisals for goal achievement evaluation than were current participants (Milliman, *et al.*, 2002).

Although BPP respondents saw seniority as a pay determinate, they displayed much less desired emphasis on this characteristic than did current participants. BPP respondents also saw pay as more of a current motivator but desired this practice less

than did current participants. Current participants indicated a wish to see pay based on performance (Lowe *et al.*, 2002).

### **Recommendations for Further Research**

In an effort to obtain comparable samples as well as to control for variances which might have existed between industries, the current study focused singularly on the private food handling and processing sector within Indonesia. To obtain a more representative sample of HRM employee preferences within a culture, a wider section of the business community should be measured. Such a study would need to insure close representative pairings between businesses in each cultural context to reduce confounds stemming from different company types.

Differences between measures of the current study and those of the BPP suggest different sample populations were targeted by each study. BPP's respondents were overwhelmingly middle to upper management, whereas the majority of the current study's participants were low-level employees (Geringer *et al.*, 2002).

Geographic location of the BPP sample population was not stipulated but may presumably be centered in Jakarta, the industrial and political center of Java. A population from such a cosmopolitan area would undoubtedly be ethnically diverse and therefore present difficulties in obtaining culturally representative measures. A narrower study focusing on management level employees could provide more comparable measures to those found by the BPP.

Though few nations have the level of cultural diversity Indonesia possesses, numerous countries are home to large groups of ethnically different populations. These

countries may serve as further evidence for the existence of different HRM perceptions based on cultural background within a single national context.

Further studies can also measure different aspects of HRM than were covered by the present study. Business enterprises may choose to measure HRM practices which are specific to their respective industries.

### **Recommendations for Practice**

Previous studies have demonstrated that employees' attitudes and perceptions of HRM practices vary across national and regional cultures (Hofstede, 2001). However, this study determined that many of these attitudes also differ significantly across cultural boundaries within a common national setting. This discovery has wide implications for international companies who may be looking to establish overseas enterprises in countries with diverse cultural populations. Local companies wishing to branch out to other regions within their country would also benefit. By gaining a more detailed understanding of culturally specific attitudes towards HRM policies, both international and local companies can more closely tailor their respective policies to meet the needs and wants of their employees. In doing so, companies can increase their workforces' efficiency and competitive advantage.

Specifically, this study has direct implications for both local and international companies which may be considering expansion into the studied regions of Indonesia. Domestic companies should not take for granted cultural differences which may exist among regions, as these can affect employees' attitudes towards specific HRM practices.

International companies may need to tailor their HRM practices not only to Indonesia, but to specific regional ethnicities as well. Acknowledging that current and preferred HRM practices may be different from one's present region or country can increase work force satisfaction and productivity.

Regardless of the region in which a company is located, this study shows that current practices do not coincide with those desired by employees. Every current practice was significantly different from those preferred by employees. Changes could be made to enable current practices to more closely resemble those preferred by employees. Care should be taken, however, before changes in HRM policy are initiated. Practices used by individual companies may be specifically tailored to that company's needs. While it may not match exactly what is preferred by employees, a practice could represent the most efficient course of action for the company.

By observing differing employee perceptions and attitudes of HRM items across regions, one may be able to construct a HR strategy that best fits each individual region and its corresponding ethnic group. For instance, a Balinese or Javanese/Sundanese company opening a branch in Manado may obtain better results from implementation of a more participative style of management, as this style is both the most utilized and most preferred by Minahasan employees.

When hiring employees in Bogor, Minahasan or Balinese companies should consider placing more emphasis on individual interviews and skills tests than they would if hiring in their home region. Balinese and Javanese/Sundanese companies may look to

more personal referrals as hiring references as these personal connections are deemed more important in Manado.

Training and development practices also vary across regions. Both Balinese and Minahasan employees see training more as a reward and as a way of increasing understanding business technology and procedures than do Javanese/ Sundanese. Thus, companies from these regions might place less of a reward emphasis on training and devise new styles of introducing procedures which are more acceptable to their Javanese/ Sundanese employees.

Because Minahasans feel training is important to the building of teamwork, Balinese and Javanese/ Sundanese companies should develop ways to incorporate this feature into their existing training programs. Minahasans also see company training as a way of enabling employees to do multiple tasks and may respond less enthusiastically to a rigid “one skill” training methodology.

Not many differences were observed across regions in the area of performance appraisal. A few variations should be noted however. Minahasans indicated a stronger desire for appraisals to be an evaluation of employees’ goal achievement as well as a current factor in promotion planning than did their Balinese and Javanese/ Sundanese counterparts. Accordingly, Balinese and Javanese/ Sundanese companies should place a larger emphasis on recording and evaluating individual’s goals/ achievements when employing Minahasans.

In comparison to performance appraisals, several differences existed in payment practices across the studied regions. Seniority plays a larger factor in compensation in

Manado than either Bogor or Denpasar. Minahasan employees also demonstrate a stronger desire for this practice than their Balinese or Javanese/Sundanese counterparts. This was also true in the case of performance-based pay. Correspondingly, Minahasan employees showed the highest ranking of a current existence of a salary gap between low- and high-performing employees as well as the desire to see this practice continue. Pay was least cited by Javanese/Sundanese employees as a motivator when compared with Balinese and Minahasan participants. These factors seem to indicate that other compensation systems are utilized within Javanese/Sundanese companies to motivate and reward employees. Such compensation techniques should be ascertained and incorporated by entering companies.

Though all three groups rated the current practices equally, Balinese and Minahasan employees rated a greater desire for their direct leadership to determine specific goals and to emphasize a high standard of performance than did Javanese/Sundanese. Balinese employees indicated that their direct supervisors treat them with respect more often than did Minahasan and Javanese/Sundanese employees. These results suggest that companies operating in Manado should direct their managers to make efforts to listen to employee feedback as well as place emphasis on specific goals.

Balinese and Minahasan employees indicated that supervisors are more likely to ask their opinions than did their Javanese/Sundanese counterparts. However, each regional group ranked this practice as equally desirable. Minahasans also ranked clearly stated goals higher than the other regional groups.

The above suggestions are based upon the specific items compared in this study, whose main purpose was to discover whether differences existed between cultural groups within Indonesia. Companies seeking entry to these regions, or those in other culturally diverse nations, should take into account that such differences may exist in other specific areas of human resource management and plan accordingly.

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## APPENDIX A

Karyawan yang terhormat,

Kami mohon kerjasama Anda untuk melengkapi kuesioner yang terlampir. Kuesioner tersebut menanyakan pendapat Anda mengenai berbagai aspek Praktik Manajemen Sumber Daya Manusia (MSDM) di perusahaan Anda. Tidak ada jawaban benar atau salah, kami menginginkan pendapat jujur Anda. Survei ini akan memakan waktu 20-30 menit. Ini merupakan bagian dari suatu studi global yang bertujuan membentuk praktik MSDM yang lebih baik.

Semua respon Anda akan kami rahasiakan. Respon Anda tidak akan dilihat oleh siapapun di perusahaan Anda.

Terima kasih atas kesediaan Anda untuk berpartisipasi, kami sangat menghargainya.

Salam.

Dear employees,

We would like your participation to complete the attached questionnaire. This questionnaire will ask for your opinion about many aspects of the human resources management practices at your company. There is no right or wrong answer, we want your honest opinion. This survey will take around 20-30 minutes to complete. This questionnaire is a part of a global study with a purpose to form a better human resources management practice.

All of your responses will be kept confidential. Your responses will not be seen by anyone in your company.

Thank you for your participation, we appreciate it a lot.

Regards,

## TIPE MANAJER MANAGER TYPE

Berikut ini adalah deskripsi dari empat tipe manajer yang berbeda. Sebelum menjawab pertanyaan, mohon baca terlebih dahulu keseluruhan deskripsi  
Following are descriptions of four different type of manager. Before answering the questions, please read through all the descriptions.

Manajer 1: Membuat keputusan-keputusan dengan cepat dan mengkomunikasikannya kepada bawahan dengan jelas dan tegas. Bawahan diharapkan untuk melaksanakan keputusan tanpa argumentasi.  
Quickly makes decisions and communicate them with the employees strong and clear. Employees are expected to follow the desicions without any arguments.

Manajer 2: Membuat keputusan-keputusan dengan cepat. Sebelum melangkah lebih jauh, menjelaskan alasan keputusan tersebut kepada bawahan serta menjawab pertanyaan-pertanyaan yang mungkin muncul.  
Quickly makes decisions. Before continuing further, explains the reason of the decisions to the employees and answers all questions that might arise.

Manajer 3: Berkonsultasi dengan bawahan sebelum mencapai suatu keputusan. Mempertimbangkan nasihat lalu membuat keputusan. Bawahan diharapkan untuk taat melaksanakan keputusan yang dibuat, meskipun tidak sesuai dengan nasihat yang mereka berikan.  
Discusses with employees before coming up with a decision. Considers any suggestions then make the decision. Employees are expected to follow the decision made, although it might not agree with the suggestions they gave.

Manajer 4: Melaksanakan rapat dengan bawahan saat akan membuat keputusan. Keputusan dibuat berdasarkan suara terbanyak.  
Confers with employees to make a decision. The decision made based on vote.

1. Berikan tanda pada salah satu tipe manajer yang paling Anda sukai dalam pekerjaan.

Mark on the type of manager you like the most at work.

1. Manajer 1 \_\_\_\_\_ 3. Manajer 3 \_\_\_\_\_

2. Manajer 2 \_\_\_\_\_ 4. Manajer 4 \_\_\_\_\_

2. Dari keempat tipe manajer di atas, yang manakah yang paling mendekati tipe atasan Anda?  
From the four type of manager above, which one is the most similar to your current supervisor?

1. Manajer 1 \_\_\_\_\_ 3. Manajer 3 \_\_\_\_\_  
2. Manajer 2 \_\_\_\_\_ 4. Manajer 4 \_\_\_\_\_

### **PROSES REKRUTMEN KARYAWAN** **EMPLOYEE RECRUITING PROCESS**

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan Proses Rekrutmen di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.  
How accurate the following statements to describe the recruiting process in your company ? For each question, please provide two answers.

Pertama, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Proses Rekrutmen yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe the recruiting process that currently take place in your company (CURRENT PRACTICE)

Kedua, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Proses Rekrutmen yang seharusnya dilaksanakan untuk meningkatkan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the recruiting process that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

Use the following scale:

1	2	3	4	5
Tidak sama sekali	Sedikit	Sedang	Banyak	Sangat Banyak
Not at all	A little	Somehow	A lot	Very much

Keputusan rekrutmen dipengaruhi oleh:

	<u>SEKARANG</u> NOW	<u>SEHARUSNYA</u> SUPPOSEDLY
1. Kemampuan pelamar untuk melaksanakan hal-hal teknis yang berkaitan dengan pekerjaan. Applicant's ability to do technical things related to the job.	1 2 3 4 5	1 2 3 4 5
2. Wawancara individual. Individual interview	1 2 3 4 5	1 2 3 4 5
3. Kemampuan pelamar untuk bersosialisasi dengan orang lain. Applicant's ability to socialize/interact with other people	1 2 3 4 5	1 2 3 4 5
4. Koneksi (famili, teman, kesamaan suku, agama, dll.) pelamar dengan perusahaan. Relationship (family, friend, race, religion, etc.) Between applicants and the company	1 2 3 4 5	1 2 3 4 5
5. Ujian pegawai untuk mengetahui kemampuan mereka. An employment test to know their skill/capability	1 2 3 4 5	1 2 3 4 5
6. Kesesuaian pelamar dengan nilai-nilai dan kebiasaan dalam perusahaan. Applicant's match with the company's value and custom	1 2 3 4 5	1 2 3 4 5
7. Pendapat calon rekan kerja tentang apakah orang tersebut harus dipakai atau tidak. Opinion from future co-worker whether he/she should be hired or not	1 2 3 4 5	1 2 3 4 5

Gunakan skala yang sama untuk menunjukkan kontribusi Proses Rekrutmen di perusahaan Anda.  
Use the same scale to show the recruiting process contribution in your company

1. Proses rekrutmen berkontribusi terhadap kinerja tinggi karyawan.  
Recruiting process affects employees good performance 1 2 3 4 5
2. Proses rekrutmen berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya.  
Recruiting process affects employees satisfaction/dissatisfaction at his/her work 1 2 3 4 5
3. Proses rekrutmen berkontribusi positif terhadap efektivitas perusahaan secara keseluruhan.  
Recruiting process positively contributes to overall company's effectiveness 1 2 3 4 5

### TUJUAN PROSES PELATIHAN DAN PENGEMBANGAN

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan **tujuan** Proses Pelatihan dan Pengembangan di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.

How accurate the following statements to describe the purpose of training and development process in your company?

Pertama, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan tujuan Proses Pelatihan dan Pengembangan yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe the purpose of training and development process that currently take place in your company (CURRENT PRACTICE)

Kedua, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan tujuan Proses Pelatihan dan Pengembangan yang seharusnya diperoleh untuk peningkatan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the purpose of training and development process that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

Use the following scale:

	1	2	3	4	5		1	2	3	4	5
	Tidak sama sekali Not at all	Sedikit A little	Sedang Somehow	Banyak A lot	Sangat banyak Very much		<u>SEKARANG</u> NOW		<u>SEHARUSNYA</u> SUPPOSEDLY		
1. Menyediakan penghargaan untuk karyawan. Provide awards to the employees	1	2	3	4	5		1	2	3	4	5
2. Meningkatkan kemampuan teknis karyawan. Increase employee's technical skills	1	2	3	4	5		1	2	3	4	5
4. Memperbaiki kinerja buruk karyawan di masa lalu. Fix employees bad performance in the past	1	2	3	4	5		1	2	3	4	5
6. Membangun kerjasama dalam perusahaan. Build the teamwork in the company	1	2	3	4	5		1	2	3	4	5
7. Membantu karyawan memahami bisnis (contoh: wawasan mengenai pesaing, teknologi baru, dsb.). Help employee understand the business (e.g. (knowledge about competitor, new technology, etc)	1	2	3	4	5		1	2	3	4	5
8. Membuat karyawan mampu melakukan berbagai pekerjaan, tidak hanya satu jenis pekerjaan. Enables employees to do multiple work/task, not only One type of job/work	1	2	3	4	5		1	2	3	4	5

Gunakan skala yang sama untuk menunjukkan sejauh mana kontribusi Proses Pelatihan dan Pengembangan di perusahaan Anda. Use the same scale to show how far the contribution of training and development process in your company

1. Proses Pelatihan berkontribusi terhadap kinerja tinggi karyawan.  
Training process contributes to employee's high/good performance 1 2 3 4 5
2. Proses Pelatihan berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya.  
Training process contributes to employees satisfaction/dissatisfaction At his/her work 1 2 3 4 5
3. Proses Pelatihan berkontribusi positif terhadap efektivitas perusahaan secara keseluruhan.  
Training process contributes positively to Overall company's effectiveness 1 2 3 4 5

**TUJUAN PENILAIAN KINERJA**  
**PURPOSE OF WORK PERFORMANCE EVALUATION**

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan **tujuan** Penilaian Kinerja di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.

How accurate the following statements to describe the purpose of work performance evaluation in your company?

**Pertama**, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan tujuan Penilaian Kinerja yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe the purpose of work performance evaluation that currently take place in your company (CURRENT PRACTICE)

**Kedua**, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan tujuan Penilaian Kinerja yang seharusnya untuk meningkatkan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the purpose of work performance evaluation that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

	1	2	3	4	5
	Tidak sama sekali Not at all	Sedikit A little	Sedang Somehow	Banyak A lot	Sangat banyak Very much
				<u>SEKARANG</u> NOW	<u>SEHARUSNYA</u> SUPPOSEDLY

Berbagai kemungkinan tujuan penilaian kinerja:

Possibilities for the purpose of work performance evaluation:

1. Untuk menentukan gaji yang sesuai. To determine an appropriate salary	1	2	3	4	5		1	2	3	4	5
2. Untuk merencanakan kegiatan bawahan (contoh: pelatihan, tugas baru) To plan employees activity (e.g. training, new task)	1	2	3	4	5		1	2	3	4	5
3. Untuk mengetahui kinerja baik yang dilakukan bawahan. To be aware of good performance done by employees	1	2	3	4	5		1	2	3	4	5
4. Untuk merancang cara-cara spesifik agar bawahan bisa meningkatkan kinerja. To design specific ways for employees to improve His/her performance	1	2	3	4	5		1	2	3	4	5
5. Untuk mendiskusikan pendapat-pendapat bawahan. To discuss about employees opinions	1	2	3	4	5		1	2	3	4	5
6. Untuk mengevaluasi pencapaian tujuan bawahan. To evaluate employees goal achievement	1	2	3	4	5		1	2	3	4	5
7. Untuk menentukan promosi bawahan. To determine employees promotion	1	2	3	4	5		1	2	3	4	5

Gunakan skala yang sama untuk menunjukkan sejauh mana kontribusi Proses Penilaian Kinerja di perusahaan Anda.  
Use the same scale to show how far the contribution of performance evaluation process in your company.

1. Proses Penilaian Kinerja berkontribusi terhadap kinerja tinggi karyawan. Performance evaluation process contributes to Workers high/good performance	1	2	3	4	5
2. Proses Penilaian Kinerja berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya. Performance evaluation contributes to employees satisfaction/dissatisfaction	1	2	3	4	5

At his/her work

3. Proses Penilaian Kinerja berkontribusi positif terhadap efektivitas perusahaan secara keseluruhan. Performance evaluation process contributes positively to Overall company's effectiveness 1 2 3 4 5

### PENGGAJIAN SALARY DECISION

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan Praktik Penggajian di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.

How accurate the following statements to describe the salary decision system in your company?

Pertama, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Pembayaran yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe the salary payment system that currently take place in your company (CURRENT PRACTICE)

Kedua, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Pembayaran yang seharusnya dilaksanakan untuk meningkatkan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the salary payment system that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

	1 Tidak sama sekali Not at all	2 Sedikit A little	3 Sedang Somehow	4 Banyak A lot	5 Sangat banyak Very much
				<u>SEKARANG</u>	<u>SEHARUSNYA</u>
1. Faktor senioritas karyawan diperhitungkan dalam keputusan gaji. Employee's seniority is considered in the salary decision				1 2 3 4 5	1 2 3 4 5
2. Pemberian insentif didisain untuk memberikan motivasi pada karyawan. Incentive is designed to motivates the employees				1 2 3 4 5	1 2 3 4 5
3. Kenaikan gaji ditentukan oleh kinerja karyawan. Salary increase is determined by the employee's performance				1 2 3 4 5	1 2 3 4 5
4. Ada perbedaan gaji yang besar antara karyawan berkinerja rendah dan tinggi. There is a significant salary gap between the low and high performance employee				1 2 3 4 5	1 2 3 4 5

Tunjukkan sejauh mana kontribusi Praktik Pembayaran di perusahaan Anda. Show how far the salary system/practice contributes in your company

1. Praktik Penggajian berkontribusi terhadap kinerja tinggi karyawan. Salary system/practice contributes to Workers performance 1 2 3 4 5

2. Praktik Penggajian berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya. 1 2 3 4 5  
Salary system/practice contributes to employees satisfaction/dissatisfaction At his/her work
3. Praktik Penggajian memberikan bekontribusi positif terhadap efektivitas perusahaan secara keseluruhan. 1 2 3 4 5  
Salary system/practice contributes positively to overall company's effectiveness

### KEPEMIMPINAN LEADERSHIP

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan Praktik Kepemimpinan di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.

How accurate the following statements to describe the leadership system/practice in your company?

Pertama, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Kepemimpinan yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe leadership system/practice that currently take place in your company (CURRENT PRACTICE)

Kedua, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Kepemimpinan yang seharusnya dilaksanakan untuk meningkatkan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the leadership system/practice that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

	1 Tidak sama sekali Not at all	2 Sedikit A little	3 Sedang Somehow	4 Banyak A lot	5 Sangat banyak Very much
Atasan langsung Anda: Your direct supervisor :			<u>SEKARANG</u> NOW		<u>SEHARUSNYA</u> SUPPOSEDLY
1. Menentukan tujuan spesifik untuk Anda capai. Determine the specific goals to be achieved			1 2 3 4 5		1 2 3 4 5
2. Menekankan standar kinerja yang tinggi. Emphasize on a high standard performance			1 2 3 4 5		1 2 3 4 5
3. Bersahabat dan mudah menerima pendapat. Friendly and open to opinions			1 2 3 4 5		1 2 3 4 5
4. Antusias untuk melihat dan memberi penghargaan atas kinerja yang baik. Enthusiastic to see and give awards to a good performance			1 2 3 4 5		1 2 3 4 5
5. Memperlakukan Anda dengan hormat. Treat you with respect			1 2 3 4 5		1 2 3 4 5

Gunakan skala yang sama untuk menunjukkan sejauh mana kontribusi Praktik Kepemimpinan di perusahaan Anda.  
Use the same scale to show how far the leadership system/practice contributes in your company

1. Praktik Kepemimpinan berkontribusi terhadap kinerja tinggi karyawan. 1 2 3 4 5  
Leadership system/practice contributes to Workers performance
2. Praktik Kepemimpinan berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya. 1 2 3 4 5  
Leadership system/practice contributes to employees satisfaction/dissatisfaction

At his/her work

3. Praktik Kepemimpinan berkontribusi positif terhadap efektivitas perusahaan secara keseluruhan. 1 2 3 4 5  
Leadership system/practice contributes positively to Overall company's effectiveness

### KOMUNIKASI COMMUNICATION

Seberapa tepat pernyataan-pernyataan dibawah menggambarkan Praktik Komunikasi di perusahaan Anda? Untuk setiap pernyataan, berikan dua jawaban.

How accurate the following statements to describe the communication system/practice in your company?

Pertama, gunakan kolom kiri untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Komunikasi yang sekarang berlangsung (SEKARANG).

First. Use the left column to show how accurate the following statements to describe communication system/practice that currently take place in your company (CURRENT PRACTICE)

Kedua, gunakan kolom kanan untuk menunjukkan sejauh mana pernyataan-pernyataan dibawah ini menggambarkan Praktik Komunikasi yang seharusnya dilaksanakan untuk meningkatkan efektivitas perusahaan (SEHARUSNYA).

Second. Use the column on the right to show how accurate the following statements to describe the communication system/practice that should be done to increase the company's efficiency. (DESIRED PRACTICE)

Gunakan skala berikut ini:

Use the following scale

1	2	3	4	5
Tidak sama sekali Not at all	Sedikit A little	Sedang Somehow	Banyak A lot	Sangat banyak Very much

	<u>SEKARANG</u> NOW						<u>SEHARUSNYA</u> SUPPOSEDLY
1. Komunikasi informal lebih efektif daripada komunikasi formal. Informal communication is more effective than formal communication	1	2	3	4	5		1 2 3 4 5
2. Atasan langsung Anda menunjukkan penghargaan atas kerja Anda. Your direct supervisor shows appreciation on your work	1	2	3	4	5		1 2 3 4 5
3. Atasan langsung Anda menunjukkan kepercayaan pada Anda. Your direct supervisor shows that he/she trust you	1	2	3	4	5		1 2 3 4 5
4. Atasan langsung Anda sering menanyakan pendapat atau saran Anda. Your direct supervisor oftenly ask for you opinion or suggestion	1	2	3	4	5		1 2 3 4 5
5. Atasan langsung Anda sering memberikan informasi/saran/evaluasi. Your direct supervisor oftenly give information/suggestion/evaluation	1	2	3	4	5		1 2 3 4 5
6. Tujuan dikomunikasikan dengan jelas dan mudah dipahami. Goals are communicated clearly and easy to be understood	1	2	3	4	5		1 2 3 4 5
7. Anda diizinkan membuat beberapa keputusan yang biasanya dibuat oleh orang-orang pada level yang lebih tinggi. You are permitted/allowed to make some decision which usually made by People on the higher level	1	2	3	4	5		1 2 3 4 5

Gunakan skala yang sama untuk menunjukkan sejauh mana kontribusi Praktik Komunikasi di perusahaan Anda.  
Use the same scale to show how far the leadership system/practice contributes in your company

1. Praktik Komunikasi berkontribusi terhadap kinerja tinggi karyawan.  
Communication system/practice contributes to Workers performance 1 2 3 4 5
2. Praktik Komunikasi berkontribusi terhadap rasa senang/puas karyawan akan pekerjaannya.  
Communication system/practice contributes to employees satisfaction/dissatisfaction At his/her work 1 2 3 4 5
3. Praktik Komunikasi memberikan berkontribusi positif terhadap efektivitas perusahaan secara keseluruhan.  
Communication system/practice contributes positively to Overall company's effectiveness 1 2 3 4 5

## APPENDIX B



[http://www.undp.or.id/general/maps/Map\\_religions.jpg](http://www.undp.or.id/general/maps/Map_religions.jpg)

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