

Implementation of Human Resource Management and The Harmony of Organizational Culture

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Abstract

Human resources are widely recognized as a crucial factor in achieving organizational success. Therefore, it is essential to implement systematic and comprehensive human resource management. Many success stories demonstrate how developed countries have effectively developed and implemented human resource management practices. This article outlines steps for successfully adopting these best practices in developing countries. To achieve organizational success, it is necessary to overcome cultural differences between developed and developing countries. This can be achieved through interventions aimed at minimizing constraints from the social environment. Efforts should include shifting cultural boundaries and aligning cultural beliefs and values with management techniques and practices within the local culture. Consistency in applying these efforts is crucial.

Keywords: Culture Fit, Implementing Human Resource, Management Approach

1. Introduction

An organization's competitive advantage in today's global era depends primarily on how its human resources are managed (Mendonca & Kanungo, 1996). This statement, of course, does not exclude the critical role of other resources in the organization, such as financial, technological, and material resources because, after all, these other resources are ultimately generated by creative, innovative and diligent human efforts and the shrewdness of the organization's human resources in managing and using these other organizational resources effectively and efficiently. Therefore, it is not surprising that in the last decade, there has been an awareness of the importance of good management of human resources in organizations. Many companies have recently involved the HR department in the preparation of corporate strategy. According to Korn & Ferry (in Mendonca & Kanungo), the HR area has been integrated into an organization's strategy formulation and has become one of the key skills of a Chief Executive Officer (CEO), even more important than marketing or sales skills.

Along with the increasing attention to organizational human resource management, there has been an increase in the development of HRM practices and techniques. The development of HRM practices and techniques is aimed at improving employee motivation primarily through performance management, job design, reward systems, supervision, organizational development and organizational change strategies. Ultimately, these efforts are expected to enable organizations to maintain, improve, encourage, and strengthen employee work effectiveness to sharpen competitive capabilities. However, in many organizations in Indonesia, this expectation has not been realized (Paramita, 1989). Some cases of the weak competitive power of companies in Indonesia can be seen in the collapse of many business organizations in Indonesia in the past decade, and recovery efforts to date have not shown encouraging results. This is a serious problem in management practice in Indonesia that

requires various studies. This short paper will examine the implementation of HRM approaches in Indonesia in terms of cultural compatibility. This is related to the results of several studies which state that the failure of the implementation of an HRM approach in an organization can be related to issues of cultural harmony.

In practical terms, the question of cultural harmony can be explored through four key questions. Firstly, can HRM practices and techniques that were designed or developed in the socio-cultural context of developed countries, such as the United States, be equally successful when applied to organizations that have a fundamentally different socio-cultural environment, such as Indonesia? Secondly, Given that human beings share a fundamental nature (except socio-cultural differences), are there core elements of HRM practice that have universal cultural applications?

Additionally, are there specific aspects of work culture in countries such as Indonesia that may facilitate the implementation of HRM practices? What strategies can organizational leaders use to overcome cultural limitations and leverage cultural facilitators to ensure the effective implementation of HRM techniques and practices?

2. Organisational Culture and its Impact

2.1. The Issue Of Cultural Harmony

The first question pertains to the issue of cultural compatibility with HRM practices that are generally based on Western thinking and value systems. However, this assumption may not always hold, and it is important to consider the cultural context of the country in question before implementing such practices. Some people have held an assumption, even a dogmatic belief, that HRM techniques and programs that have proven successful in Western organizations, such as Europe and the United States, should also be successfully applied in other countries, especially developing countries like Indonesia. On the other hand, there is a dogmatic assumption that is opposed to the first assumption. It is assumed that within the socio-cultural environment of developing countries, such as Indonesia, there are aspects that are not conducive to human resource development and economic growth, and even contradict the spirit of development itself. Factors that can impede development include the lack of work ethic, fatalism (an external locus of control), religiosity (which can lead to neglect of personal advancement), and kinship (which can prioritize the welfare of the extended family and kin). Therefore, a strategic HRM approach is necessary to integrate the traditional work culture of developing countries with HRM techniques and practices from developed countries.

Numerous studies have demonstrated that the transfer of HRM techniques and practices from developed countries to developing countries without adaptation has been unsuccessful (D Maharani & I Kristian, 2021). The failure of programs that have been successful in developed countries and have failed in developing countries is not due to any shortcomings or inadequacies of the program, but rather due to the uncritical adoption of the program without considering its compatibility with the internal work culture. Organizations in developing countries require efficient HRM techniques and practices tailored to their internal culture. Experts agree that job performance can be improved through goal setting, performance feedback, and valuable rewards, regardless of cultural context. The psychological principles underlying work motivation, which are incorporated into the practice/program, are universally valid and can be easily applied across cultures. Therefore, the key issue is how the practice/program is implemented. For instance, in North America, confrontational feedback during performance appraisal reviews is common (Mendonca & Kanungo, 1996). This is in line with the highly individualistic culture of North America, which is characteristic of societies with low power distance. On the other hand, the confrontational model is not suitable for employees in developing countries in general, where the culture of avoiding embarrassing

others is considered more important than the learning process through performance appraisal reviews.

What is important about this example is that in developed countries, job autonomy is generally one of the most valued forms of non-economic reward. In developing countries, on the other hand, job autonomy is less necessary because rewards in the form of meeting social and security needs are more valued. It is clear, then, that the issue of cultural fit is crucial when implementing different HRM techniques and practices in an organization. Successful programs, techniques, and processes, especially those related to social systems, need to take into account the norms, beliefs, and values of the internal work culture for effective implementation of program and process activities. Programs and practices that are consistent and rooted in cultural values and norms will be successful and sustainable. For example, the phenomenal success of industrial organizations in North Korea, Taiwan, Singapore, Hong Kong, and Japan is widely attributed to both management styles and characteristics rooted in Confucian social values, kinship, and institutional structures that are not necessarily European or American.

Therefore, in order to effectively adopt developed country management practices and techniques, organizations must modify their HRM practices or adapt the way they are implemented to suit the cultural values and beliefs of the local country. Critical aspects of the internal work culture that can facilitate or hinder effective adoption must be considered. Interventions or strategies that ensure cultural compatibility are necessary. For instance, Javanese individuals tend to refrain from displaying their emotions in public. They avoid criticizing others in public, cannot tolerate aggressive behavior, and refrain from humiliating others in public. Therefore, it is crucial to adopt more diplomatic approaches when conducting employee performance appraisals to ensure their effectiveness and success, particularly for Javanese employees. The goal is to achieve the desired outcome without causing any unnecessary complications.

2.2. The Role Of Culture In Human Resource Management Practice

The second issue regarding cultural appropriateness is whether any core elements of HRM practices have similar cultural applications, regardless of whether they are applied in developed or developing countries.

To answer this question, we must identify the characteristics of the socio-cultural environment and work culture of organizations in both developing and developed countries. To do this, we need to examine the results of research related to cultural differences between developed and developing countries. Hofstede (Robbins, 2003; Gibson, Ivancevich, Donnelly, & Konopaske, 2003) surveyed over 116,000 IBM employees in 40 countries about work-related values. He identified five basic dimensions measured on an ordinal scale, which allowed him to compare the national cultures of each country. The five dimensions are:

1. **Power Distance.** The extent to which a society accepts the fact that power within institutions and organizations is distributed unequally. The dimensions range from relatively balanced (low power distance) to very unbalanced (high power distance). If a society accepts that power in an organization is distributed relatively equally, it is categorized as having low power distance. Meanwhile, if a society accepts that power in an organization is distributed in a very unbalanced manner, it is categorized as having a high power distance.
2. **Uncertainty Avoidance.** The extent to which society in a country favors structured rather than unstructured situations. Or it can also be said, the extent to which a society feels threatened by uncertainty and ambiguous situations through providing career stability, establishing more formal rules, not tolerating different ideas and behaviors, and believing in absolute truth and the work of experts. Countries that score

high on uncertainty avoidance have a high level of anxiety which is manifested in high nervousness, stress, and aggressiveness.

3. Individualism versus Collectivism. Individualism denotes a loosely bound social framework where one is perceived to only care for themselves and their immediate family, whereas collectivism is characterized by a strong social framework where one is differentiated between in-group and out-group; they expect that the people in their group care for them and in return, they will be loyal. Collectivism is equivalent to low individualism.

4. Masculinity versus Femininity (Masculine versus Feminine) or Quantity of Life versus Quality of Life (Quantity of Life versus Quality of Life). If the dominant value in a society is masculine, it shows assertiveness, enthusiasm for having money and goods, and not caring about other parties, the quality of life, or society. On the other hand, Quality of Life shows a society that places value on relationships and shows sensitivity and attention to the welfare of other parties.

5. Long-Term versus Short-Term Orientation (Long-Term Orientation versus Short-Term Orientation). Societies with a Long Term Orientation culture look to the future and value frugality and perseverance. In contrast, people who have a Short Term Orientation culture look at the past and present. Respect traditional things and carry out social responsibility.

Based on these dimensions, the characteristics of the socio-cultural environment of developing countries compared to developed countries can be said to be that the culture of developing countries is relatively high in uncertainty avoidance and power distance. Relatively low on individualism and masculinity and short-term oriented. Relatively high levels of uncertainty avoidance indicate an unwillingness to take risks and accept organizational change which is manifested in a person's reluctance to take personal initiatives beyond those outlined. Each member of society has a special role. Deviations from these predetermined roles are not recommended and will even be subject to sanctions. As a result, individuals tend to depend on external forces. Being resigned is their approach to life. For this reason, organizational leaders need to develop HR management strategies to manage the performance of subordinates by involving them in setting more challenging organizational goals.

A low level of individualism shows that attention to group success is more of a concern than to individual work success. Individual identity derives from membership of family, caste, race, and community. Individuals must accept the norms and values of their family, caste, race, or community without reservation. Each individual works in the sense of maintaining the family, and providing welfare to parents, spouses, and children. In work cultures characterized by low individualism, people tend not to seek satisfaction from doing a good job but instead from finding a good job. In a society with a culture of low individualism, organizational leaders must try to encourage all decision-making by consensus by paying attention to family values.

Relatively high power distance suggests that managers and subordinates accept their respective positions in the organizational hierarchy and operate from these fixed and definite positions. Managers do not see subordinates as humans like themselves, and vice versa, subordinates also do not see superiors like themselves. In high power distance cultures, leadership is more paternalistic. In a culture like this, a leader is required to be a wise person who can be a role model for his subordinates, not only in organizational life but also in personal life. In other words, subordinates have high dependence on superiors and have the hope that superiors will act autocratically. Bosses will make rules for subordinates that are different from the rules for superiors and everyone expects that superiors will receive more preferential treatment. On the other hand, in societies with relatively low power distance, subordinates are not too dependent on superiors. They hope that superiors will always consult with subordinates.

Low levels of masculinity in the work context suggest that the employee's orientation is more towards human or personal relationships than toward performance relationships. Interpersonal relationships are heavily involved in managing employee performance. Included in masculine culture is American society, which emphasizes appearance, money, material possessions, ambition, and achievement. On the other hand, Asian society, including Indonesia, can be categorized as a feminine society that has an orientation towards quality of life, human relations, and the environment. In societies with low masculine cultures, job satisfaction is not obtained from achieving work goals, but is obtained from affiliative needs. Another manifestation of low masculine culture is that job performance can easily be designed in terms of carrying out mutually agreed upon social tasks in the context of interpersonal relationships. Therefore, many interpersonal relationships are involved in managing employee performance.

The fifth cultural dimension is a culture of long-term orientation versus short-term orientation. Societies with a long-term orientation culture always encourage and reward future-oriented behavior, such as planning and investing for the future and delaying gratification. This is different from societies with a short-term orientation culture which places more emphasis on fulfilling short-term pleasures and places less value on planning and investing for the future.

About cultural dimensions, long-term and short-term orientation according to Kadia & Bhagat (in Mendonca & Kanungo, 1996) indicate the dimensions of Abstractive and Associative Thinking (abstractive vs associative thinking). In associative cultures, people use associations between events that may have little logical basis; On the other hand, in abstract cultures, people predominantly use cause-and-effect relationships. In explaining this dimension, Ramanujan (in Mendonca & Kanungo) uses the term context-sensitive or context-free kinds of rules thinking tendency. In associative cultures, most people use sensitive contexts, while in abstractive cultures people tend to use free contexts. Based on the results of studies in developed countries, it was found that abstractive thinking (context-free) was relatively high and associative thinking (context-sensitive) was relatively low. A high culture of associative (context-sensitive) thinking has directed the behavior of organizational members in developing countries to think with a predetermined context rather than thinking with dominant principles. Such patterns indicate how they approach work. Workers in developing countries are not guided by work ethical norms that are relevant and appropriate for work or by abstract principles of organizing work behavior but are mostly determined by the immediate context that they consider important. Therefore, their behavior reflects a sense of always living in the present. Meanwhile, “now” will constantly change. This means that employees who have a high culture of associative thinking will prove difficult to predict to carry out work behavior that is required collectively. Setting specific goals with time targets and developing specific action plans is contrary to the lifestyle and mindset of associative thinking cultures that do not emphasize planning for the future. This mindset is very suitable for a management-by-crisis approach, but not suitable for effective performance management

2.3. Efforts To Ensure Cultural Compatibility

The next problem of cultural suitability is formulated in the question of what critical aspects of the work culture of developing countries, for example, Indonesia, make it possible to facilitate the use of HR management practices.

The characteristics of the socio-cultural environment in developing countries in general (including Indonesia) do not match the attitudes, values, and behavioral norms required for effective HR management practices. However, to help these uncondusive conditions become conditions that are compatible with the need for effective HR management practices, according to Mendonca & Kanungo (1996) organizations do not need to adopt policies and practices that will force employees, with their cultural values and beliefs. hold them deeply, giving up on cultural values and beliefs they don't believe in. Instead, organizations need to consider a

systematic approach to shifting cultural limitations and building cultural beliefs and values that have the potential to improve the effectiveness of HR management practices. This means that organizational leaders must design and implement HR management practices that ensure appropriate and correct cultural compatibility.

To ensure that the HR management process is consistent with the cultural characteristics of developing countries, the following steps need to be taken.

First, organizations need to design specific and challenging targets that are achievable and worthy of being achieved by a work unit. This means that this approach begins by designing targets that are within the employee's competency level and then gradually increases the level of complexity and responsibility as the employee's capability level increases. Furthermore, managers need to increase subordinates' self-confidence through various means, both through training, development and designing actions to eliminate various organizational obstacles to achieving organizational performance. This intervention is specifically intended to overcome the effects of a high uncertainty avoidance culture. Meanwhile, to overcome the dysfunction of a high power distance culture, managers can act as coaches or mentors. This allows subordinates to find a personal connection and support from the manager that is obtained when they interact with the manager who is the coach or mentor. This kind of relationship will create trust in subordinates and encourage subordinates to view performance feedback given by managers as an opportunity to seek and obtain help to correct deficiencies in their performance.

The existence of limitations resulting from a low masculinity culture can be overcome through the following interventions. First, it must be remembered that the characteristics of low masculine cultures have an orientation towards quality of life, human relationships and the environment. In societies with a low masculine culture, job satisfaction is not obtained from achieving work goals but is obtained from affiliative needs. Therefore, to overcome this low masculine culture job objectives must be defined in the context of meeting the needs of users of the products or services resulting from the job and at the same time subordinates must be made aware of their potential contribution to departmental and organizational objectives that ultimately serve those needs. products or services of a society or country. Furthermore, managers can use the opportunity when providing feedback to highlight the positive or negative impact of performance on others. In this way, ultimately the job becomes a means of satisfying relationships or orientation towards people which employees consider more important than the employment contract with the company.

Next, how to overcome the obstacles caused by a culture of low abstractive thinking which is characterized by a lifestyle and mindset that does not emphasize planning for the future?

For this, managers need to design performance targets in the context of the behavior to be achieved that is easy to see within a specific time target and is clear and not ambiguous. At the same time, it is also necessary to communicate about the possible negative impacts on work units, colleagues and the organization from failure to achieve these targets within the specified time frame. During and after the performance time period, feedback is emphasized on the subordinate's actual performance and time spent compared to pre-agreed goals. In addition, each feedback session must produce an action plan with specific performance behavior or output targets and a time schedule for subordinates to complete these output targets.

The next cultural obstacle in developing countries that managers need to face in order to implement effective HR management is a culture of low individualism. Low individualism cultures emphasize their attention to the group and group achievements and reject individual work achievements. Therefore, to direct subordinates to achieve personal tasks, it must be guaranteed that the necessary support/assistance system is available for achieving targets.

Manager-subordinate dialogue during feedback sessions should address how to help employees improve performance. This manager-subordinate dialogue is an excellent opportunity to identify factors, such as employee training and development needs, role clarity, technical assistance, resource shortages, and removal of organizational obstacles (e.g., non-functional policies and procedures). Continuous manager-subordinate dialogue with constructive, positive, and motivating discussions will strengthen and increase employee self-confidence.

2.4. Leadership Style

A final question related to the issue of cultural fit is what specific strategies can organizational leaders use to utilize cultural facilitators and overcome cultural barriers in relation to ensuring effective implementation of HR management techniques and practices? To overcome cultural barriers, organizational leaders need to adopt and implement a 'task-nurturing' leadership style and employee empowerment strategies. The 'task' component of this leadership style essentially plays a role in helping the dysfunctional impact of a culture of uncertainty avoidance, high power distance, and a culture of associative thinking. This is done through reorienting subordinates who focus on the contents of the position, for example through specific and easily achievable job performance action plans, time targets, and guarantees of manager assistance in solving problems. Meanwhile, the essence of the 'nurturing' component depends on employee empowerment strategies that can increase subordinates' self-confidence.

Employee empowerment is placing employees who are competent in what they do (Robbins, 2003). In organizations that empower employees, decision-making is pushed down, to the operational level, where subordinates will receive the freedom to make choices regarding schedules and procedures as well as solve problems related to their work (i.Kristian, 2022) . Several employee empowerment strategies can be implemented by organizational leaders, including the following. First, managers must function as mentors and coaches and create a climate of mutual assistance and trust in addition to their function as controllers and authorities. Second, managers must facilitate subordinates to actively achieve goals which refer to increasing subordinates' self-confidence through successful work implementation. These facilitation actions can be grouped into two categories, namely the actions of eliminating bureaucracy and other organizational constraints to obtain good performance, as well as gradually increasing the complexity of subordinates' tasks and responsibilities accompanied by the necessary training and development. In the third empowerment strategy, managers must design high-performance expectations for their subordinates, and at the same time the manager must express confidence in the subordinate's ability to meet these expectations. Efforts to guide, train, and develop subordinates focus on positive remedial actions that make subordinates feel directed towards increasing their abilities and self-confidence so that the end result is that subordinates feel more empowered.

3. Conclusion

Based on this description, it can be concluded that cultural suitability and harmony are important for every leader to pay attention to in implementing various HR management techniques and practices in an organization/company. In order to achieve success in HR management programs, techniques and processes, every leader of an organization/company must pay attention to the norms, beliefs and work culture values of the community in which the organization/company operates. Programs and practices that are consistent and rooted in cultural values and norms will be successful and sustainable. Therefore, the practice of HR management science needs to be modified and must be adapted to suit the cultural values and beliefs of the local community. This means that organizational/company leaders must consider

critical aspects of the local community's work culture that enable them to facilitate the effective adoption of HR management practices and techniques from developed countries.

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