

Comparative Analysis Of Human Resource Management Practices In Indonesia And The Uk: A Review Of Interculturalism In Context Of Global Organizations

Mochamad Freski Dino Fava ^{1*}, Bayu Rizqi Putra Mahendra Tratuhany ², Firmansyah Nurzam Ferriyadi ³, Reza Dinda Agustin ⁴, Nessa Aulia Jalapuspa ⁵

¹Digital Business Study Program, Surabaya State University, Surabaya, Indonesia, mochamadfreski.22031@mhs.unesa.ac.id

²Digital Business Study Program, Surabaya State University, Surabaya, Indonesia, bayu.22110@mhs.unesa.ac.id

³Digital Business Study Program, Surabaya State University, Surabaya, Indonesia, firmansyah.22179@mhs.unesa.ac.id

⁴Digital Business Study Program, Surabaya State University, Surabaya, Indonesia, rezadinda.22004@mhs.unesa.ac.id

⁵Digital Business Study Program, Surabaya State University, Surabaya, Indonesia, nessaaulia.22022@mhs.unesa.ac.id

Corresponding Author Email: mochamadfreski.22031@mhs.unesa.ac.id

ABSTRACT

Received : 1 July 2024
Accepted : 31 August 2024
Published : 30 September 2024

Keywords:

Human resources, cross culture, organization, interculturalism.

This research aims to compare human resource management (HRM) practices in Indonesia and the UK in the context of interculturalism in global organizations. The research method used is a literature study with a descriptive-qualitative approach, which describes cross-cultural HRM practices in both countries. Data was collected through literature study from various sources such as journal articles, conferences, websites and related documents. The results of a comparative analysis of HRM practices show significant differences in recruitment, occupational safety and health, selection, performance appraisal, training, and compensation systems between the two countries. The implication of this research is to provide in-depth insight into the dynamics of interculturalism in the context of global organizations in HR management, as well as providing a basis for developing a more effective approach in managing cross-cultural workforces in the current global context. In addition, this research also highlights the importance of leadership support, changes in employee mindsets, rewards, training, flexibility, and implementation of intrapreneurship in the context of HRM practices in both countries.

INTRODUCTION

Problem Statement

Human Resources (HR) play a crucial role in organizational development, with Human Resource Management (HRM) taking on a strategic approach to managing human aspects in organizations or companies. HRM activities, including planning, organizing, directing, and controlling, are geared towards optimizing human resources to achieve

organizational goals (Mangkunegara, 2018). However, in the context of globalization, companies face the challenge of managing HR effectively across diverse cultural environments. Cultural differences significantly influence individual behaviors, making cross-cultural understanding and effective communication within management crucial for the successful transfer of cultural values into organizational practices.

Research Object

This research focuses on the comparison of HRM practices in Indonesia and the United Kingdom (UK), two countries with distinct cultural contexts. By examining recruitment processes and HRM strategies within organizations in these two countries, the study aims to highlight the influence of culture on HRM practices and the necessary adaptations that organizations must undertake to remain competitive in a globalized market.

State of the Art

Existing literature on HRM practices emphasizes the importance of aligning HR strategies with the cultural context of the organization. For instance, in Indonesia, recruitment processes often prioritize candidates with specific skills and qualifications suited to particular roles (Effendy & Santiago, 2022). In contrast, HRM practices in the UK may involve a broader evaluation of candidates, including cultural fit and potential for growth. While several studies have explored HRM in diverse cultural settings, there is a limited focus on direct comparisons between countries like Indonesia and the UK, particularly in the context of their respective HRM practices.

Research Gap

Despite the growing body of research on cross-cultural HRM, there is a notable gap in comparative studies that focus specifically on Indonesia and the UK. Existing studies tend to either focus on single-country analyses or broader regional comparisons, without delving into the nuanced differences between specific countries with distinct cultural backgrounds. This gap presents an opportunity to contribute to the field by providing insights into how cultural differences between Indonesia and the UK shape HRM practices, particularly in the recruitment process.

Contribution

This study contributes to the field of HRM by offering a comparative analysis of HRM practices in Indonesia and the UK, with a focus on the recruitment process. By examining how cultural differences influence HR strategies, the research provides

practical recommendations for organizations operating in multicultural environments. The findings will be valuable for HR professionals, policymakers, and academic researchers interested in cross-cultural management and the adaptation of HRM practices to local contexts.

Novelty

The novelty of this research lies in its comparative approach, focusing on two culturally distinct countries: Indonesia and the UK. Unlike previous studies that may have focused on single-country analyses, this research offers a direct comparison, highlighting how cultural differences manifest in HRM practices. This study provides new insights into the specific adaptations required in HR strategies to address cultural differences, particularly in the context of recruitment, thereby filling a significant gap in the existing literature.

LITERATURE REVIEW

Definition of HRM

Human Resource Management (HRM) can be understood from two perspectives, namely as a system and a function. In terms of meaning as a system, HRM is designed to ensure effectiveness and efficiency in utilizing individual potential and talents in an organization (Mathis & Jackson, 2008). In contrast, from a functional perspective, HRM covers a whole series of activities, from HR planning to termination. Crucial activities in HRM involve preparing job analysis, recruitment, selection, placement, payroll, performance appraisal, training, development, career management, fostering relationships between individuals, and planning work life quality programs (Management & Hj Nuraeni GaniMM, nd).

As an approach to managing human resources, HRM involves key aspects such as planning, procurement, development, management and supervision of HR to achieve organizational goals. In practice, HRM involves important elements such as recruitment, occupational safety and health (K3), selection, performance assessment, training, and compensation systems. It is believed that the effectiveness of HRM practices can improve organizational performance, obtain employee satisfaction, and ensure compliance with labor

regulations. Operationally, human resource management champions interaction between management and employees, where management holds responsibility for planning, directing and supervising HR activities, while employees contribute with their skills, knowledge and workforce (Hasibuan, 2012).

Cross-cultural Human Resources Management (HR) is an HRM science that focuses on management through culture. Following are several definitions of cross-cultural HRM according to experts:

1. According to H. Musa Hubeis, in his book entitled "Cultural Human Resource Management" he describes HRM as a process that involves managing human resources by taking into account cultural differences and personal backgrounds.
2. According to Heru Susilo, he explained that the main focus of international HRM is to emphasize cross-cultural management, looking at human behavior in an organization from various cultures and different personal backgrounds.
3. According to Davenport and Heneman (2010), cross-cultural human resource management is defined as "a process that involves managing human resources in multinational organizations or organizations operating in a cross-cultural environment".
4. The definition of cross-cultural human resource management according to Thomas (2008) is "a process that involves managing human resources in organizations that operate in culturally diverse environments."
5. Understanding human resource management according to Malay SP. Hasibuan is a science and art for managing the relationships and roles of the workforce so that they are effective and efficient in helping to realize the goals of the company, employees and society.

Based on these definitions, (Sugiarti, n.d.)it can be concluded that cross-cultural HRM focuses on understanding and managing cultural differences that can influence employee behavior and performance. Second, the application of cross-cultural HRM is relevant for multinational organizations, namely organizations/companies that operate in more than one

country. Third, this concept can also be applied to organizations operating in diverse cultural environments, even if they do not operate in more than one country. Therefore, cross-cultural HRM is a very important field to study, especially in the current era of globalization. Globalization has created an increasingly culturally diverse environment, this emphasizes the need for organizations to have an understanding and ability to manage cultural differences to ensure the success and sustainability of organizations/companies in a dynamic global market.

Recruitment

Recruitment is defined as the search for a group of applicants who have qualifications that are in accordance with the goals of an organization. This activity takes place in several stages which require a lot of time and also coordinated actions from many members of an organization. Here are several definitions of recruitment according to experts:

1. According to Sjafri Mangkuprawira (2004:95), recruitment is a process of attracting a group of candidates to fill vacancies. Effective job opportunities bring employment opportunities to the attention of people whose skills and abilities match the job requirements.
2. Definition of recruitment according to Robert L. Mathis (2011:207): Recruitment is the process of producing a group of applicants who meet the requirements for a job.
3. Definition of recruitment according to Fautino Cardoso Gomes (2003: 105): Recruitment is the process of searching for, finding and attracting job applicants in and by an organization.
4. Definition of recruitment according to Soekidjo Notoadmodjo (2003:130): Recruitment is a process of searching for and attracting prospective employees who have skills that match the projected needs of an organization.

Based on various definitions of recruitment that have been explained by experts, it can be concluded that recruitment is a process of attracting a group of individuals who have potential and meet the requirements to fill positions within a company. In other words, recruitment is a step in finding and attracting prospective employees who have appropriate qualifications to apply for the job (Branin, 2008b).

(Adjunct & Marniati, nd) Quoting Stone, the main aim of the recruitment process is to gather as many prospective employees as possible, providing opportunities for management (recruiters) to carry out selection and selection according to the qualifications required by the company. Other recruitment objectives are:

1. In line with company programs and strategies, the first step before carrying out an activity is to determine programs and strategies to achieve company goals. To realize these programs and strategies, the company recruits employees according to existing needs.
2. Determining personal needs in the short and long term, related to changes occurring in the company, is an integral part of this process. This is in line with support for company policies in managing various aspects of human resources.
3. Consistency in supporting company policies in managing various human resources is an important aspect in implementing strategic steps.
4. Evaluation of the effectiveness of various employee recruitment methods is the focus in assessing the success of the process.
5. The realization of entrepreneurial activities as part of support for the national unemployment reduction program is the final goal of this series of company steps.

Young et al., (2010), recruitment can be done through two approaches, namely open and closed employee recruitment. An open approach involves disseminating information to the public through various public media channels or social media, such as mass media (online, print and electronic) to reach

potential prospective employees. This approach is considered better because it can be accessed by all prospective employees, increasing the chances of finding employees who suit the organization's needs (Wiroko, 2017).

In contrast, closed recruitment involves a more secretive approach, where information is not communicated openly to the public through mass media. In this method, prospective employees submit applications directly to the organization without public announcements. Apart from that, closed recruitment can also involve recruiting through the family or close relatives of the company owner by providing direct information about job vacancies at the company. Even though it is open or closed, the purpose of recruitment remains the same, namely finding individuals who suit the organization's needs to fill certain positions with the best human resources according to the criteria set by the company or agency (Lawal Aliyu, 2021)

Selection

Selection according to Umi Sukamti (1989; 153) is a process of determining which applicants are recruited by considering the requirements to be accepted to do the job well.

According to Randall S. Schuler and Susan E. Jackson (1997), selection is a process that involves receiving and utilizing information related to job applicants to determine individuals who are most suitable to fill positions in both the short and long term. Meanwhile, placement is related to matching a person with the position to be held, taking into account the needs of the position as well as the knowledge, skills, abilities, preferences and personality of the employee concerned, (Zibarras & Woods, 2010a).

From the definition of selection, the selection process aims to obtain information regarding job applicants for available positions.(Nuryanta, 2008) This process must be based on correct procedures and use the human resources needed later, so that in the end it can have a positive impact on the company/organization in producing superior human resources. Each company uses a different selection method, there are 2 selection methods, namely the traditional selection and the scientific method. Traditional selection is based on estimates and experience, but this method will cause losses because

the number of employees accepted will not be in accordance with the volume of work required. The elements selected in this selection are:

1. Stamped application letter
2. School diploma
3. Certificate of employment and experience
4. References from trusted parties
5. Live interview
6. Applicant's writing

(Soesanto, n.d.) Scientific selection is selection that is based on job specifications and real needs for the position to be filled. There are several selection steps using the scientific method, namely:

1. Reference check
2. First interview
3. Medical check up
4. Final interview

In the analysis of selection steps proposed by Randall S. Schuler and Susan E. Jackson (1997:264-285), the research results highlight applicants' preferences for a selection process that involves them actively in activities that are directly related to the job position they are applying for. They try. In the applicant's perspective, simulation methods and work examples are considered more relevant and meaningful than written cognitive tests or handwriting analysis. This view may be influenced by the belief that such an approach creates fairness in assessment. The importance of relevance in questions is also highlighted, with questions deemed superficial or unrelated to the actual job context can elicit negative reactions from applicants. Therefore, selection measures that ensure applicants' involvement in activities appropriate to their job demands are an important aspect of maintaining integrity and fairness in the selection process (Branine, 2008).

METHOD

This research is a literature study with a descriptive-qualitative type of research with a literature study that seeks to describe cross-cultural human resource management (HRM) practices in Indonesia and England. In two different continental regions, namely the Asian continent and the European continent. By adopting a descriptive-qualitative research design, it is hoped that this paper can provide an in-depth overview of human resource management (HRM) practices in Indonesia and the UK. This

literature study research uses various written sources such as journal/conference articles, websites on the internet, and documents that are relevant to the study in this research. Literature study is a method of collecting data that is not aimed directly at the research subject and examines various kinds of documents that are useful for analysis. This study focuses on cross-cultural HRM practices, for example in terms of recruitment, selection, training, compensation, K3, & performance appraisal.

Data processing in this research was carried out by: (1) selecting data or information obtained from internet searches or from literature studies regarding cross-cultural HRM practices as a whole; (2) carry out a comparison and conclusion process based on differences in two countries in two different continental regions.

RESULT AND DISCUSSION

RECRUITMENT

Recruitment Practices in Indonesia

In recruitment practices in Indonesia, companies use different methods to attract potential employee candidates. Common methods are by posting job vacancies on job portals, social media, job fairs, campus recruitment, and referral programs. Additionally, third-party recruiting agencies are often used to assist with the recruiting process. However, companies face several challenges when implementing the recruitment process. One of them is the difficulty of finding the right method to recruit prospective candidates who meet the desired criteria. Apart from that, companies must also pay attention to company branding which is very important to attract more candidates. In this case, companies must pay attention to the company's code of ethics to ensure what rules they need to know if they want to make announcements using different company attributes.

To face recruitment challenges in Indonesia, companies must adapt their recruitment strategies to the company's internal conditions, especially budget issues. Management acting with the help of staff must be able to translate their wishes so as to create recruitment that meets the company's needs. Therefore, recruitment practices in Indonesia use various methods to attract prospective employees, but there are also challenges in determining the right

method and adapting recruitment strategies to the company's internal conditions.

Recruitment Practices in the UK

Graduate recruitment in the UK places more emphasis on personal rather than professional orientation, as many employers are more interested in the attitude, personality and transferable skills of applicants rather than the nature or level of their qualifications. A typical recruitment process in the UK includes assessment centres, interviews and psychometric tests. In addition, college careers advice services also play an important role in supporting graduates in their job search, helping employers to target students.

All UK employers, regardless of industry, are likely to use more sophisticated, objective and cost-effective recruitment and selection methods than ever before. This shows that the business world in the UK is increasingly paying attention to efficiency and effectiveness in recruiting graduates. There are various methods and practices for recruiting graduates in the UK, which vary depending on the size of the company and the number of graduates required. However, in general, companies in the UK are increasingly paying attention to efficiency and effectiveness in recruiting graduates.

Differences in Recruitment Practices in Indonesia and the UK

Recruitment in Indonesia and England has differences that influence its implementation. In Indonesia, the recruitment process often involves many parties and more formal methods. Many companies in Indonesia rely on recruitment agents or carry out an internal selection process which consists of several stages of interviews and competency tests. In addition, elements of network culture and personal relationships often play an important role in recruitment in Indonesia.

In contrast, recruitment in the UK is more centralized and transparent. Many companies use dedicated websites to advertise vacancies and accept applications online. The selection process in the UK usually involves several stages, including interviews and competency tests, with more emphasis on assessing skills and adapting to company culture. A

culture of professionalism and an emphasis on fairness is highly valued in UK recruitment practices and discriminatory practices in the workplace are closely monitored.

These differences are also reflected in recruitment practices in Indonesia and the UK. In Indonesia, there are often more selection stages involving various parties, including managers, the HR team, and even company owners. In the UK, the selection process is usually more structured and focuses on skills and qualifications relevant to the job on offer.

Overall, cultural differences and employment laws between Indonesia and the UK influence the way recruitment is carried out. Although personal relationships play an important role in Indonesia, professionalism, transparency and fairness are important aspects of recruitment in the UK.

SELECTION

Selection Practices in Indonesia

The selection process in Indonesia is used to search for superior Human Resources (HR) for companies in building quality and highly competitive teams. This selection process is based on the process of obtaining information about job applicants in order to fill the right position for the right person. Indonesia often uses 2 selection methods, namely administrative selection and management selection.

The administrative selection method involves several types of tests that cover various aspects

1. Theory Test, used to evaluate the applicant's understanding of material relevant to the position to be applied for
2. Practice Test, determines the ability of prospective employees to apply the skills they have in the real world of work
3. Personality Test, designed to evaluate aspects of an applicant's personality, behavior and preferences. With this test, companies can understand how applicants can interact in the work environment and in completing tasks in certain situations.
4. Aptitude Test, this test is used to find out what talents the applicant is interested in, so that

perhaps their talents will be in line with the position they are applying for.

5. Health Test, this test is the most important test to ensure that applicants have excellent health and do not have serious illnesses or use illegal drugs.

Apart from administrative selection, there is also management selection which involves interviews with directors after passing the administrative test. Applicants will be given the opportunity to answer questions asked by third parties or experts involved in the selection process. The purpose of this test is to assess the applicant's communication skills, knowledge and readiness for the job field to be filled.

Meanwhile, selection for fresh graduates is carried out through distributing questionnaires and interviews. Interviews are conducted to assess the soft skills of new graduates such as the level of honesty, sense of responsibility, self-confidence, communication skills and negotiation skills. Selection methods for new graduates also tend to focus more on soft skills tests, such as psychological tests, interviews, and Focus Group Discussions (FGD).

Selection Practices in the UK

The concept of selection in England is based on formal and non-formal methods. Formal methods include techniques that have a clear methodological basis for evaluating candidates, such as assessment centers, structured interviews, ability tests, and personality tests. Meanwhile, informal or unstructured methods include techniques that do not have a clear methodological basis, such as unstructured interviews, curriculum vitae (CV), and work trial periods. Of the 2 methods, formal methods are used less than informal methods in the employee selection process in the UK. In addition, there are clear similarities in the use of selection methods in organizations of different sizes, as well as variations in selection practices in different industry sectors.

However, the public sector tends to use formal techniques in the employee selection process. This may be due to demands for greater accountability in the public sector, which encourages the use of more structured and formal human resource practices. Boyne (2002) also notes that public sector organizations tend to have more formal decision-

making procedures and stronger bureaucratic structures compared with private sector organizations, which may promote the use of stronger formal personnel procedures in the public sector. This suggests that organizational preferences and needs also influence the use of selection methods.

Thus, the lesser use of formal methods over informal methods in the employee selection process in the UK may be due to the gap between research and practice, organizational preferences, resource availability, internal company policies, as well as differences in selection needs and practices based on industry sector and size. organization.(Zibarras & Woods, 2010).

For new graduates in England, a more sophisticated, objective and economical selection method is used. Additionally, the process of graduate recruitment and selection in the UK has become more individual-related than job-related, as many employers are more interested in the attitude, personality and transferable skills of applicants rather than the type or level of qualifications held.

Commonly used selection methods include interviews, personality tests, and aptitude tests because they are low cost, easy to use, relatively fair, and accurate. In addition, this method also allows the individual differences of graduate applicants to be explored. The use of the internet in recruiting new graduates is increasing. Many companies rely on a well-designed, easy-to-follow website as one of the most important ways to attract good applicants.

Differences in Selection Practices in Indonesia and England

Selection practices in Indonesia and England have differences in the approaches and methods used. In Indonesia, the selection process aims to find superior Human Resources (HR) to build a quality and highly competitive team. This process involves two main selection methods, namely administrative selection and management selection. Administrative selection involves theoretical tests and practical tests to evaluate the understanding and abilities of prospective employees. Meanwhile, management selection involves interviews with directors after passing an administrative test to assess the applicant's communication skills, knowledge and readiness for the job field to be filled.

In England, the concept of selection is based on formal and non-formal methods. Formal methods include techniques that have a clear methodological basis for evaluating candidates, such as assessment centers, structured interviews, ability tests, and personality tests. In the public sector, formal techniques tend to be used in the employee selection process because of higher demands for accountability. Additionally, the UK's graduate recruitment and selection process has become more individual-related than job-related, with an emphasis on the attitude, personality and transferable skills of applicants. Thus, the differences in selection practices between Indonesia and the UK include approaches, methods and evaluation focus in selecting candidates.

And for new graduates, the selection processes in Indonesia and the UK have differences in evaluation methods and focus. In Indonesia, selection of new graduates tends to focus more on soft skills tests, such as psychological tests, interviews and Focus Group Discussions (FGD). This process aims to assess aspects such as the level of honesty, sense of responsibility, self-confidence, communication skills and negotiation skills. Meanwhile, in the UK, the recruitment and selection process of new graduates has become more individual-related than job-related, with an emphasis on the attitudes, personalities and transferable skills of applicants (Soesanto, 2015). Commonly used selection methods in the UK include interviews, personality tests and aptitude tests because they are low cost, easy to use, relatively fair and accurate.

TRAINING

Training Practices in Indonesia

The implementation and supporting factors of intrapreneurship in property services companies in Indonesia show that the company's intrapreneurship strategy is still limited to improving new ways of working and developing products and services, with a lack of focus on business development and creating new business models. Supporting factors such as top management support, leadership, flexibility in carrying out work, and harmonious business relationships with intrapreneurship projects were identified as important. However, employees with entrepreneurial behavior are still minimal, and supporting factors in the form of rewards and training

that encourage entrepreneurial behavior are considered inadequate. This study provides the practical implication that intrapreneurship initiatives are less likely to be successful without strong support for the development of a more systematic entrepreneurial mindset, behavior and culture. The importance of leadership support, changing employee mindsets, rewards and training, flexibility, and decentralized decision making is also emphasized in the implementation of intrapreneurship.(AZIS & AMIR, 2020b).

Training Practices in the UK

The relationship between benchmarking and organizational learning in the context of developing competitive advantage. Through a survey involving more than 700 companies in the manufacturing and services sectors in the north east of England, explored the relationship between benchmarking and the characteristics of organizational learning. Benchmarking provides the greatest benefits to organizational performance when combined with effective organizational learning. Factors such as vision, training and education, problem-solving culture, and human resource strategy are key elements associated with benchmarking and organizational success. In addition, this research also shows that organizations categorized as "potential winners" or "world class" have achieved this success with the existence of effective organizational learning.

Benchmarking is a tool designed to assist in achieving continuous improvement. However, the benefits of benchmarking depend largely on the nature of the process adopted. This document also highlights that organizational learning is an important element in achieving superior performance, and that the existence of organizational learning in a company is an important factor in achieving superior performance. This shows that organizational learning is an important element in achieving superior performance in the UK.(Pemberton et al., 2001b).

Differences in Training Practices in Indonesia and England

In Indonesia, the implementation of intrapreneurship in property services companies is still limited to improving new ways of working and developing products and services, with a lack of focus on business development and creating new business

models. Supporting factors such as top management support, leadership, flexibility in carrying out work, and harmonious business relationships were identified as important. However, employees with entrepreneurial behavior are still minimal, and supporting factors in the form of rewards and training that encourage entrepreneurial behavior are considered inadequate. In contrast, in the UK, the relationship between benchmarking and organizational learning in the context of developing competitive advantage has been explored through a survey involving more than 700 companies in the manufacturing and services sectors in the north east of England. Benchmarking provides the greatest benefits to organizational performance when combined with effective organizational learning. Factors such as vision, training and education, problem-solving culture, and human resource strategy are key elements associated with benchmarking and organizational success.

Differences in training practices in Indonesia and the UK are also visible in approaches to organizational learning. In Indonesia, studies show that intrapreneurship initiatives are less likely to be successful without strong support for the development of a more systematic entrepreneurial mindset, behavior and culture. The importance of leadership support, changing employee mindsets, rewards and training, flexibility, and implementing intrapreneurship decisions. Meanwhile, in the UK, research shows that organizations categorized as "potential winners" or "world class" have achieved this success through effective organizational learning. Factors such as vision, training and education, problem-solving culture, and human resource strategy are key elements associated with benchmarking and organizational success.

COMPENSATION

Compensation Practices in Indonesia

Compensation practices are a very crucial aspect in Human Resources Management (HRM), which focuses on providing rewards to employees as recognition of the contributions they have made to an organization/company. In Indonesia, there are several commonly applied compensation practices, each of which plays an important role in the salary structure and recognition of employee performance.

One practice that has received special attention is the regional minimum wage (UMR), which is set by the government every year for each region in Indonesia. UMR has become a significant benchmark in determining employee salaries in a company. However, employees often consider the minimum wage to be insufficient, giving rise to debate regarding its adequacy to meet daily living needs.

Benefits are also an important component of compensation practices in Indonesia. Apart from the basic salary, companies are required to provide allowances to employees as a form of additional compensation. These benefits include various types, such as health benefits, transportation benefits, and meal benefits, which together can contribute to improving employee welfare.

Bonuses are a form of compensation given as a form of appreciation for an employee's performance for the company. Bonuses are also a common compensation practice. The amount of bonuses given to employees is usually determined based on individual performance assessments or overall company achievements, providing incentives for employees to achieve the best results.

In addition, within the framework of social protection, companies in Indonesia are required to provide social security to their employees, for example health insurance and pension/old age security. This social security not only guarantees the financial security of employees, but can also be an integral part of the compensation system that reflects the company's social responsibility towards employee welfare.

Compensation practices in companies in Indonesia are also influenced by a number of factors that play a critical role in determining the amount of compensation given to employees. These factors involve the dynamics of supply and demand for labor, where the level of availability and need for labor can influence compensation policies in a company. Apart from that, the cost of living in a location can also be an important consideration, because companies need to take into account local economic conditions and ensure that the compensation offered is sufficient to meet employees' living needs.

The employee's education level and work experience are also key factors in determining the amount of compensation. Differences in levels of education and work experience may reflect

differences in levels of contribution and skill, which may affect the level of compensation provided to each employee. In addition, employee position is also an important consideration, where differences in responsibilities and levels of leadership can influence the compensation structure within the organization.

National economic conditions are also a significant factor. Fluctuations in a country's economy can affect an employee's purchasing power, and can trigger changes in the inflation rate which must be taken into account by a company in determining the amount of compensation to be given to employees. There are also several challenges in compensation practices, including efforts to prevent employees from leaving the company, improving work discipline, and ensuring that companies can compete with the workforce in the market by offering attractive compensation packages.

Compensation Practices in the UK

In the field of Human Resource Management, compensation refers to the monetary and non-monetary rewards given to employees in return for their work and contributions to a company (Ahmed et al., 2020). These rewards can include salary, bonuses, commissions, profit sharing and various other benefits. Compensation in the UK is seen as a very important aspect in attracting and retaining the best talent in an organization/company. This plays a very important role in motivating an employee, increasing job satisfaction, and ultimately improving the overall performance of the organization/company. In the UK, compensation is often structured based on a binding legal agreement or contract that outlines the specific components of the compensation package. The following are the various types of compensation received by employees in the UK:

1. **Basic salary:**Basic salary is the amount of money received by employees as main compensation. Base salary may vary depending on position, experience, and work sector.
2. **Benefits:**Benefits are the amount of money given to employees as additional compensation. These benefits can take the form of bonuses, commissions, or other income tied to job performance.
3. **Benefits:**These benefits cover various types of use of services provided to employees by the

company, such as health, pensions, holidays, housing and education.

4. **Additional Income:**Additional income is the amount of money given by the company to employees as extra or non-material compensation. Examples of additional income include free food, or free transportation.

Companies in the UK have a careful approach to determining employee compensation, considering several key factors. Employee performance and contribution play a major role in determining the amount of compensation. Employees who successfully achieve the high performance levels set by the company and make significant contributions are rewarded with greater rewards.

Apart from that, the company's financial capability is also a crucial factor. If a company shows positive financial performance and is able to provide greater rewards, this is reflected in better compensation policies to motivate and retain high-performing employees. Labor market dynamics in the local environment and industry also influence compensation policies. When an industry experiences high demand for specific skills, companies may need to offer higher compensation to attract and retain talented employees.

Therefore, adjusting compensation in line with labor market trends is an important strategy so that companies can compete and retain quality human resources. Overall, this approach reflects the company's commitment to providing rewards that are commensurate with employee qualifications, performance and contribution value, while taking into account the company's economic conditions and labor market dynamics.

Then the British government has also taken a strong commitment to providing compensation to the industrial sector, emphasizing its central role in establishing compensation mechanisms. In this context, the British government has played a significant role in several aspects of compensation determination, the main focus of which involves the protection of victims of slavery. Concrete actions have been implemented, including providing compensation and medical support to support the mental recovery of the victims.

Apart from that, the British government has also shown concern in labor inspection by allocating funds for labor inspections. Legal action has also been taken to prosecute perpetrators of human trafficking violations, which includes provisions in laws, such as the Sexual Offenses Act 2003 and the Asylum and Immigration. With these steps, the government has attempted to address issues related to human exploitation and protect workers' rights.

Not only that, employee welfare is also the focus of the British government, which is involved in designing workforce policies and planning on an ongoing basis. These efforts include aspects such as job training, workforce productivity, and improving working environmental conditions. Thus, it can be concluded that the British government, through various initiatives, has been proactively involved in the process of determining compensation, especially in the context of protecting victims of slavery and monitoring labor.

Differences in Compensation Practices in Indonesia and the UK

In the context of global organizations, human resource management practices in Indonesia and the UK have quite interesting differences. The following are several important aspects that need to be considered in the analysis of interculturalism in the context of global organizations:

1. Financial Compensation: Companies in Indonesia and the UK use different types of financial compensation. Examples include salary, allowances, THR, incentives, commissions, bonuses, achievement payments, and company profit sharing. Although there are some differences in the compensation schemes and systems in the two countries, the main objectives of compensation are the same. namely to support company operations management by increasing employee loyalty so that optimal performance can be achieved.
2. Non-Financial Compensation: Around 50% of companies in Indonesia pay non-financial compensation, such as flexible working hours, social protection programs, training, education and holiday allowances. Companies in the UK also provide similar non-financial

compensation, such as facilities related to health, security and family.

3. Language Teaching: In the context of global organizations, English language teaching becomes very important, as it can provide employees with skills in communicating with colleagues from different countries. Multiculturalism and interculturalism are a concern in teaching English in Indonesia, where there are multicultures and multiethnicities from English-speaking countries.
4. Diversity Management: Indonesia is a country with various ethnic and cultural backgrounds, which can enable every company to develop expertise in diversity management. Diversity management is very important to be able to create a positive and inclusive work atmosphere, where an employee can feel accepted and appreciated according to their field.
5. Transparency and Accountability: In the context of a global organization, a company is required to be able to create a transparent and accountable compensation system, so that it can facilitate understanding and supervision by shareholders, regulators, the media and the general public.

OCCUPATIONAL HEALTH AND SAFETY (K3)

Practice Occupational Health and Safety (K3) In Indonesia

Identifying factors that influence occupational safety and health (K3) culture, especially in construction projects, as well as analyzing the influence of K3 cultural factors on construction project performance. The research results show that simultaneously and partially, the independent variables consisting of Top Management Commitment to K3, K3 Regulations and Procedures, Worker Communication, Worker Competence, Work Environment, and Worker Involvement in K3 have a significant effect on the Construction Project Performance variable. This research was conducted by limiting the object of study to construction service companies that are implementing construction projects, especially facilities and infrastructure, using primary data in the form of survey data through distributing questionnaires and interviews with

workers on construction projects that are the object of study. Several factors identified as dominant factors in forming an K3 culture are top management commitment, K3 regulations and procedures, communication, worker competence, worker involvement, and work environment. This research aims to assist contractor companies in creating good Occupational Safety and Health (K3) conditions in construction projects, as well as improving construction project performance by paying attention to the identified K3 cultural factors.

To identify factors that influence occupational safety and health (K3) culture, especially on construction projects, and analyze the influence of K3 cultural factors on construction project performance. The research results show that simultaneously and partially, the independent variables consisting of Top Management Commitment to K3, K3 Regulations and Procedures, Worker Communication, Worker Competence, Work Environment, and Worker Involvement in K3 have a significant effect on the Construction Project Performance variable. This research was conducted by limiting the object of study to construction service companies that are implementing construction projects, especially facilities and infrastructure, using primary data in the form of survey data through distributing questionnaires and interviews with workers on construction projects that are the object of study. Several factors identified as dominant factors in forming an K3 culture are top management commitment, K3 regulations and procedures, communication, worker competence, worker involvement, and work environment. This research aims to assist contractor companies in creating good Occupational Safety and Health (K3) conditions in construction projects, as well as improving construction project performance by paying attention to the identified K3 cultural factors.

Practice Occupational Health and Safety (K3) In England

K3 (Occupational Safety and Health) practices are explained as the implementation of ISO 45001:2018 which aims to create a safe and healthy work environment for workers, contractors, suppliers, visitors and guests. ISO 45001:2018 provides a strong and effective framework for reducing workplace risks and creating safe and healthy workplaces.

Implementation of ISO 45001:2018 also includes increasing the effectiveness of planned, measurable, structured and integrated K3 protection, preventing and reducing work accidents or occupational diseases, reducing absenteeism and worker turnover, reducing insurance premium costs, creating an K3 culture, strengthening the role of leadership. In improving K3 performance, the ability to fulfill legal obligations and K3 regulations, as well as increasing the company's reputation because it has reached international standards.

K3 practices that can be implemented to improve the safety and health of immigrant workers. One way is to increase safety training. Enhanced safety training should include methods such as pictograms, illustrations, and hands-on exercises that transcend cultural, educational, and language differences. In addition, the article also highlights the importance of paying attention to working conditions, job insecurity, and occupational health disparities in OSH practices for immigrant workers.

Practice Differences Occupational Health and Safety(K3) in Indonesia and England

The differences in Occupational Safety and Health (K3) practices between Indonesia and the UK can be seen from the differences in regulations, implementation and awareness of K3. In Indonesia, the implementation of K3 is regulated by Law Number 1 of 1970 concerning Safety, which was then strengthened by Law Number 36 of 2009 concerning Health. This shows that the Indonesian government has a strong legal basis for requiring the implementation of K3 in the workplace. On the other hand, the UK has more detailed and stringent K3 regulations, such as the Health and Safety at Work Act 1974, which places responsibility on employers to ensure the occupational safety and health of employees.

Apart from that, the implementation of K3 in Indonesia still faces various challenges, such as a lack of awareness of the importance of K3 in the work environment, especially in the informal sector. In the UK, awareness of K3 is higher and the implementation of K3 in the workplace is more structured, with strict regulations and more intensive supervision. This difference is also reflected in OSH implementation practices, where the UK has higher standards in terms

of training, inspection and reporting of work accidents. Therefore, differences in K3 practices between Indonesia and the UK can be seen from differences in regulations, implementation and awareness of K3 in society and the work environment.

JOB APPRAISAL

Job Assessment Practices in Indonesia

In Indonesia, the job appraisal system is an important process in human resource management which is generally carried out periodically, such as every three months, six months, or one year. The method often used is Performance Appraisal, which is aimed at evaluating employee performance objectively and anti-biasedly. This assessment not only functions as a feedback tool to improve performance, but also becomes the basis for company management decision making regarding the continuation of employment relations with employees, whether to terminate or continue. Giving rewards to employees who show above average performance, such as bonuses, salary increases and position promotions, is also determined by the results of the evaluation. The job appraisal system in Indonesia tends to focus on individual achievements and personal targets, reflects a structured approach with clear periodic appraisals, and considers personal relationships between superiors and subordinates in the evaluation process.

Job Appraisal Practices in the UK

The UK job appraisal system reflects a more collaborative approach and focuses on personal development and contribution to the team. Employee performance appraisals often involve graduate-level classification methods, such as First Class, Second Class, and Third Class, which provide a holistic picture of academic and professional accomplishments. Additionally, these systems often use broad metrics, covering collaborative aspects, communication, and employee participation in teams. This more flexible approach allows adaptation to changing business needs, while providing a focus on employee personal development. By involving various parties, including direct superiors, colleagues, subordinates, and even clients or customers, the UK applies objective and diverse performance assessment

methods to ensure comprehensive and fair evaluations.

Differences in Job Assessment Practices in Indonesia and the UK

From the discussion above, it can be concluded that there are significant differences between the Indonesian and British employee performance appraisal systems in terms of approach, method and focus. In Indonesia, objective and fair performance evaluations are common, whereas in the UK, postgraduate level evaluations and team contributions are generally emphasized. These differences reflect the differences in work culture, regulations and management priorities of the two countries. In the UK, performance appraisals are more collaborative and focus on personal development and contribution to the team. In contrast, in Indonesia, the emphasis is placed on individual employee performance and skills.

It is important to realize that these differences include not only appraisal methods, but also cultural and managerial aspects that influence how performance appraisals are conducted and received by employees. Therefore, companies operating in both countries need to understand these differences in order to develop performance evaluation systems that are appropriate to local conditions and company goals. Effective performance appraisals enable companies to increase employee productivity, motivation and development. Although these differences reflect differences in culture and management practices, a deep understanding of both systems can help companies optimize performance evaluation strategies to achieve long-term goals.

CONCLUSION

That this research is a literature study that uses descriptive-qualitative methods to describe cross-cultural human resource management (HRM) practices in Indonesia and England. This research adopts a descriptive-qualitative research design with a focus on analyzing similarities and differences in HRM practices in the two countries. Data was collected through literature study from various sources such as journal/conference articles, websites on the internet, and documents relevant to the study in this

research. The results of a comparative analysis of human resource management (HR) practices in Indonesia and the UK show important differences in recruitment, occupational safety and health (K3), selection, performance assessment, training and compensation systems. In the context of globalization and interculturalism, this research provides in-depth insight into the dynamics of interculturalism in the context of global organizations in HR management, and can provide a basic overview for developing a more effective approach in managing cross-cultural workforces in the current global context.

In addition, differences in human resource management practices between Indonesia and the UK are reflected in various aspects, such as recruitment, occupational safety and health, selection, performance appraisal, training and compensation. In Indonesia, these practices emphasize local involvement, cultural aspects, and individual development, while in the UK they prioritize the principles of meritocracy, strict regulatory compliance, technical skills, measurable performance achievements, technical training, and transparency in compensation. These differences reflect the influence of culture and regulations in shaping human resource management practices in the two countries. Thus, this research provides an in-depth view regarding the differences in human resource management practices in Indonesia and the UK, as well as their implications in the context of globalization and interculturalism.

Author contribution

Author 1: Conceptualisation, editing layouting, data collection, and writer.

Author 2: Research design, data collection, and writer.

Author 3: Methodology, data collection, and writer.

Author 4: Supervision, data collection, and writer.

Author 5: Data collection, and writer.

Author 6: Data collection, and writer.

Declaration of interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Acknowledgements

The authors would like to express their sincere gratitude to Bapak Muhammad Fajar Wahyudi Rahman, S.E., M.M., for his invaluable insights and

guidance throughout the Cross Cultural Management course. We also extend our appreciation to Bapak Hujjatullah Fazlurrahman, S.E., M.B.A., for his continuous support and coordination in the Digital Business program. Their contributions and encouragement greatly facilitated the development and completion of this research.

References

- Azis, P., & Amir, M. T. (2020). Examining the Intrapreneurship Drivers and Strategy: Case Study of Property Services in Indonesia. *Journal of Asian Finance, Economics and Business*, 7(12). <https://doi.org/10.13106/JAFEB.2020.VOL7.N012.169>
- Branine, M. (2008). Graduate recruitment and selection in the UK: A study of the recent changes in methods and expectations. *Career Development International*, 13(6), 497–513. <https://doi.org/10.1108/13620430810901660>
- Lawal Aliyu, U. (2021). The Impact Of Recruitment And Selection Process In An Organization. In *Novateur Publications International Journal Of Innovations In Engineering Research And Technology* (Vol. 8).
- Nuryanta, N. (2008). *Pengelolaan Sumber Daya Manusia (Tinjauan Aspek Rekrutmen dan Seleksi): Vol. I* (Issue 1).
- Pemberton, J. D., Stonehouse, G. H., & Yarrow, D. J. (2001). Benchmarking and the role of organizational learning in developing competitive advantage. *Knowledge and Process Management*, 8(2). <https://doi.org/10.1002/kpm.110>
- Soesanto, H. (n.d.). *3761-7122-1-SM (1) _heru susanto*.
- Sugiarti, E. (n.d.). *Manajemen Sumber Daya Manusia*. www.dewanggapublishing.com
- Wiroko, E. P. (2017). Tantangan dan Strategi Rekrutmen di Indonesia. *Psymphatic : Jurnal Ilmiah Psikologi*, 4(2), 193–204. <https://doi.org/10.15575/psy.v4i2.1442>
- Young, R., Noble, J., Mahon, A., Maxted, M., Grant, J., & Sibbald, B. (2010). Evaluation of international recruitment of health professionals in England. *Journal of Health Services Research and Policy*, 15(4), 195–203. <https://doi.org/10.1258/jhsrp.2010.009068>

- Zibarras, L. D., & Woods, S. A. (2010a). A survey of UK selection practices across different organization sizes and industry sectors. *Journal of Occupational and Organizational Psychology*, 83(2), 499–511. <https://doi.org/10.1348/096317909X425203>
- Zibarras, L. D., & Woods, S. A. (2010b). A survey of UK selection practices across different organization sizes and industry sectors. *Journal of Occupational and Organizational Psychology*, 83(2), 499–511. <https://doi.org/10.1348/096317909X425203>

(Website)

- IDN Times. "18 Definitions of Human Resource Management According to Experts". <https://www.idntimes.com/business/economy/seo-intern/pengertian-manajemen-source-daya-human-menurut-para-ahli>
- Novita. "Cross Cultural Management". <https://bbs.binus.ac.id/ibm/2017/06/manajemen-lintas-kultur/>