

# CHAPTER I

## INTRODUCTION

### 1.1. Background of Study

As globalization era is rapidly spread in the world these days, not only communications and technology that have been eased by it. The transportation aspect is also developing as what we can see around us, therefore the mobility of not only travellers but also workers from one country to another is not a difficult thing anymore as it is less time consuming and much more convenient. Thus, this has caused the rapid introduction of many different cultures in many different places including Indonesia with around 95,335 foreign worker recorded per December 2018 (Pusdatin Kemnaker, 2019) which has increased by 10,88% from 2017 which was 85,974 workers and affected not only the neighborhood society but also the working culture and employee performance in a company especially those with foreign workers in it. From the data below have shown tremendous increase of the number of foreign workforces in Indonesia in six months time by 3 thousands from 92,893 thousands in June to 95 thousands in December.



**Figure 1.1. Foreign Worker in Indonesia 2010 – 2018**

Source : Databoks Statistic and Data Portal (2019)

As employers demanding and beliefs more for global employees to be able to fill skills gap needed, have better global competitiveness in bringing valuable new perspectives to the way their company does business, and have wider knowledge of markets as stated in *Global Workforce Mobility Survey* conducted by Envoy Global (2017), more and more workforces compete to search an opportunity outside their country. From survey conducted by HSBC (2018) on the *Expats in Indonesia* there were 123 expatriates out of 165 respondents who works and even stays in Indonesia therefore cultures that they brought from their countries and background can be advantage or even disadvantage for a company they are working in.



**Figure 1.2. Expat in Indonesia Survey Period Apr – Mar 2018**  
Source : HSBC (2018)

According to Chandrasekar (2011) in his journal titled *Workplace Environment and Its Impact On Organizational Performance In Public Sector Organizations* had stated that the workplace environment has great impacts on employee performance - both positively and negatively. Brief understanding of culture by F. Allan Hanson (2013) is that it is the organized total of beliefs, values, customs, forms of social and economic organizations.

The object to be researched for this report will be a joint venture company in Jakarta. With the aim of Fuji Oil Co., Ltd to be able to enlarge their operations overseas in order to develop and expand their oils and fats production PT Musim Mas-Fuji as their joint venture company with Indonesia was then established and located in Jalan Raya Narogong, Bojong Menteng, Bantargebang, Bekasi, West Java. It is a joint venture company between Indonesia's PT Mikie Oleo Nabati Industri ("MONI") of the Musim Mas Group and Japan's Fuji Oil Co., Ltd, hence the worker composition will also consist of foreign workers which are Japanese employee.

Established in year 2010 with 51% of shares hold by PT MONI, the current president of this company is Bachtiar Karim. This company runs in fats and oils field specializing in Southeast Asia with production and sales of margarines, shortenings, and processed oils and fats as their line of business, PT Musim Mas-Fuji also plays role to supports the oil distillation and also performs as fats specialty factory of the Musim Mas Group. With their diverse workforce components and culture especially brought by their Japanese employee, has made PT Musim Mas-Fuji a suitable object to be researched.

According to Chuck Williams (2014) cultural training is affecting positively towards the employee performance, where he stated that those who have ever accepted any kinds of cultural training is 71% better than those who don't in performing their tasks. By that the writer is interested to find out the extend of effect that a cultural training might bring to the company by having such diversity. As well as to prove any positive or negative connections in having cultural training towards the employee performances of a multinationally diversified company. This research aims the writing of final paper with the title **"The Importance of Cultural Training Towards Employee Performance in PT Musim Mas-Fuji, Bekasi"**.

## **1.2. Problem Limitation**

This research will be conducted in PT Musim Mas-Fuji which is an oils and fats manufacturer that hires local and foreign workforces. The aims of this study is to know the importance of cultural training toward employee performance in PT Musim Mas-Fuji, that will be limited to some areas as follows:

1. This research will be analysing only the workforces work in PT Musim Mas-Fuji both local and international
2. This research will be focusing only on the cultural factors brought by each work forces to the environment.
3. This study will be conducted to know the job quality carried out by workforces in PT Musim Mas-Fuji

## **1.3. Problem Formulation**

In order to specify the problems, hereby are the problem formulations for this research at PT Musim Mas-Fuji:

1. Does cultural training impact the performance of the employee in PT Musim Mas-Fuji?
2. What kind of cultural training activities that are/can be implemented/done by either the employees or the company to improve their performance?

## **1.4. Objectives of the Research**

The writer did this research with the objectives as follows:

1. To investigate the impact of cultural training to employee performance in the PT Musim Mas-Fuji
2. To evaluate any cultural activities done by PT Musim Mas-Fuji or the employee individually toward the existence of foreign culture in coping with the performance quality carried by them

## **1.5. Benefit of the Research**

There are two types of benefit from this research of cultural training toward employee performances in PT Musim Mas-Fuji. The benefits is divided into theoretical benefit and practical benefit. Hence, those benefits will be elaborated as follows:

### **1.5.1. Theoretical Benefit**

The theoretical benefit of performing this research is in order to find out the is there any important connections of having/achieving any cultural training toward the employee performance in PT Musim Mas-Fuji. The other benefit will be to gain knowledge of applying the theory learned in class to the actual field on whether there is a paralel line between them.

### **1.5.2. Practical Benefit**

The practical benefit from this research is that it can be additional informations for the readers and might be able to be the references for other researchers in similar field. Other practical benefit that can be gained from this is it can be use as a source of consideration by PT Musim Mas-Fuji when there is a need in improving their future performances by boosting the relation.

As to oils and fats manufacturer field this reserach will be able to allow the joint venture industry with foreign workforces to pay more attention toward the importance of the cultural training. Lastly, this research can help any expatriates as well as local worker to know what to expect in their diverse working environment and how to deal/adapt with it.

## **1.6. Systems of Writing**

The writing of this research will be divided in five chapters in which each of them is divided to several sub-chapters according to the requirements. The systematic outline of writing this final paper will be as follows:

## Chapter I – Introduction

This chapter evaluates on the background of this study that explains on the reason of the writer to choose and conduct “The importance of cultural training towards employee performance in PT Musim Mas-Fuji, Bekasi” as the topic, problem limitation, problem formulation, the objectives of the research, benefit of the research that is divided in two which are the theoretical benefit and the practical benefit and last the system of writing.

## Chapter II – Literature Review and Hypothesis Development

In this chapter, writer elaborates the theoretical background of the definition found in the topic which are cultures, culture elements, culture differences, cultural training, indicators of cultural training, employee performance, factors on employee performances, indicators of employee performance and relation between cultural training and employee performance. This chapter also includes the data of previous research, hypothesis development, reserach model and famework of thinking.

## Chapter III – Research Methodology

This chapter discusses on the quantitative method chosen by the writer for the research including the research design used, population and sample, data collection method, operational variable definition and variable measurement along wih data analysis method.

## Chapter IV – Data Analysis and Discussion

The fourth chapter explains on the cultural training activities performed, vision and mission, organization structure, demonstration of data analysis in descriptive statistic, result of data quality testing and result of hypothesis testing and discussions.

## Chapter V – Conclusion

In the last chapter, will be a brief conclusion of the result gained from this research, the implication as well as the recommendation and suggestion regarding this study in the future.