

**RESEARCH OF HUMAN RESOURCES MANAGEMENT ISSUES
A CASE STUDY OF
PT. JULONG OIL AND PT. D&C ENGINEERING**

Thesis

By

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PANEL OF EXAMINERS APPROVAL SHEET

The Panel of examiners declares that the thesis entitled “**Research of Human Resources Management Issues in Chinese Private Enterprise at Indonesia.**” that was submitted by **XieFei (Claude)** Majoring in Business Administration from the **Faculty of Business and International Relations** was assessed and approved to have passed the Oral Examinations on March 13, 2013.

Chair-Panel of Examiners

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THESIS ADVISER RECOMMENDATION LETTER

This thesis entitled “**Research of Human Resources Management Issues in Chinese Private Enterprise at Indonesia.**” are prepared and submitted by student **XieFei (Claude)** in partial fulfillment of the requirement for the Bachelor degree of Business Administration has been reviewed and found to have satisfied the requirement for a thesis fit to be examined. I therefore recommend this thesis for Oral Defense.

Cikarang, Indonesia, January 14, 2013

Acknowledged

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DECLARATION OF ORIGINALITY

I declare that this thesis, entitled “**Research of Human Resources Management Issues in Chinese Private Enterprise at Indonesia.**” is, to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, Indonesia, January 14, 2013

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ABSTRACT

With the continuous development of China's market economy, the increasingly fierce market competition, human resources as the most dynamic, the most promising most profitable strategic resources, become the dominant factor for enterprises to participate in the competition and the pursuit of development. Human resources are the most important competition for resources. In this article, quantitative surveys, qualitative analysis of staff in Indonesia's Chinese private enterprises recruitment, training, compensation management, performance evaluation, incentives and other human resource management issues, research and analysis, as well as private enterprises in human resource management is still in the traditional personnel management stage, positioning serious shortage of human resource management agencies, investment, training, and the lack of an effective incentive mechanism. Private enterprises due to many different reasons, do not have enough human resources management focus, coupled with the traditional interpersonal relations, human resources management objectives are not clear, a variety of management tools is invalid. The efficiency of the production sector and private enterprises is not high, cannot replenish the supply, accounting for the sales department recovered receivables and other problems can be attributed to human resources management to solve. To solve this problem, not only to raise awareness, and constantly improve the human resources management system, employee motivation, employees and corporate culture efforts.

Key words: human resources issues, qualitative method, Chinese private enterprise, management technology.

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CHAPTER I

INTRODUCTION

1.1 Background

Human Resource Management has already broken the traditional model, people rise to the angle configuration and management of the resources, and how to implement effective human resources management and configuration, and to build an effective human resource management platforms and systems to become the focus of corporate HR work. As effective system components, the HR major module system improvement and expansion of the work is especially important!

In fact, there are only a small amount of enterprises in china has the functional HRM system, and most of those enterprises were lack of HRM. And some of those companies were just simply copy others HRM system and bring it to its self.

But now days, China's economy in rapid development is the direction of the economic powers to enter, the achievements have attracted worldwide attention,. On the other hand, we should also clearly see that China in the development of many of the non-standard place, in many places, did not enter the regulardevelopment. The development and management of human resources in developed countries have been sixty or seventy years, and in our country has just begun. Therefore cannot be avoided, there are some problems in the management of human resources on the ways and means, which severely restricted the development and management of human resources.

New stage of human resources management in China is basically in a relatively early stage, specific performance:

- a. Due to China's huge population, the majority of enterprises (people) are not considering as the important resource;
- b. Since university education developed, Many college graduates, the large number of personnel returning from overseas, even if they know the senior talent scarcity, but not know how to properly use the talent;
- c. Do not know how to optimize allocation of resources; only know the personnel attendance,

- due to special conditions, resulting on the measures under the policy;
- d. Resource investment extreme savings almost cut all costs in order to reduce costs use Chinese old words say: “the best horse runs faster, without graze ”, tried to squeeze the remaining value of the employees, but not pay enough attention to the staff training;
 - e. No more scientific personnel structure;
 - f. Due to national conditions and reasons, Chinese people pay attention to the relationship between the people, Configuration resulting in a large number of unreasonable process and inappropriate posts, at the same time put all kinds of relations background people who does not have the competence filled important positions, resulting in a waste of resources;
 - g. There is no global awareness and long-term strategic positioning, Enterprises that exist within the phenomenon of gang 'and sectarianism cannot be resolved from the source of human resources.

1.2 Company Preview

PT. D&C Engineering Company was incorporated on December 21st. 2007, having legal domicile in Jakarta, an Indonesian joint venture integrating power plant construction, overhaul, commissioning, operation, maintenance and improvement, with 3 main shareholders of Zhejiang Themal Power Construction Company (ZTPC, Zhejiang, China), PT. SumbergasSaktiPrima (SSP, Jakarta, Indonesia) and Garland Investment Limited (Garland, Hong Kong, China).

PT. D&C Engineering Company is a high-technology enterprise has an advantage in terms of talents, scientific research and cultural atmosphere. It focuses on electric power industry, involving in R&D, popularization and technical service of energy-saving and environment-friendly hi-tech products.

Electricity business in Indonesia can be considered as a sun rise industry, because the demand of electricity will increase as number of population added. Besides, consumption of electricity in the country is still lower compared to neighbor countries, due to the ratio of electrification and electrical consumption per-capita which is still very low, and Indonesia itself is still on the beginning phase towards industrialization. Furthermore, it is far below developed countries, for

example in the US installed capacity is about 750,000 MW for 250 million people, and whilst it is only about 30 MW installed capacity, including private power producers for 250,000 million people in Indonesia. Therefore, it will be a continuous increasing demand of electrical power at least in the next 5 decades. It is obvious that more new power plants are required to be built. This sort of condition may lead any company that deals with electricity business to be involved in supplying power that means market share for electricity business is available from now on and in the future.

Together with the increasing improvement of National Economy, hopefully the improvement of electricity will be as normal as before. The prospect of electricity business on either home industry or industry and business is still viewed as a big opportunity. According to PLN, to fulfill the increasing demand of electrical power on the next decade it is required about US\$ 18 billion to increase the capacity up to about 15,700 MW and the transmission network as long as almost 10,000 KM.

Tianjin Julong Group, headquartered in Tianjin Binhai New Area, owns several subsidiary companies respectively in Tianjin City along the Bohai Sea coast, Jingjiang City of Jiangsu Province at the lower reach of the Yangtze River, and the Republic of Indonesia, which include Tianjin Longwit Oils and Grains Industrial Co., Ltd., and Tianjin Julong Oils and Grains Co.Ltd., JingjiangLongwit Oils and Grains Industrial Co., Ltd., JingjiangLongwit Oils and Grains Port Co., Ltd., as well as PT.GRAHA INTI JAYA in Indonesia. Julong Group's core business focuses on the palm oil production and marketing. The company has formed a whole palm oil industrial chain consisting of oil-crop plantation, edible oil processing, port logistics, oils and grains trade, oil and fat product R&D, brand packaged-oil promotion and oils and grains industry financial services. Julong Group is one of the earliest palm oil enterprises with the largest scale and the widest influence in China.

Julong Group occupies the largest market share of nationwide palm oil trade as a domestic enterprise in China. In 2010, Julong has already occupied 16% palm-oil market share, with annual oils & fats trade volume exceeding 1 million tons and sales income over RMB 10 billion.

Meanwhile, it has constructed a comprehensive oil processing base with the highest capacity in China. Annually, the factories of Julong Group can fractionate 1.35 million tons of palm oil and refine 700,000 tons of oils & fats, and the total storage capacity of various oils & fats there amounts to 22,000 tons. In Jingjiang City of Jiangsu Province, it owns the largest comprehensive palm oil processing base in east China, which consists of a logistics base with 3 river trade terminals with total throughput capacity of 140,000 tons, and a super large oil processing factory which can produce 600,000 tons of refined oils & fats and 1 million tons of fractionated palm oil, and store 210,000 tons of oils & fats. While increasingly expanding the capacity, Julong adapting to the market requirement, reinforced its momentum in technical innovations and product Research & Development, and its production capability of palm oil with super low melting point has reached the international advanced level. On that basis, in May, 2007, Julong launched the first consumer-packaged palm oil in domestic market, Holiday-1st Fresh Extract, which filled the gap in consumer-packaged edible oil in China. Since then, the palm oil from Southeast Asia has been sent to thousands of households in China.

In 2006, in order to improve the international competitiveness of palm oil enterprise group of China, Julong Group stride southward to Indonesia and constructed the first Chinese overseas palm oil plantation. Currently, there are two palm plantations with a total area of 24,000 hectares. In early 2011, Julong completed the construction of the first Chinese overseas palm oil crushing plant, which signified Julong's complete entrance into the world's largest edible oil industry, palm oil industry. This move by Julong Group has made an outstanding contribution to the practice of "Going Out" strategy. And the leaders of Julong Group have been graciously received and fully confirmed by Chairman of Committee Wu Bangguo, Premier Wen Jiabao and Vice Premier Li Keqiang.

Overlooking the vision of future, Julong Group, taking "Prosper the industry and serve the people, Guarantee people's livelihood" as its objective, will speed up its globalization development and increase its input in palm plant industry of Southeast Asia. Making use of land and environmental resources of Indonesia and Malaysia, Julong Group will further exert great efforts into palm

plantations development, the largest-scale woody plant veg oil resource, and develop palm plantations with a total area of over 500,000 hectares so that its internationalization and global competitiveness would be upgraded.

Julong Group will always uphold its corporate vision, “Building an Outstanding Enterprise in the Grains & Oils Industry of China”, march fearlessly onward and make contribution to ensuring cooking oil supplies of China.

1.2 Problems Identification

Now days many company in china becoming more international, many of them were starting going out of country building the overseas department, like some Chinese company in Jakarta, many people start to work in Indonesia, but the problem is how to hold those talents? How to improve the quality of employee’s work? Many of them were changing their job very fast, why? Is this related with the HR management problems? This research is aim to explore the relationship between HRM and company’s employee in order to find the solution for the company to help them to get better company performance and employee’s feedback.

1.3 Statement of Problems

- 1) What are the common HRM problems in those two Indonesian Chinese Companies?
- 2) How does human resource planning influence those two companies’ performance?
- 3) What are the problems in recruitment and configuration process at those two Chinese Indonesian Companies?
- 4) What are the problems in training and development at those two Chinese Indonesian Companies?
- 5) How to use pay and benefits to explore employee’s performance?
- 6) How to increase performance by doing performance management in those companies?
- 7) How to deal with the employee relations well in those two Chinese Indonesian Companies?

1.4 Research Objective

The objective of this research is aim to find out the most popular HRM problems in the Chinese overseas company in Indonesia, Furthermore, giving suggestions to company's manager to make a better company performance and employee's feedback.

1.5 Theoretical Framework

This study will integrate relevant literature and develop a model to identify the HRM problems among relevant research constructs. This study could be used to help improve the company performance and Efficiency. The basic framework using in this thesis were the popular HRM system. (Figure 1.5)

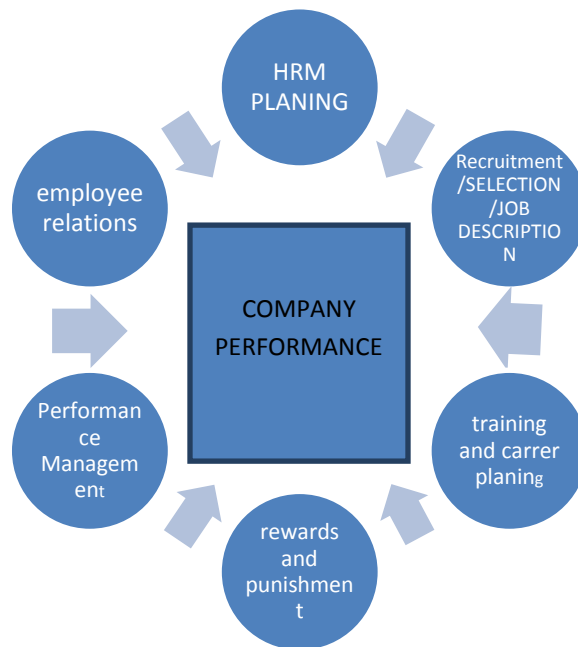


Figure 1.5 Theoretical framework of the study (Michael Armstrong, Handbook of Human Resource Management Practice: 75)

(modification from "Transforming HR: Creating Value Through People" (Mark Williamson,2011:page 36)

1.6 Significance of the Study

- a) This research has done is to fulfill the satisfaction President University required usually. The research can show how to implement the class knowledge into real research and get meaningful findings. It also can provide some references to the following students of President University and help them make their thesis better.
- b) And also the purpose of this research is to discover the HRM factors that influence company performance among Chinese company in Indonesia. This study research the factors that could caught the bad influence to the company related to the HRM system.
- c) The last objective to write this thesis is for the writer to conclude the writer's study and achieve the Bachelor Degree at the President University. And also writing this thesis as the writer's wishes it could improve researcher's knowledge.

1.7 Scope and Limitation of the Study

The scope of this study is about to analyze the factors that could influence the company's performance base on the key variables of HRM system. Then give those company advices for the HRM management.

Limitations: company amounts are limited, the researcher only has two companies which are able to make research and get data to analysis. So that cause the sample size of this research is relative small, the result of this research may not exactly represents the actual and complete situation of HRM problem factors in a wide and general range.

CHAPTER II

LITERATURE REVIEW

2.1 HRM System

2.1.1 Definition of HRM

According to Alexander Hafemann's theory, HRM is the abbreviation for human resource management, human resource management (also called HR management) HR-Human Resource Human Resources, the goal is to make corporate HR human resources development and planning. The system focuses on the Human Resources Department Staff management, payroll management, and performance appraisal demand. Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers.

According to Susan Heathfield's theory and James C. Hayton's Human resources management book , HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

William R. Tracey, in The Human Resources Glossary defines Human Resources as: "The people that staff and operate an organization as contrasted with the financial and material resources of an organization. The organizational function that deals with the people"

Human Resources evolved from personnel as the field moved beyond paying employees and managing employee benefits. The evolution made verbal the fact that people are an organization's most important resource. People are an asset that must be hired, satisfied, developed, and retained.

Long a term used sarcastically by individuals in the line organization, because it relegates humans to the same category as financial and material resources, human resources will be replaced by more people and organization friendly terms in the future.

HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

2.2 Definition of Research Variables

2.2.1 HRM Planning

Human resource planning, According to Alan Price's theory, (Human Resource Management in a Business Context, 3rd edition) HRM planning is a process which anticipates and maps out the consequences of business strategy on an organization's human resources. This is reflected in planning of skill and competence needs as well as total headcounts. For resourcing strategies to be implemented they must be translated into practical action. The strategic process can be organized logically. For these decisions to be taken, information must be obtained, consequences gauged, political soundings taken and preferences assessed.

It is clear that many of these decisions are fundamental to an organization. If the implications are major, strategic decisions are taken at the Centre of the business. The role of the human resource function is two-fold:

- a) To participate in the decision process by providing information and opinion on each option, including: Redundancy or recruitment costs, consequences on morale, Redeployment/outplacement opportunities, availability of skilled staff within the organization, availability of suitable people in the job market and its constraints development, training needs, schedules and management requirements.
- b) To support line managers dealing with the people consequences of implementing the decision. Information already gathered provides the basis for a human resource plan.

According to R. Wayne Mondy's book "Human Resource Management," human resource planning is the systematic process of matching the internal and external supply of candidates with job openings that a company anticipates over a certain period of time. Put simply, human resource planning is keeping an up-to-date compilation of candidates inside and outside the company for future positions. In order to carry out human resources planning effectively, HR managers and

specialists must have the ability to forecast accurately, otherwise they will not know what jobs will open and who will be best to fill them. Obviously not every qualified candidate can be hired immediately, but HR workers must be able to organize employees and future job openings to keep tabs on top talent, especially in a competitive marketplace in which their skills will likely be in demand. There are two main components of human resource planning forecasting: requirements forecast and availability forecast.

From the theory of "A Handbook of Human Resource Management Practice"; Michael Armstrong; 2006", the planning process is the first step to building an effective workforce in an organization. The HR manager must first analyze future business needs that require different skill sets. Before employing from outside, the organization needs to see if there are any current employees who already possess the necessary skills. A job description is then developed and the recruitment process begun. Finally, the right candidates are hired according to the level of their work experience. Human resource planning is one of the key strategic roles of the HR department. HR plays a significant role in the success of an organization. Considering that HR functions are a way to achieve corporate goals, they must be a part of the corporate mission and vision.

The HRM planning is stable to enable enterprises to have a certain quality and the necessary number of human thus obtained between the personnel demand and staff have in the future, in order to achieve the goals of the organization, including personal interests, including the development of a set of measures, match each other in the development process.

2.2.2 Recruitment/Selection/Job Description

According to the R. Wayne Mondy's book, Recruitment refers to the process of attracting, screening, and selecting a qualified person for a job. At the strategic level it may involve the development of an employer brand which includes an 'employee offering'.

The stages of the recruitment process include: job analysis and developing a person specification; the sourcing of candidates by networking, advertising, or other search methods; matching candidates to job requirements and screening individuals using testing (skills or personality

assessment); assessment of candidates' motivations and their fit with organizational requirements by interviewing and other assessment techniques. The recruitment process also includes the making and finalizing of job offers and the induction and on boarding of new employees.

Depending on the size and culture of the organization recruitment may be undertaken in-house by managers, human resource generalists and / or recruitment specialists. Alternatively parts of all of the process might be undertaken by either public sector employment agencies, or commercial recruitment agencies, or specialist search consultancies.

According to Alison Doyle, The recruitment phase of the hiring process takes place when the company tries to reach a pool of candidates through job postings on company and external websites, job referrals, help wanted advertisements, college campus recruitment, social media recruiting, etc. Job applicants who respond to the recruitment efforts of the company are then screened to determine if they are qualified for the job. Selected candidates are invited to interviews and other methods of assessment. Employers may check the background of prospective employees, as well as check references prior to making a job offer and hiring the top candidate for the position.

2.2.3 Training and Carrier Planning

According to Siddheshwar S. Salvi, Training is an educational process. People can learn new information, re-learn and reinforce existing knowledge and skills, and most importantly have time to think and consider what new options can help them improve their effectiveness at work. Effective trainings convey relevant and useful information that inform participants and develop skills and behaviors that can be transferred back to the workplace. The goal of training is to create an impact that lasts beyond the end time of the training itself. The focus is on creating specific action steps and commitments that focus people's attention on incorporating their new skills and ideas back at work.

Training can be offered as skill development for individuals and groups. In general, trainings involve presentation and learning of content as a means for enhancing skill development and improving workplace behaviors. Organizational Development is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and

the world around them.” (From the Organizational Development Network website) OD work implies creating and sustaining change.

An OD perspective examines the current environment, the present state, and helps people on a team, in a department and as part of an institution identify effective strategies for improving performance. In some situations, there may not be anything “wrong” at the present time; the group or manager may simply be seeking ways to continue to develop and enhance existing relationships and performance. In other situations, there may be an identifiable issue or problem that needs to be addressed; the OD process aims to find ideas and solutions that can effectively return the group to a state of high performance.

According to Harrison (Learning and Development) (2005). Harrison observes that the name was endlessly debated by the Chartered Institute of Personnel and Development during its review of professional standards in 1999/2000. "Employee Development" was seen as too evocative of the master-slave relationship between employer and employee for those who refer to their employees as "partners" or "associates" to be comfortable with. "Human Resource Development" was rejected by academics, who objected to the idea that people were "resources" — an idea that they felt to be demeaning to the individual. Eventually, the CIPD settled upon "Learning and Development", although that was itself not free from problems, "learning" being an over general and ambiguous name. Moreover, the field is still widely known by the other names.

Training and development (T&D) encompasses three main activities: training, education and development. Garavan, Costine, and Heraty, of the Irish Institute of Training and Development, note that these ideas are often considered to be synonymous. However, to practitioners, they encompass three separate, although interrelated, activities:

a) Training:

This activity is both focused upon, and evaluated against, the job that an individual currently holds.

b) Education:

This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.

c) Development:

This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

According to Dawn Rosenberg McKay, Career planning is the combination of structured planning and the active management choice of one's own professional career. Career planning is a lifelong process, which includes choosing an occupation, getting a job, growing in our job, possibly changing careers, and eventually retiring. The Career Planning Site offers coverage of all these areas. This article will focus on career choice and the process one goes through in selecting an occupation. This may happen once in our lifetimes, but it is more likely to happen several times as we first define and then redefine ourselves and our goals.

In Dawn Rosenberg McKay's theory, Career Planning is a Four Step Process

The career planning process is comprised of four steps. One might seek the services of a career development professional to help facilitate his or her journey through this process. Whether or not you choose to work with a professional or work through the process on your own is less important than the amount of thought and energy you put into choosing a career.

2.2.4 Rewards and Punishment

According to Leo Lingham, Reward systems should focus on positive reinforcement. Positive reinforcement is the most effective tool for encouraging desired behavior because it stimulates people to take actions because they want to because they get something of value (internally or externally) for doing it. An effectively designed and managed reward program can drive an organization's change process by positively reinforcing desired behaviors.

2.2.5 Performance Management

According to the Zaffron, Logan, Steve, David, Performance management (PM) includes activities which ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product of service, as well as many other areas. PM is

also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities.

This is used most often in the workplace, can apply wherever people interact — schools, churches, community meetings, sports teams, health setting, governmental agencies, social events and even political settings - anywhere in the world people interact with their environments to produce desired effects. Armstrong and Baron (1998) defined it as a “strategic and integrated approach to increase the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.”

It may be possible to get all employees to reconcile personal goals with organizational goals and increase productivity and profitability of an organization using this process. It can be applied by organizations or a single department or section inside an organization, as well as an individual person. The performance process is appropriately named the self-propelled performance process.

First, a commitment analysis must be done where a job mission statement is drawn up for each job. The job mission statement is a job definition in terms of purpose, customers, product and scope. The aim with this analysis is to determine the continuous key objectives and performance standards for each job position.

Following the commitment analysis is the work analysis of a particular job in terms of the reporting structure and job description. If a job description is not available, then a systems analysis can be done to draw up a job description. The aim with this analysis is to determine the continuous critical objectives and performance standards for each job.

According to Carter McNamara, MBA, PhD, Organizations try to manage the performance of each employee, team and process and even of the organization itself. The performance management process is very similar, regardless of where it is applied. Information in this topic describes the general performance management process. The information is customized for each application in the topics Employee Performance Management, Group Performance Management and Organizational Performance Management. Performance management as referenced on this page in a broad term coined by Dr. Aubrey Daniels in the late 1970s to describe a technology (i.e. science imbedded in applications methods) for managing both behavior and results, two critical elements of what is known as performance.

2.2.6 Employee Relations

According to Harrison , Employee relations are Communications and relationships between manager and employee. It's concerning workplace decisions; grievances, conflicts, problem resolutions, unions, and issues of collective bargaining. An organization can't perform only with the help of chairs, tables, fans or other nonliving entities. It needs human beings who work together and perform to achieve the goals and objectives of the organization. The human beings working together towards a common goal at a common place (organization) are called employees. In fact the employees are the major assets of an organization.

According to Bryant, M.R, Every individual shares a certain relationship with his colleagues at the workplace. The relationship is warm, so-so or bad. The relationship can be between anyone in the organization - between coworkers, between an employee and his superior, between two members in the management and so on. It is important that the employees share a healthy relationship with each other to deliver their best performances.

In the Gurin L's theory, Employee relations, formerly known as industrial relations, are the organizational practices for "maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale," according to the Dictionary of Human Resources. Employee relations also involve employee-to-employee interactions, and focuses on preventing and resolving problems related to interactions in the workplace. Employee relations practices are based on federal, state and local laws designed to ensure that all employees are treated fairly.

CHAPTER III

METHODOLOGY

3.1 Research Method

Basically, there are two types of research methods. One is known as qualitative research method, and another is quantitative research method. This research was conducted by using qualitative research method.

Qualitative research is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences, but also in market research and further contexts. Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern such behavior. The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but focused samples are more often needed than large samples.

In the conventional view, qualitative methods produce information only on the particular cases studied, and any more general conclusions are only propositions (informed assertions). Quantitative methods can then be used to seek empirical support for such research hypotheses. This view has been disputed by Oxford University professor Bent Flyvbjerg, who argues that qualitative methods and case study research may be used both for hypotheses-testing and for generalizing beyond the particular cases studied.

In this research, qualitative research method is a better choice than quantitative research method because there are three major reasons. First reason is the problems we research in this thesis, all the variables and problems are related with the HRM theory, and all the theory were already exists in the HRM system theory. Results are based on those already exists theory. Second, the purpose of this research is to find the popular HRM problems accord in Chinese Indonesia Company, and give the solution for those special overseas companies; Researchers have to get the feelings and feedback of a particular social scenario, and thus the development of a more comprehensive understanding of things. Research was obtained by observation and interview data, using the inductive method, the combination of the various theories, it gradually from the concrete to the abstract transformation, as well as the formation of the theory. Third reason is this research chose

only two companies as the data base, so it's more required the researcher him self's observation, reasoning, and summarize to arrive at the findings for public.

There are the benefits of using qualitative research method (retrieved from: www.orau.gov) as follow:

- a) Explore topics in more depth and detail than quantitative research.
- b) Often qualitative research is less expensive than quantitative research, because the researcher does not need to recruit as many participants or use extensive methods.
- c) Offers flexibility as far as locations and timing, as the researcher does not need to interview a large number of people at once.

Qualitative research results are considered thought of as themes; they should not be reported as percentage, subjected to statistical analysis or projected to a broader population. That's because the participants do not make up a randomly selected representative sample, the samples are relatively small, and not all participants are asked precisely the same questions.

3.1.1 Methodology

The researcher uses the case study approach as a guide in this research. BY concentrating on a single phenomenon, individual, Institution, the researcher is able to capture various nuances, patterns, and more talent elements that other research approaches might overlook, Case studies tend to be selective, focusing on one or two issues that are fundamental to understanding the system being examined. Case studies, on the other hand, are designed to bring out the details from the viewpoint of the participants by using multiple sources of data.

Some sources define the case study method as an attempt to systematically investigate an event or a set of related events with the specific aim of describing and explaining the phenomenon (Broomley in Berg, 2007, p. 283). Bogdan and Biklen define case study as a detailed examination of one setting, or a single subject, a single depository of documents, or one particular event. Moreover, Hagan define case study method as in depth, qualitative studies of one or a few illustrative case. Case studies are multi-perspective analyses. This means that the researcher

considers not just the voice and perspective of the actors, but also of the relevant groups of actors and the interaction between them.

Case study is known as triangulated research strategy. The need for triangulation arises from the ethical need to confirm the validity and accuracy of the processes, so this could be done by using multiple sources of data.

The use of triangulation allows researchers to capture a more complete, holistic and contextual portrayal and reveal the varied dimensions of a given phenomenon, with each source contributing an additional piece to the puzzle, in using triangulation, bias can be minimized and validity enhanced. .

**“The aim is not to determine the truth about some social phenomenon, rather the purpose of triangulation is to increase one's understanding of whatever is being investigated.”
(Stainback in Sugiono, 2006, p.39)**

Triangulation is restricted to the use of multiple data-gathering techniques to investigate the same phenomenon, but it is not simple combination of different kinds of data however it attempts to relate them so as to counteract the threats to validity identified in each (Berg, 2007, p. 6). Triangulation actually represents varieties of data, investigators, theories and methods. Denzin (1978) identified four basic types of triangulation (ibid., p. 7):

1. Data triangulation: involves time, space, and persons.
2. Investigator triangulation: involves multiple researchers in an investigation.
3. Theory triangulation: involves using more than one theoretical scheme in the interpretation of the phenomenon.
4. Methodological triangulation: involves using more than one method to gather data, such as interviewers, observations, questionnaires, and documents.

The use of multiple research design strategies, theories and also crosscheck (confirmation about data gathered) increases the depth understanding of an investigation. As a result, through

triangulation it can build on the strength of each type of data collection while minimizing the weakness in any single approach.

Theory is prior to the collection of case study data, it can be very important helps the researcher define the issues to be examined during the analysis, thereby providing the linkages among the research questions, propositions, and analytic criteria. In other to fully understand the adjustment, this research needs two method or data collection, such as interview and observation. However, other data collection, like documentary sources, company's archive also useful to complement this research with information in general. In the analysis later on, it will be very important to cross-reference between the difference of data collection and sources, looking for similarities and differences within all the data text.

3.1.2 Type of Research

Explanatory Case Studies There are several appropriate designs for case studies according to Yin (1994, 2003) and Winston (1997), such as exploratory, explanatory, and descriptive case studies (Berg, 2007, p. 292).

This research, human resources management issues in Chinese private enterprise at Indonesia (A Case Study) is using explanatory case studies. This type of research is used for doing causal investigations between the correlation of two variables, such as Chinese company as independent variable and the employees as the dependent variable. This might be investigating how the company human resources problems affected the employees' performance and attitudes. Furthermore, the researcher will give the two different company's employee turnover data as the comparison.

3.2 Research Instruments

The most common tools used in qualitative research for data collection are participant observation, focus groups and individual in-depth interviews. This research will be conducted qualitatively through purposive interviews (in-depth approach) and participant observation.

3.2.1 Primary Data

Interview is a qualitative research technique that allows person to person discussion. It can lead to increased insight into people's thoughts, feelings, and behavior on important issues. The type of interview that researcher used is often semi-structured and therefore permits the interviewer to encourage an informant (respondent) to talk at length about the topic of interest. For this research, the researcher is using in-depth interview, telephone interview and also e-mail interview.

One advantage of qualitative in case study research is that use of open-ended questions and probing gives participants the opportunity to respond in their own words, rather than forcing them to choose from fixed responses, as quantitative methods do. With open-ended questions, participants are free to respond in their own words, and these responses tend to be more complex than simply "yes" or "no."

In-depth interviews are typically more flexible, they allow greater spontaneity and adaptation of the interaction between the researcher and the study participant. In addition, the relationship between the researcher and the participant is often less formal than in quantitative research.

The primary data is taken from those people who work for those companies. There have 12 representatives for data collection in this research. The researcher was also conducting in-depth interview with two HRM directors from both company, such as Ms. Wuyan from PT. D&C ENGINEERING and Ms. LiChun from PT JUIONG OIL Company.

3.2.2 Interview Guide:

1. Each company's employees (respondents) should get same interview question in order to make fair analysis.
2. Managers opinion and employees opinion should be treated and analysis separately.
3. All the questions should same with or related with the statement problem.
4. Researcher should record all the respondents' feedback as the analysis materials.
5. Be fair and justice.

| | |
|--|--|
| | “What are the common HRM problems in Indonesian Chinese Company in your opinion?” |
| | “What are the common HRM problems in your company or are there any problems with HRM system you want complain?” |
| | “What do you know about HR planning and how was your company's HR planning?” |
| | “Could you please tell me about your company's recruitment configuration process? Is there any strategy in your company for this section?” |
| | “What's your company's pay and benefits system? How do you distribute your company's benefits to your employee?” |
| | “How about your overtime salary?” |
| | “Are there any problems or do you have any problem with company's benefits system?” |
| | “How do you think about your company's pay and benefits system?” |
| | “Could you please explain your company's plan or structures which were related with performance management?” |
| | “How you think about your company's employee appraisal system?” |
| | “Is there any relationship problem between Chinese and Indonesian employee in your company? Do you have any action to solve those problems?” |

Table 3.2 Questions For Each Company's Respondents

3.2.3 Participant Observations

Participant observation is useful for gaining an understanding of the physical, social, cultural, and economic contexts in which study participants live; the relationships among and between people, contexts, ideas, norms; and people's behaviors and activities-what they do, how frequently, and with whom. Its aim is to gain a close and intimate familiarity with a given group of individuals (such as a religious, occupational, or sub cultural group, or a particular community) and their practices through an intensive involvement with people in their natural environment, usually over an extended period of time.

The researcher had undergone six months observation during the internship period in PT. D&C Engineering. Starts from January 1ST until July 31st, and researcher take part in the duties as a purchaser for HRM department, it's a chance to get close with the managers and make research from them.

3.2.4 Secondary Data

For the secondary data, the researcher gathers data from companies archive, literature reviews, journals, internets, reports and various literatures. This secondary data indicates the states of knowledge on topic and is a source of: or stimulant for, ideas, both substantive and methodological. It is the very fact that these documents do reflect the subjective views and perceptions that makes them useful as data in a case study. Using secondary data can allow the researcher for saves time since the research has already been done to collect data; this lets the researcher avoid problems with the data collection process.

To ensure the correctness, moreover to test the validity and reliability of data gathered, the researcher gives confirmation (cross-check) to the Director of HRM and Business Development about the result, will show on the next chapter.

3.3 Population

In this research, researcher chooses the population from those two companies: PT. D&C ENGINEERING and PT JULONG OILCompany, including 12 employees from each company and 2 HRM directors from both companies.

3.3.1 Sampling in Qualitative

Even if it, it is not necessary to collect data from everyone in a community in order to get valid findings. In qualitative research, only a sample of a population is selected for any given study, for example interview; no exact number of the informant that is suggested for the interview.

3.3.2 Size of the Population

Measuring of the population becomes very important in collecting the data. The sample of this research will be taken from those two companies: PT. D&C ENGINEERING and PT JULONG OILCOMPANY. Including two HRM directors from both Companies also 12 employees from both companies.

3.3.2 Sampling Technique Applied

The samples that the researcher uses are based on purposive interview or as known as in-depth interview, the sampling technique is Judgment sampling. Judgment sampling, one of the most common sampling strategies, sample sizes, which may or may not be fixed prior to data collection, depend on the resources and time available, as well as the study's objectives.

3.4 Limitations

This research is limited in the amount of the companies, and also time were limited, researcher only have six month to make observations and research, the final result may not suitable for all of the Chinese Indonesia companies, the limitation of time also affects researcher's process of analyzing data.

Other limitation is the secondary data collected, there has no professional forms to show the HRM status in each company, research use the turn over report as the tools to analysis the data, that's useful but may not be able to be suitable to all of the companies.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION OF RESULT

4.1 Data Findings

The primary data of this research were gathered qualitatively through in depth interview with two company's directors and employees, such as 12 respondents from each company, The researcher was also conducting in-depth interview with two HRM directors from both company, such as Ms. Wuyan from PT. D&C ENGINEERING and Ms. LiChun from PT JULONG OIL Company. These researches were processed through observation during the researcher's internship period in PT. D&C engineering for six month. The researcher also take the needed data from the company, the data from each company will be the comparison for the final result.

The data from PT. JULONG COMPANY were collected by one their employee and also were researcher's senior, the entire respondent's interview with PT. JULONG OIL COMPANY were interviewed by researcher during the thesis writing period, the purpose two find those two different company is to find out the difference of those companies HRM management and through the data analysis to find out the popular HRM problems in Chinese Indonesia company and give the solution to make a better company performance.

4.1.1 Interviews

To gather the data, the researcher was conducting purposive interviews with those two companies' employees through in-depth interviews, telephone interviews and also email interview. There are 12 respondents from those two companies, 6 from each.

Based on researcher's reading, in qualitative research, there is no exact number of informants that is suggested for the interview. Because the researcher is just want to identify and analysis how the HRM problems effect the employee's work, in another words, the company's performance, so the

researcher take small and representational sample for interview. The small size helped the researcher to be more focus to gain the perspective of respondents.

All the interviews with PT. D&C ENGINEERING were made during the researcher’s internship period, and for the interviews that with PT. JULONG OIL COMPANY were made during the thesis period and through multiple ways such like telephone, email, and face to face interview.

The respondents of this research came from both two companies:

| No. | Name | Gender | Position | Company |
|-----|---------|--------|--------------|-----------------------------|
| | Wu Yan | Female | HRM Director | PT. D&C ENGINEERING COMPANY |
| | Li Chun | Female | HRM Director | PT. JULONG OIL COMPANY |

Table 4.1. The Respondents List of HRM Director

Others respondents were the employees of each company:

| No | Name | Gender | Department |
|----|--------------|--------|------------|
| 1 | Ronny Wijaja | Male | Purchase |
| 2 | Hely | Male | Purchase |
| 3 | Limeina | Male | Secretary |
| 4 | Susan | Female | Secretary |
| 5 | WangShan | Female | Secretary |
| 6 | LiZhenShan | Female | Financial |

Table 4.2. The Respondents List of **PT. D&C ENGINEERING COMPANY**

| No | Name | Gender | Department |
|----|----------------------|--------|------------|
| 7 | ZhangYang | Male | Secretary |
| 8 | HuangZhenYa n | Male | Secretary |
| 9 | DesySusanto | Female | Purchase |
| 10 | LiuYaLong | Male | Secretary |
| 11 | LiLy | Female | Financial |
| 12 | Christina wijiája | Female | Marketing |

Table 4.3. The Respondents List of **PT. JULONG OIL COMPANY**

4.1.2 Participant Observation

Participant observation were the observations which the researcher has done in PT. D&C ENGINEERING COMPANY, the researcher has made totally six month's observations during the internship period as a purchaser in the company, this chance was being used by the researcher to observe things which related with this research. For PT. JULONG OIL COMPANY, Researchers has got a senior as an employee worked in PT. JULONG OIL COMPANY, and during the thesis period, researcher has made friends with those employees in PT. JULONG OIL though researcher's senior, and also has party and dinner together few times as the observation.

4.1.3 Secondary Data

For the secondary data, the researcher gathers data from companies archive, literature reviews, journals, internets, reports and various literatures. This secondary data indicates the states of knowledge on topic and is a source of: or stimulant for, ideas, both substantive and methodological. It is the very fact that these documents do reflect the subjective views and perceptions that makes them useful as data in a case study. Using secondary data can allow the researcher for saves time since the research has already been done to collect data; this lets the researcher avoid problems with the data collection process. To ensure the correctness, moreover to test the validity and reliability of data gathered, the researcher gives confirmation (cross-check) to the Director of HRM and Business Development about the result.

This research, human resources management issues in Chinese private enterprise at Indonesia (A Case Study) is using explanatory case studies. This type of research is used for doing causal investigations between the correlation of two variables, such as Chinese company as independent variable and the employees as the dependent variable. This might be investigating how the company human resources problems affected the employees' performance and attitudes. Furthermore, the researcher will give the two different company's employee turnover data as the comparison.

4.2 Data analysis and Interpretation

Based on the title of this research” **Research of Human Resources Management Issues in Two Chinese Private Enterprises at Indonesia.** “Researcher is going to research those 7 different questions as follow:

- 1) What are the common HRM problems in those two Indonesian Chinese Company?
- 2) How does human resource planning influence those companies' performance?
- 3) What are the problems in recruitment and configuration process at those two Chinese Indonesian Company?
- 4) What are the problems in training and development at those two Chinese Indonesian Company?
- 5) How to use pay and benefits to explore employee's performance?
- 6) How to increase performance by doing performance management in those companies?
- 7) How to deal with the employee relations well in Chinese Indonesian Company?

4.2.1 Data analysis

Data of each company's demission amount were both from Jan 1st 2011 until Dec 31st 2011,

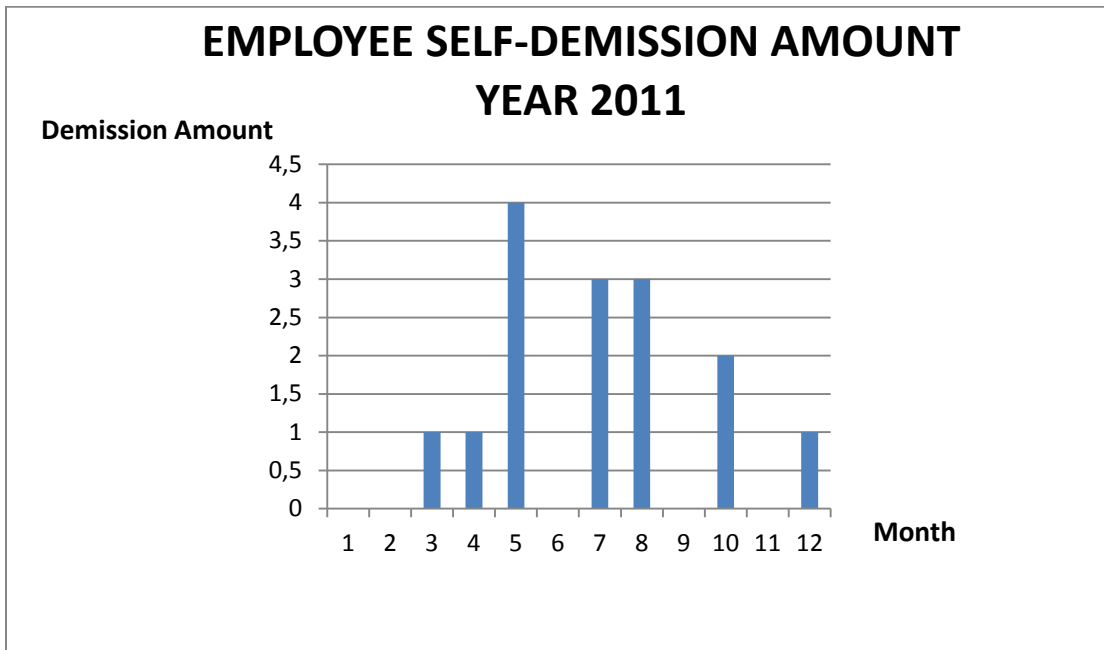


Figure 4.3. **PT. D&C ENGINEERING COMPANY'S EMPLOYEE DEMISSION AMOUNT**

(Source: Company's archive)

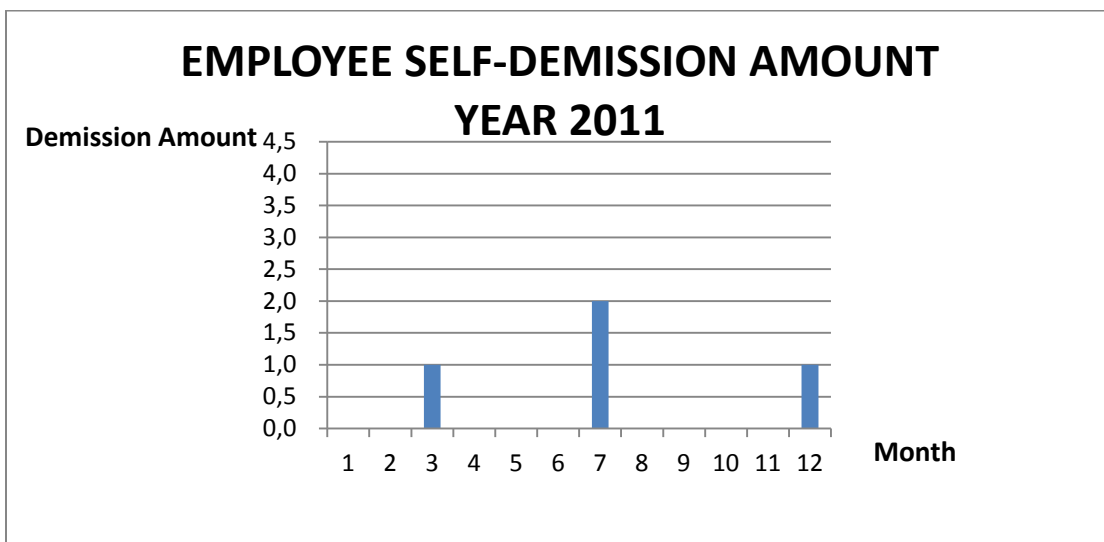


Figure 4.4. **PT. JULONG OIL COMPANY'S EMPLOYEE DEMISSION AMOUNT**

(Source: Company's archive)

As knowing before, the formula for calculating employee turnover rate were as following:

Turnover rate = the number of demission / accumulated registered number × 100

From the company's archive, at the end of the year, PT. D&C ENGINEERING Company's total demission amount was 15, and the total employee amount at end of the year, the total employee amount was 121.

PT. JULONG OIL Company's total demission amount at the end of the year was 4. And the total employee amount 156.

Employee turnover rate for PT. D&C engineering company: $(15/121) \times 100 = 12.4\%$

Employee turnover rate for PT. JULONG OIL company: $(4/156) \times 100 = 2.6\%$

A normal, enjoys a high reputation corporate annual employee turnover rate is generally not more than 5%. Individual enterprises, such as Huawei, Foxconn, and the annual turnover rate can be as high as 10%. Part of the state-owned enterprises have annual employee turnover rate may be less than 1%.

Employee turnover rate situation were not just defined by higher or the lower rate amount. Generally an annual employee turnover rate of less than 2% or higher than 10%, there is a problem. Annual employee turnover rate of less than 2% of the enterprise may be out of the monopoly of state-owned enterprises, human resource less competitive. Annual employee turnover rate is higher than 10%, indicating that the employees in turmoil, business management there is a big problem.

Outstanding enterprises will be concerned about the candidate's staff work is continuous, whether to quit too often. Similarly, the stability of excellent candidates care about employees candidates, the staff turnover rate is too high, whether to jump into the "separation trap.

"Separation trap" which means the job turnover rate is high, the reason many aspects of the job turnover rate, business managers, however, are indifferent to the issue, candidates entering the job inevitably lead to inevitable in a relatively short period of time left to self-inflicted great losses.

comparing the two companies Staff leaving the table, it is obvious, D & C company's employee turnover rate is very high, almost every month to resign, in addition, within six months, researchers in this company internship, there are a lot of new employees enrolled, but most people a few months after leaving the company, the specific reasons unclear division of labor, the wages are not ideal, there is the atmosphere of the company in question; because most of the leaders are Chinese people, these Chinese people do not have too much to consider personnel management staff, it caused confusion in the management of the company's internal human resources, researchers in six months, I heard the reviews were mostly negative, the satisfaction of the employees is very low.

Comparing with JULONG OIL company, the employees of the JULONG OIL company most of them has a clear understanding their position in the company, the mission, and the future direction of development, and has a very positive view of the company's satisfaction even higher than the D & C company, from this point of view, employee satisfaction for the company's also indirectly in the liquidity of the company's human resources, D&C engineering company's employee turnover is high, the rate of staff recruitment, compared to the JULONG OIL company's reputation is also high, while the JULONG OIL company's employees satisfaction are very positive, the following researches were interested in this investigation to find out different.

4.3 In-depth Interview

| o. | QUESTIONS | RESULT OF THE ANSWERS |
|----|--|--|
| 1 | <p>“What are the common HRM problems in those two Indonesian Chinese Company in your opinion?”</p> | <ul style="list-style-type: none"> a. Employee stays in company short time. b. Relationship between Chinese and Indonesian not good. c. Many Chinese employees don't want stay in Indonesia for long. d. Hard to keep the employee e. Stuff complains about the bonus and salary unfair. f. Don't quite understand about job's duty. g. Too much meetings |
| 2 | <p>“How does human resource planning influence those two companies' performance?”</p> | <ul style="list-style-type: none"> a. The main employee power identify b. Short term HRM planning c. Less or even no HRM planning for future. |
| 3 | <p>“What are the problems in recruitment and configuration process at those two Chinese Indonesian Company?”</p> | <ul style="list-style-type: none"> a. Recruiting system disorderly and unsystematic. b. Interviewer didn't fully understand the passion of the candidates. c. Job descriptions not clear |
| 4 | <p>“How to use pay and benefits to motivate employee's performance?”</p> | <ul style="list-style-type: none"> a. Overtime means “stay longer” b. Salary increasing were not comfort c. Unfair treatment for Chinese and Indonesian. d. No clear “standard” |

| | | |
|---|--|---|
| 5 | “How does those two companies doing performance management?” | <ul style="list-style-type: none"> a. Appraisal forms simple and not working b. “good relationship means good performance” |
| 6 | “How were the employee relations in those two Chinese Indonesian Company?” | <ul style="list-style-type: none"> a. Less and lower level of communication b. Chinese employees cannot have a good friendship with Indonesian staff c. Managers only care about the Chinese employee d. Chinese employee were not friendly |
| 7 | “What are the problems in training and development at Chinese Indonesian Company?” | <ul style="list-style-type: none"> a. Without professional training b. Indonesian employee can’t see the future development c. Company does not have clear future HRM plan. |

Table 4.5 Answers from respondents.

Sources: interview record from 14 employees.

4.4 Theory Based Analysis

4.4.1 Popular HRM problem in Indonesia

| | |
|---|---|
| “What are the common HRM problems in those two Indonesian Chinese Company in your opinion?” | A: employee’s loyalty, relationship between Chinese employee and Indonesian employee. |
| | B: the high employee replacement, employee promotion system not clear, HRM planning problem. |

Source: record from the interview with two companies’ HRM director.

As the beginning, researcher make a first interview with both company’s HRM director, Miss WuYan from PT. D&C and Miss LiChun from PT. JULONG OIL, discuss the first question “What

are the popular HRM problems in Indonesian Chinese Company?” with those two HRM directors, following data were the quotes from respondent A (Miss WuYan from PT. D&C) and respondent B (Miss LiChun from PT. JULONG OIL).

from their answers it's clear that those Chinese Indonesian company actually have many different types of HRM problems, and those problems were occurred in many Chinese Indonesia company, some of them were problems with the whole HRM system, overseas company should have different HRM system with the main land HRM, because those overseas company have to face the different situation and employees outside china.

Only the data from those HRM director were not enough to explain this question, researcher also make interview, email, and telephone with those two company's employee to see what's the different in their mind.

After have interview with those people from PT. JULONG OIL COMPANY, I feel real strange about those people, how is this company good enough to satisfied most of them? It's a really clear contrastive compare with those tow companies, employee from PT. D&C ENGINEERING all saying that they are not like the company and speak about the problems they gives researcher many different HRM problems that occurred in their company, and each of them all complained about the company, but for the employees from PT. JULONG OIL COMPANY, it's much more different.

Based on the appendix answers about the problem, we can know that there are many HRM problems exists in the modern Chinese Indonesia company, but still not yet being fully researched and developed specifically, more and more Chinese company has choose Indonesia as the second base, but there still actually don't have a enough functional HRM system for those special area, what's special? The situation were complicated, because Indonesia already have many Chinese people, most of them can speak Chinese, and some Indonesian also can speak Chinese, those people were a lot helpful and useful for the company, but they were treated different even lower than the employee who send from china and do only a few works.

The other problem was the salary system, if company gives Chinese employee much higher salary was because they are foreigners, then it's reasonable, but for those employee who were come from Indonesia, I think it's time to consider they as the main power of the company, it's not like 5 or 10 years before, now days company became much bigger than before, more and more Indonesian employees were hired to fulfill the company needs, but their salary and promotion system still not yet being regarded by the company, it's time to re-think about the Chinese company's developing strategy.

Most of the respondents have mentioned that they don't understand about their job, most of them even don't understand their duty in their position, that's a problem related with the job description during the recruitment process, company didn't has the standard job description form for the recruitment, that is the reason those employee complain about their job, cause they never see and know their job description.

4.4.2 Human Resource Planning

| | |
|---|---|
| "How does human resource planning influence the company performance?" | A: the main employee power identify, Short term HRM planning |
| | B: do not understand the function of HRM planning. |

Source: record from the interview with two companies' HRM director.

As the HRM problems being more and more influence the Chinese Indonesia private company, researcher decided to make some research about how the human resource planning influence the company, HR planning theory has invented since early 19th century, many developed country's company has already using the HR planning theory to get more better performance, but for the developing country like china, the change is only at level of the machine tech and production tech, for the HRM, most of Chinese company has just begin to make the change, in this part of research, researcher use interview with the employee to get the related data then use those data to make a reasoning to get the real impact on the company performance.

Compare those two HRM director's words, it's easy to know that PT. JULONG OIL has given enough attention to the HR planning system, then can change HR planning to suit with the different company develop stage according to the real situation, but for the PT. D&C ENGINEERING COMPANY, they still use the previous HR planning system, as respondent 2 said, transfer employee from china do helped company a lot at the beginning, but will cause the problem related with the difficult of re-organize the left works from the people who goes back to china in the future. It will waste much more time the resources of the company, on the other hand, recruit employee from Indonesia as the main power is also a innovation, language is the key of all the things develop between people, use those employees who can speak mandarin and Indonesian language do make the trade and development of the company become a lot more easier.

Human resources planning on the one hand is the current manpower situation be analyzed to understand personnel dynamically; On the other hand, to make some predictions for the future manpower needs, in order to take into consideration the increase or decrease of the corporate human, to develop the staff additions and training programs. So, good human resource planning is the basis of human development.

4.4.3 Recruitment and Configuration Process

| | |
|--|---|
| <p>“What are the problems in recruitment and configuration process at those two Chinese Indonesian Company?”</p> | <p>A: Recruiting system disorderly and unsystematic.</p> |
| | <p>B: selecting employee difficult to meet company's needs,</p> |

Source: record from the interview with two companies' HRM director.

Compare those two HRM director's words, we can find that PT. JULONG OIL COMPANY's recruiting system is more Complex and perfect, it's beginning with the discuss about the company needs, then make the test questions to test the candidates professional skill, after test use interview to make a identify of candidates 'language, eloquence, habits and personality, through the configuration to choose the best candidates as the employee, then explain to them about their job

description, after that, make the developing program to the employee. This is a very comprehensive recruitment system, met to discuss the company's employees and job to determine the direction and focus of the recruitment, development of test questionnaire to better reflect the candidate's professional level, observe the candidate's character through an interview, to achieve better understanding of the candidates thus assigned them to the more suited work, a complete explanation of the scope of the work and attribute allows employees to understand their work and know that they work every day trying to do and to develop staff training and development plan to make the company a more long-term strategic planning, and also allow employees concern felt by the company, better able to inspire their loyalty.

For PT. D&C ENGINEERING COMPANY, the whole recruitment system is too simple, the recruitment beginning with the Recruitment advertising, after that, use interview to get the details of the employees, then put them to the position, but the problem is just like what we saw before, many employees complained about their work, they don't know about their Scope of work and don't know what is their duty, so does the company, PT.D&C ENGINEERING COMPANY used to have 12 secretary, but their work contains about the purchase, Negotiations, reception, translation, accounting, and on-site management, that's way too Complex and confusing. The company recruit employee without a focus, just select employee to fulfill the company needs, but after few month they feel that this employee were suitable with other job, so they change him to the other position, that's a waste of time, company spend time to train an employee once is enough long, but now they need train them 2 times even more, that's not good. Compare those two HRM director's words, we can find that PT. JULONG OIL COMPANY's recruiting system is more Complex and perfect, it's beginning with the discuss about the company needs, then make the test questions to test the candidates professional skill, after test use interview to make a identify of candidates 'language, eloquence, habits and personality, through the configuration to choose the best candidates as the employee, then explain to them about their job description, after that, make the developing program to the employee. This is a very comprehensive recruitment system, met to discuss the company's employees and job to determine the direction and focus of the recruitment, development of test questionnaire to better reflect the candidate's professional level, observe the candidate's character through an interview, to achieve better understanding of the candidates thus assigned them to the more suited work, a complete explanation of the scope of the work and attribute allows employees to understand their work and know that they work every day trying to

do and to develop staff training and development plan to make the company a more long-term strategic planning, and also allow employees concern felt by the company, better able to inspire their loyalty.

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Researcher also asked employees worked in those companies, and comparing the answer differences of the employees, D & C ENGINEERING company employees still complain about the company's system, recruitment system is not quite good, the department of management and human resources management is very confusing, did not mobilize from the employees' loyalty, work division of the confusion they feel very confused problem occurs on start in staff recruitment, D & C companies do not have a clear recruitment goals, no specific you want to recruit the positions and departments, so recruitment take to go first after "Distribution according to need" method, but the disadvantage is likely to have experienced staff positions is not suitable for the problem need to transfer to another job, not detailed the scope of the work and attributes inform and explain to employees, resulting in confusion at work internal division is not clear, frequent reshuffling of clutters also a problem need to focus on.

4.4.4 Pay and Benefits

| | |
|---|--|
| “How to use pay and benefits to motivate employee’s performance?” | A: Depend on company’s situation, based on employee’s performance. |
| | B: unfair treatment for Chinese and Indonesian. |

Source: record from the interview with two companies’ HRM director.

Use pay and benefits to inspire employees performance and loyalty is a common tool for the company, for example, over time salary, holiday bonus, and insurance, but recent years pay and benefits also being developed by the market, more and more company has given much more benefits and effective benefits to the employee, now pay and benefits are also a strong strategy help company to hold the employee’s loyalty, but the problem is how to use pay and benefits correctly to explore employee’s performance? Are all the steps and solutions of pay and benefits suitable with those modern employees? In this section researcher will compare two company’s pay and benefits strategy to make a research.

Both of the companies complain about the retain employees control class training costs was rising. This complaint has some truth. Because statistics show that the first job of more than 40% of employees not more than six months, while the company spent on training each employee who is a minimum of 1,300 yuan, the highest reached 1 million, not including those hidden costs . To solve this problem, it must be considered "what are the employee’s needs? Space for development, Equal Employment Opportunity and Personality respect; these are of course very important, but I think the first is the most basic one, should be to ensure that their regular salary growth. This is all employees are concerned about the problem. In the fairness of the remuneration for work experience (years), the same job, the results of the same staff, to ensure that in a small range; their salary differences do not always fantasy with a very low price will be able to hire appropriate staff, to salary levels and job analysis together, this can help you just deal with pay issues. At the same time, the strength of the company is bound to consider making a salary increasing plan, and designing flexible pay rise. If employees feel the raise is too slow to keep up with changes in the price, will be unable to bear the high cost of living and anxiety, thereby affecting the efficiency.

See several changes in the payment of the salary of an ordinary employee: The first is the starting salary; we set a monthly salary of 3,000 Yuan, over a trial period after adjustment for 3300 Yuan. So, after six months or a year, the salary would be like it? This year, the staff passed the assessment; a monthly salary of 3600 Yuan that, on this basis, the employees at the same time get the normal annual salary increases, a result, and the monthly salary becomes 4,000Yuan. The staff is very pleased to discover, only before and after 12 months, the salary actually has increased by 34%! Naturally, this has become the driving force him to continue to work hard. This is the power of the "salary". Some companies are now aware of the high labor costs, so reducing the starting salary, I personally think that, so long as the company established a remuneration depends on the performance appraisal system, the starting salary low point it does not matter, because the employees as long as the test results, the natural within a very short time to get a higher salary. To make the performance evaluation and give full play to the positive role, the key lies in the establishment of scientific performance appraisal system. Personally, I have some suggestions in the issuance of bonus / bonus: the amount of the bonus is not too low, that will deal a blow to the morale of the staff; bonuses do not all employees, to do meaningless, lost the role of incentives; bonus issued only to those who really need to retain the employees, because the employees of the company's business is very important. For bonus incentive effects, remember one rule: you cannot let all the employees at any time be able to keep them happy. In addition, the staff believe that the standards you formulate remuneration is reasonable also important. Here are some effective methods. For example, the use of the Remuneration Report to employees that you pay competitiveness in the industry; within the company, I advocate that the pay system transparency. "Transparent" in many companies was difficult, because within these companies, remuneration figures has been a mystery and managers has develop a rigorous system prohibits salary information to disclose. But this prohibition is actually pale exchanges between employees, you cannot be blocked maintained everyone's mouth.

4.4.5 Performance Management

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| “How does those two companies doing performance management?” | A: based on the appraisal form. |
| | B: based on the appraisal form. |

Source: record from the interview with two companies' HRM director.

comparing the staff appraisal system in each company, we can find out that basically nothing in D & C companies, the company did not take full advantage of the staff appraisal data, but in JULONG OIL company, each employee are familiar with appraisal system and know how the company use appraisal system to calculate the year-end bonus, the company's staff appraisal system is very severe.

As we all know, Performance appraisal is a formal employee evaluation system. Through a system of methods, principles for assessing and measuring the behavior of staff duties and work effect, it is an important activity to manage communication between managers and staff. Performance results can directly affect the pay adjustment Award. The results of the performance appraisal can directly affect the pay adjustments, bonuses and job lifting and many other vital interests of employees, with the ultimate aim is to improve the performance of their staff to achieve business objectives, improve employee satisfaction and future success sense, and ultimately achieve a "win-win" business and personal development.

But it is also a two-edged double-edged sword, put to good use to maximize stimulate the enthusiasm of the staff, and tap the potential of employees; conversely, it will dampen the negative impact on employees, to the enterprise development. For example, the assessment failed with not clear, evaluation criteria dishonest assessment process and performance feedback channel is not smooth to enhance failure, and so on. In this paper, the actual situation of the enterprise management system, elaborated enterprise performance management situation and existing problems, and solves these problems, learn from the advanced experience of foreign countries, and proposed the establishment of effective performance assessment and improvement system countermeasures and suggestions.

4.4.6 Employee Relations

| | |
|--|---|
| “How were the employee relations in Chinese Indonesian Company?” | A: Not good because of the culture difference. |
| | B: culture difference, language difference, salary unfair. |

Source: record from the interview with two companies' HRM director.

Labor relations of multinational operating company management is an increasingly serious problem, as a part of the corporate strategy and human resources management, its improper handling disputes increasingly sharp nerve stimulus multinational enterprises. Remuneration unfair is one of the factors which cause the problem with employee relations between China and Indonesia employees, many reports have mentioned over the company's employees through strikes, riots, to ask for a raise wages.

Cultural differences is also a factor which cause the problem and even more incompatible, can also lead to the deterioration of labor relations, this phenomenon is most common in transnational business companies. A friend of the researcher had said, once company hold a party at night, about 100 employees went and participated, around 30 peoples were Chinese employee and manager, but the entire party only uses the Chinese language, so Indonesian local employees feel no status. This psychological barrier once accumulated to a certain extent, will have a tremendous negative impact on labor relations. For the Chinese Indonesia employee relations management, there are five major issues:

- a) Lack of a common vision led, the beginning of the employee relationship management is not clear.

Shared vision of the enterprise must be the first common pursuit of corporate, and thus, the starting point of the employee relationship management is to allow employees to agree with the company's vision. There is no common vision, the lack of a common faith, many companies also proposed ambitious goal, but the goal of the formulation of the lack of staff participation, goals publicizing not enough.

- b) Second, the company lack of incentive and restraint mechanisms, leading to a fundamental

lack of employee relationship management.

The fundamental employee relationship management is the internal fair; the survey shows that the most important reason for employee turnover than pay levels, But within the employees' sense of injustice. Internal unfairly reflected in incentives, career development, and authorization. See from the present situation, the unfairness of the process is even more important than unfair results. How to improve the incentive and restraint mechanisms of the company? The establishment of a scientific and reasonable salary and promotion mechanisms has become the fundamental of the employee relationship management.

- c) Third, the main body of the employee relationship management is not clear; the line manager is not widely recognized as the primary responsibility of the employee relationship management philosophy.

Employee relationship management system, department heads and the human resources department is the central of the Enterprises and employee, the majority of the line manager is the primary person in charge of the management of employee relations, and their mutual support and cooperation, so as to ensure the realization of corporate objectives. Internal staff relation of human resources management responsibilities by the chairman of the board of directors or general manager, but those technologies hasn't fully confirmed by many enterprises, so the result of the employee relationship management are not successful reflected.

- d) Forth, Low degree of Achieving Employees' needs

The psychological contract as employee relations management's core has overall failure. In the seventies of the last century, the American psychologist mercy put forward the concept of the psychological contract. The psychological contract is not tangible, but it plays the role of tangible deeds. Enterprises for contracts, agreements and other contracts more emphasis on, but generally ignored psychological contract, companies do not have a clear understanding of the needs and development aspirations of each employee, there is no appropriate guidance for employees needs too, which are difficult to satisfied Employees' needs and create a big gap between the company and employees psychological orientation, then employee relations problems appears.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

1. “What are the common HRM problems in those two Indonesian Chinese Company?”

Based on the interview record and company’s documents, researcher has identified the common HRM problems in those two companies:

- 1) unfair pay and benefits system,
- 2) confused HRM planning,
- 3) employee relation problem,

employee relation problem are the most dangerous problems for the company, which causing the high employee turnover rate, and low employee loyalty, at the same time, job description, selection, and after-interview configuration process are all unsystematic, those companies HRM problem are serious and essential.

1. “How does human resource planning influence those two companies’ performance?”

First of all, the HRM planning contains long-term planning and short term planning, company should have those two types of planning both, but those two researched companies have the same planning problem:

- 1) Short time HRM planning
- 2) Main employee power identifying wrong

short time HRM planning, no more long-term future plan, that’s the basic HRM planning problem, meanwhile, the companies’ main employee power was being identified as the Chinese, but the main market is Indonesian, so in order to fit with the target, the main employee power should be Indonesian, the original people do know and understand more the local market, the companies’ HRM plan should identified them as the main employee power in the future.

2. “What are the problems in recruitment and configuration process at those two Chinese Indonesian Company?”

Unprofessional HRM system, lead the company to the disorderly Recruiting system and unsystematic configuration process, the job description is not clear, the interview candidates do not fully understand the specifications of the job, the interviewer didn't fully understand the passion of the candidates; it will be hard and difficult for the company to make the right selection and configuration for the employee.

3. “How to use pay and benefits to explore employee’s performance?”

In fact, during the research, researcher has find many evidence showing that most of the Chinese have the same problem: the appraisal system is not working or even not appraisal system, with cause the employee’s dissatisfied emotion, without appraisal system, company will not know the employee’s performance correctly, the salary increasing or other bonus distribution will be unfair, the salary increasing doesn’t meet employee’s needs were also a problem, many Indonesian and Chinese employee complains the unfair treatment, it’s because of the company didn’t provide, clear and publish the different salary stander salary system for different nation employee.

4. “How does those two companies doing performance management?”

Chinese company all has the same culture related HRM problem, which is “relation means money,” so the most company’s appraisal forms were simple and not working, the performance were issued by the relation condition with the related manager, that’s the basic problem in those two company, and also shared by most Chinese companies.

5. “How were the employee relations in Chinese Indonesian Company?”

Because of the language and culture difference, two nation’s employee were at less and lower level of communication, and the unfair treatment to Indonesian employee, the Chinese employees cannot have a good friendship with Indonesian staff, and some of the Chinese employee were not friendly to the Indonesian employees, that’s the problem faced by those two companies.

6. “What are the problems in training and development at Chinese Indonesian Company?”

Because of the unprofessional HRM system, those are the problems:

- 1) Employee without professional training,
- 2) Company does not have clear future HRM plan,
- 3) Most of time the Chinese employee will get more attention and care of the company (unfair treatment), which caused the unfair treatment and future plan for the employees.

5.2 Recommendations

I. What are the common HRM problems in those two Indonesian Chinese Company?

- 1) Use a systematic HRM system, and comfort police to employee to reduce High turnover rate,
- 2) HRM department focus more on culture communications and make right police for catching a good relation between Chinese and Indonesian to solve Employee relation problem,
- 3) HRM should fully understand and clear about the company’s future development plan, then make the HRM planning for company’s employee for solve HRM planning problem.
- 4) HRM department have to be clean and fair to all the employees and make the promotion system be transparency to the whole company to solve Employee promotion system problems,

And so on. All of those problems are both important for the company’s HRM, and will influence the company’s performance; company should pay more attention to the HRM system and try to make different solutions for each problem based on the situation.

II. How does humanresource planning influence those two companiesperformance?

HRM planning is a process which anticipates and maps out the consequences of business strategy on an organization's human resources. This is reflected in planning of skill and competence needs as well as total headcounts. As for the Chinese company, the company should make a different HRM planning stander for the employee, because the employee structure were more complex

compare to the Chinese market, company should make a longtime planning, try to hold the employee in their position, and the most important planning target should be the Indonesian employee, treat them as the main power.

III. What are the problems in recruitment and configuration process at Chinese Indonesian Company?

Recruitment refers to the process of attracting, screening, and selecting a qualified person for a job. The Chinese company should make a more clear and blameless recruitment system. Following are the steps:

- 1) One timely recruitment of personnel to meet the business needs;
- 2) Recruit personnel quantity, quality, level and structure meet the business requirements;
- 3) with the principle of minimizing the recruitment costs;
- 4) post right people to match appropriate personnel;

IV. What are the problems in training and development at Chinese Indonesian Company?

To achieve effective training and development system, company should pay attention to the following aspects:

- 1) Emphasis on human resource planning.
- 2) Formulate a clear job description.
- 3) Improve the recruiting system.
- 4) Implementation of competency-based structured interview.

V. How to use pay and benefits to motivate employee's performance?

Solutions for the company and developed by the researcher:

- a) Design a fair system of remuneration
- b) Reward systems design

c) Employees involved in the management proposed rationalization of the proposed system Enterprise incentive system should be established to manufacture that everyone is equal, fair and reasonable opportunity

VI. How to increase performance by doing performance management in those companies?

Performance management includes activities which ensure that goals are consistently being met in an effective and efficient manner. Company should learn from the advanced experience of foreign countries, and proposed the establishment of effective performance assessment and improvement system countermeasures and suggestions.

- 1) A the correct performance appraisal management thinking has not been successful implantation enterprises
- 2) The assessment indicators confuse, the design is not reasonable.
- 3) The organizations not have enough enforcement.
- 4) Results of performance appraisal and reward are unequal.

VII. How to deal with the employee relations well in Chinese Indonesian Company?

Labor relations of multinational operating company management is an increasingly serious problem, as a part of the corporate strategy and human resources management, its improper handling disputes increasingly sharp nerve stimulus multinational enterprises.

- (1) Fairness to the culture of the two countries
- (2) Deliberately ignored to avoid the cultural differences and seeking common ground while reserving differences so as to do
- (3) Integration of different cultures, in admit, attention to the differences between each other on the basis of mutual respect.
- (4) Establish a common concept of operations and corporate culture by identifying cultural differences and cross-cultural training

Another suggestion is that the problem of human resource management, is not confined to an industry, and various industry enterprises should understand and study human resource management issues, although some industry mechanisms may be different, but the importance of human resource management in every industry are same. The subjects of the investigation can be in any industry or enterprise, so as to achieve the data integrity and authenticity. Finally, this paper provides the research model and research theory, applies not only to the concept of human resource management, it's also can be used to develop future research which were more detailed classification study, for example, employee relations, reward system, or The enterprise staff loyalty. Classification of these areas, the company can also use it to create a better operating environment.

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Appendix

Interview Record

Researcher: “What are the popular HRM problems in your company or are there any problems with HRM system you want complain?”

Respondent 1:

I have changed my jobs three time, first time I work at an export company for 3 year, but I resigned, the reason I resigned from that company were my salary still low, my friends graduated same time with me and after 3 year most of them get higher salary than me, so I decided to quit and find a new job, the second job I’ve got is a mining company, but I resigned, because my job is secretary, but they ask me to do all the jobs if they don’t have enough employee, sometimes I have to stay in the mine for few month, if they offer me more salary I may accept, but I still got same salary, so I decided to leave, this time a got a job at PT. D&C, but for me it’s same, I’m a purchaser but I have to all the jobs if company need me, but at least they give me overtime fee, it’s better than before, but I still considering to change job, cause I don’t see the future in this company.

Respondent 2:

For me, this is my first job here, and I was worked in here only 4 month, I don’t even completely know the whole company’s HRM, but my feeling was same with Ronny, company’s management was very confused me, I have to do all the jobs if company need me to do, even at the mid-night go to airport to pick up Chinese employee.

Respondent 3:

I’m a secretary, but I actually don’t know what is the duty for secretary in this company, when I hired by company, they didn’t told me about my duty, and I got confused with my work a lot, I don’t know what to do before my boss asked me do something.

Respondent 4:

Am a Indonesian employee, I got a problem with the company, I've worked here for almost four years, but I can feel that company only care about the Chinese employees , Chinese employees like me worked almost 4 years all get promotion or salary increasing, but I still a "best secretary", I do get salary increase but it's only a few amount, and the problem is I do the best job no matter skill or language, I can speak Chinese and Indonesian both, but my salary still lower than a new hired Chinese employee, I mean much lower, I don't understand, and my boss always use me as a machine not as a human, I have thought about resign, but I already work here 4 years, it's hard for me to give up this relationship with this company.

Respondent 5:

I don't know what the HRM system is, but I really feel this company has some big problem to solve, for example, last time the company gets a new secretary, his start salary even higher than me, and I have worked here almost two years, every year only gives me Rp.100, 000 salary increase, I don't understand why, many other workmate also complained this, our salary is not fair.

Respondent 6:

I have same feeling with Susan, am a Indonesian employee also, but I think company only promotion or take care of the Chinese employee, and my boss use us like a nurse, no matter company things or individual things, no matter what time, they'll call me to help them to translate or do other things like a nurse. And my salaries also lower than the entire Chinese employee, but me and Susan we done the most jobs, I really angry with this.

After discussion with the PT. D&C engineering company, researcher turn to the employees who worked in PT. JULONG OIL COMPANY, researcher gives them same question: "What are the popular HRM problems in your company or are there any problems with HRM system you want complain?" to see what's the difference in their mind.

Researcher: "What are the popular HRM problems in your company or are there any problems with HRM system you want complain?"

Respondent 7.

I actually don't quite understand the HRM system, but if you ask me about my company, I would say that I got a pretty good impression about my company, because I can feel that this company were willing to hold the good employee and give them a future developing plan, first time when I hired by the company, the company said I have to work at the other islands' subsidiary company for at least 2 years as the anneal, I was a little afraid that time, wondering that is there any future if I go to there, but they offer me a great salary and promise to treat me as the regular employee, have the employee assurance and bonus, so I decided to go there have a chance, only after 1 year, the Jakarta company transfer me to the Jakarta office and increased my salary, I feel so attached by the company, so I think I'm very pleased with my company, at least I can see and imagine the future.

Respondent 8.

I don't know about the other companies HRM problems, but I know that many of my friends were complain about their company, some says their salary is to low, some says that they already stay in one position for almost 6 years and only get a few salary increase, and many others reason, my feeling about my company were much better than them, if I have to find the HRM problem I think maybe it's about the workload situation, company is on the track of developing now, companies job amount was increasing year by year, but I think our employee amount were not enough, everyone in the office start getting more tasks, it's really a pressure for me, but honestly say I also get the quiet acceptable salary increasing, so that's make sense.

Respondent 9.

For HRM problem, I think the biggest HRM problem in my company is there has too much meeting, if you ask employees are they satisfied with the company, I'm sure that they will told u that they were very satisfied, but if you ask them are they get enough with the boring and longtime meeting, they will told enough, the company always have meeting when has some problem occurred even a small thing, I think the managers should make some abstention about the meeting, really too much.

Respondent 10.

I don't know if there has any HRM problems in my company, but I do heard my friends words saying that there have a problem between Chinese employee and Indonesian employees, seems

they can't being friends together, many companies have a both situation, that is Chinese employee only speak or make relationship with the Chinese employee, Indonesian employees only speak or make relationship with the Indonesian employee, that's really strange, but in my company we don't have any issues like them, all they employees were sitting in the same rom every day, and we use English as the communication language, the company even pay to gives us the bahasaIndonesia language lesson.

Respondent 11.

Yes, right, I feel same with liuyalong, even though I am a Indonesian people, but I don't have any unfair treatment in the office like my others Indonesian friends, I feel equal and same with the others, but the problem about the relationship between Chinese and Indonesian was still occurred in so many companies.

Respondent 12.

It's really hard to ask me to find the HRM problems in my company, because we were satisfied with our company, I think if people who worked hard in this company will always being promoted by the company, the future is clear. But if you ask me to find a problem, I think is about the meeting, there has too much meetings, even a small event we still have to do the meeting, I think that's a waste of time, furthermore, everyone's tasks were increasing every period, if we can limited the meeting then we can have much more time to finish our jobs.

After have interview with those people from PT. JULONG OIL COMPANY, I feel real strange about those people, how is this company good enough to satisfied most of them? It's a really clear contrastive compare with those tow companies, employee from PT. D&C ENGINEERING all saying that they are not like the company and speak about the problems they gives researcher many different HRM problems that occurred in their company, and each of them all complained about the company, but for the employees from PT. JULONG OIL COMPANY, it's much more different.

Researcher: “What are the popular HRM problems in your company or are there any problems with HRM system you want complain?”

Respondent 1:

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or language, I can speak Chinese and Indonesian both, but my salary still lower than a new hired Chinese employee, I mean much lower, I don't understand, and my boss always use me as a machine not as a human, I have thought about resign, but I already work here 4 years, it's hard for me to give up this relationship with this company.

Respondent 5:

I don't know what the HRM system is, but I really feel this company has some big problem to solve, for example, last time the company gets a new secretary, his start salary even higher than me, and I have worked here almost two years, every year only gives me Rp.100, 000 salary increase, I don't understand why, many other workmate also complained this, our salary is not fair.

Respondent 6:

I have same feeling with Susan, am a Indonesian employee also, but I think company only promotion or take care of the Chinese employee, and my boss use us like a nurse, no matter company things or individual things, no matter what time, they'll call me to help them to translate or do other things like a nurse. And my salaries also lower than the entire Chinese employee, but me and Susan we done the most jobs, I really angry with this.

After discussion with the PT. D&C engineering company, researcher turn to the employees who worked in PT. JULONG OIL COMPANY, researcher gives them same question: "What are the popular HRM problems in your company or are there any problems with HRM system you want complain?" to see what's the difference in their mind.

Researcher: "What are the popular HRM problems in your company or are there any problems with HRM system you want complain?"

Respondent 7.

I actually don't quite understand the HRM system, but if u ask me about my company, I would say that I got a pretty good impression about my company, because I can feel that this company were

willing to hold the good employee and give them a future developing plan, first time when I hired by the company, the company said I have to work at the other islands' subsidiary company for at least 2 years as the anneal, I was a little afraid that time, wondering that is there any future if I go to there, but they offer me a great salary and promise to treat me as the regular employee, have the employee assurance and bonus, so I decided to go there have a chance, only after 1 year, the Jakarta company transfer me to the Jakarta office and increased my salary, I feel so attached by the company, so I think I'm very pleased with my company, at least I can see and imagine the future.

Respondent 8.

I don't know about the other companies HRM problems, but I know that many of my friends were complain about their company, some says their salary is to low, some says that they already stay in one position for almost 6 years and only get a few salary increase, and many others reason, my feeling about my company were much better than them, if I have to find the HRM problem I think maybe it's about the workload situation, company is on the track of developing now, companies job amount was increasing year by year, but I think our employee amount were not enough, everyone in the office start getting more tasks, it's really a pressure for me, but honestly say I also get the quiet acceptable salary increasing, so that's make sense.

Respondent 9.

For HRM problem, I think the biggest HRM problem in my company is there has too much meeting, if you ask employees are they satisfied with the company, I'm sure that they will told u that they were very satisfied, but if you ask them are they get enough with the boring and longtime meeting, they will told enough, the company always have meeting when has some problem occurred even a small thing, I think the managers should make some abstention about the meeting, really too much.

Respondent 10.

I don't know if there has any HRM problems in my company, but I do heard my friends words saying that there have a problem between Chinese employee and Indonesian employees, seems they can't being friends together, many companies have a both situation, that is Chinese employee only speak or make relationship with the Chinese employee, Indonesian employees only speak or

make relationship with the Indonesian employee, that's really strange, but in my company we don't have any issues like them, all they employees were sitting in the same room every day, and we use English as the communication language, the company even pay to gives us the bahasaIndonesia language lesson.

Respondent 11.

Yes, right, I feel same with liuyalong, even though I am a Indonesian people, but I don't have any unfair treatment in the office like my others Indonesian friends, I feel equal and same with the others, but the problem about the relationship between Chinese and Indonesian was still occurred in so many companies.

Respondent 12.

It's really hard to ask me to find the HRM problems in my company, because we were satisfied with our company, I think if people who worked hard in this company will always being promoted by the company, the future is clear. But if you ask me to find a problem, I think is about the meeting, there has too much meetings, even a small event we still have to do the meeting, I think that's a waste of time, furthermore, everyone's tasks were increasing every period, if we can limited the meeting then we can have much more time to finish our jobs.

After have interview with those people from PT. JULONG OIL COMPANY, I feel real strange about those people, how is this company good enough to satisfied most of them? It's a really clear contrastive compare with those tow companies, employee from PT. D&C ENGINEERING all saying that they are not like the company and speak about the problems they gives researcher many different HRM problems that occurred in their company, and each of them all complained about the company, but for the employees from PT. JULONG OIL COMPANY, it's much more different.

Researcher: Could you please tell me about your company's recruitment configuration process? Is there any strategy in your company for this section?

Respondent 1:

Of course, our recruitment system the first is interview, published in various newspapers, job sites and other media recruitment information to identify the staff we need, and then through the analysis and comparison of each interview and assigned to his work, of course, people who has professional technicians, who have a long experience, we will focus on treatment for them. For those who just graduated employees also do not have work experience, the company will be valued for their loyalty and character habits, identify the most suitable, and gradually build them in the areas which are suitable with them.

About the Employees work, we will follow his performance to continue to assign him the corresponding work, for example, one would have to do secretarial staff found him very eloquent, but followed by a three-month observation period, and figures very sensitive about the price or number, the company will re-assigned him to the purchasing Department, so that he can be a good play to his strengths, and also the same for the other employees, the employees are not the same, if employees exhibit more favorable characteristics during work, the company will reallocate their strengths to their work, so as to maximize their strength.

Respondent 2

Yes, our company has its own set of recruitment system, First of all, before the start of recruitment, the company will be meeting to discuss what kind of employees we need and which locations require employees, recruitment of staff should have what conditions, as well as the treatment of employees and welfare distribution, after these are identified, the company announced the recruitment information, recruitment information on the listed positions, technical requirements, personnel requirements information, before the interview start, the company will prepare a set of test questions for the candidates to the test subject, different job requirements are not the same interviewer, For example, the marketing department's recruitment, the main interviewer is the marketing department DIRECTOR, after an interview the company will compare each candidate interview results, which including the results of the test questions (expertise), as well as interview performance (language, eloquence, habits and personality), by comparing the talent to identify the most suitable job, then assigned them to work.

Researcher also asked employees worked in those companies, following are their answer:

Respondent 3:

I found that almost all assembly line operations for all of the interview process, each interviewer's questions are mostly the same: introduce yourself, why want to come to the company, and so on. In his view, the interviewer does not want to fully understand the passion of the interview showed. So I suddenly felt myself on a pipeline lack of personalized products, quality inspector without emotional eye, a slight defect immediately "offline", was thrown into the void basket. I believe I'm a slow heat; it is difficult to fully demonstrate their twenty-three minutes in just. I like to speak with the facts. He said, "Give me a chance, I will prove it to you," the fact is that he has yet to find such opportunities.

Candidates before get recruit need a more comprehensive understanding of job information. In fact, a clear advance no clearly defined job descriptions usually give candidates bring many occupational risks, for example, the management areas are not clear, there is no explicit grant of sub-rights, even the employer's commitment cannot be achieved lead candidates in the short term retirement. Since almost 8 percent of the job description is ambiguous or general job description information, so as to improve their job efficiency, I think it's really necessary for me to understand the job information.

Respondent 5:

I was not very confident, expressive power is not very good and less verbal exchanges in general occasions and friends has no problem, and has participated in the work of almost two years, a job interview can also nervous that even their own description of the daily work of the year is not clear, make me feel like in the back of the manuscript, and not skilled. So I think that the company introduced the work is very imperfect, and for me very suffering, a lot of confusion on the company's personnel arrangements, always mobilize employees, but it is not the appropriate explanations and I am very confused, in addition, each kinds of work and sector boundaries are not very clear, as long as people are idle will do what all do you need to do things, whether procurement, meetings, accounting, or secretarial most cases, each of us, as long as company needs, you have to do all the thing, it is really confusing.

Respondent 8:

Well, like I just said before, every day all of us has many works and tasks to do, the Division of the company's work is very detailed, each person has their own to do the work, and daily leaders do not tell us what to do, we know what to do, so the workload is very large, the company has promoted me twice, each time the promotion will give me the corresponding wage increase, first day when I entered the company, the company told me they gave me a develop future planning, so then I press this planning to continue to work, feeling targeted, unlike last company feels like working in wasted time, so I feel very motivated.

Respondent 12:

My feeling about the company recruitment system is quite good, I also participated in several recruitment meeting, with the main interviewer, interviewing other candidates, the company's interview will be very tight, the interviewer will ask candidates to see their personality characteristics, and future work will be arranged according to their personality characteristics and formulate a development plan for the future, I think this point I am very satisfied, feeling dry in the company a long time, there will be good the future, at least I think so.

Researcher: what's your company's pay and benefits system? How do you distribute your company's benefits to your employee?

Respondent 1:

We use overtime salary and holiday bonus as the tool to give employee the benefits and pay, our rule is when employees work overtime enough 12 hours, we will pay them one day's salary, and for the holiday bonus, company selected some important and big holiday to give them the bonus, and of course it's dependent on their The level and length of working time.

For the work reward, company will see the employee who were good enough in his position to give him salary reward, and all the employees salary will increase year by year.

Respondent 2:

Our Reward mechanisms, changes in many times, the beginning of overtime to determine the number of extra wages to employees, but later found that many employees in the office after work

to chat online or watching movies, and then did not work, but in order to get overtime, so the company changed the bonus system, every month the company provisions to each department to develop a work plan will be based on the actual situation, each department then issued a work plan to the hands of the department's staff, at the end of the balance sheet the amount of work completed, according to the actual completion work overdose how much reward, so many of the staff have been driven up, such reward mechanisms began to be truly effective.

For wages and holiday bonuses, the company also has its own system, first of all, enhancement of wages, the company provides each employee the appropriate number of wage increase every year, the number of wage increase based on their grades and working hours, holidays we will be in accordance with the different festival specifications to determine the number of bonuses.

Researcher: how do you think about your company's pay and benefits system?

Respondent 4:

I think company's salary increasing is not necessary? Why? It's way too small, like me, I already work in this company two years, Susan already works here 4years, but we still got only Rp.100.000-or Rp.200.000-salary increasing every year, that's just like when you ask somebody to bring you some food because you were hungry, then he bring you a Seeds, that's useless.

Researcher: ok, but how about your overtime salary? You do get overtime salary right?

Respondent 4:

Yeah, I do get overtime salary, but only enough for 12 hours, they counted as 1 day, even it's a little amount, but I want to get it, so most of us stay in the office very late in order to get overtime salary.

Researcher: what did you do in the office after work time? Working?

Respondent 4:

To be Honest, sometimes work is not done I might take the time to continue to work, but no more than half an hour, because after work time, our suppliers or other departments all off work, when you want to work there is no way, because every task are linked with several departments with

each other, less one will not be able to work, so most of the time I will be on the Internet, watch movies, others employee are almost same with me, sometimes we chat with each other after work time.

Respondent 6:

My feeling is quiet familiar with Susan, As the company's rule is there, if we've got more time in office, then we can get more salary, so most of us will stay in the office even longer after off work, because company will count our "working time" as the salary bonus tool, so I'd like to stay in office longer to get more salary, even though it's just a little amount, but yah, it's still more than before.

Researcher: Are there any problems or do you have any problem with company's benefits system?

Respondent 6:

For the problems I think the most important one is the salary system, like Susan just said before, last time company hired a new employee and give him the same salary with us, I mean most of us has already work in here almost two years, he is just a new employee and same level with us, but he get a same salary amount like us, how do you explain it? It's really unfair. Another problem I think is about the salary increasing system, I really don't understand what the difference between every year increase Rp. 100.000 is and every year none increasing, I mean company can't do that to us; so many workmate has leave because of the salary problem, that's really an emergency problem for the company.

Researcher has done the 6 months internship in PT. D&C ENGINEERING company, just like those words from the employees, company's salary system do have a very serious problem, and during my internship period, company has got few employee but soon they leave the company, it's mainly because of the Work blind, management confusion, and unfair wages.

Following answers were collected from the employees who worked in PT. JULONG OIL COMPANY:

Researcher: how do you think about your company's pay and benefits system?

Respondent 7:

I think it's pretty good for me, company do has a very effective pay and benefits system for us, for example, our Insurance and bonus, each employee become regular employees of the company, you will enjoy five insurance and a basic bonus policy provide by company, specifically, five insurance: pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance, basic bonus has two types for you to choose, one is the end of the year bonus, another one is when Staff buying a house, The company will pay the grants; that's really reflect the company's policy to take care of each employee, and reduce a lot of burden on employees.

Researcher: how about salary? Are you comfortable with company's salary system? Do you have overtime salary?

Respondent 7:

About salary system, as far as I know its work for me, I think it makes me comfort, normally company will increase employee's salary every year, and they give the bonus salary and the end of the year, but for the overtime salary, if you get work in our company, you will know that there are no more overtime in the company, company now count the employee's actual amount of completion work to decided how much reward should pay, so most of us have do tasks very quick and effective, so that we can finish more task to get reward.

Researcher: how about the amount of reward salary? Is it comfortable with you?

Respondent 7:

Honest, the company reward is not a lot; after all, all the companies are like this, more money given to the employee, more hard for them to get benefit. But the company's policy and planning are very comprehensive and detailed, so we will feel that there will be a good future in this company, so I am willing to continue to work here, compared to other companies, I think there are better development for me in the future.

Respondent 12:

I agree with ZhangYang, even though I am a Indonesian, but still I feel much better than the company I've work before, about the salary, I know that Indonesian employee's salary is different and even lower than Chinese employee, This is very common, because in Indonesia, so for the Chinese, they are the foreigners, so they get higher wages, for Indonesian employees, wages must be in accordance with Indonesia's average wages level to decide, but now company's Indonesian staff wage has been higher than the average wage in Indonesia, and same with Chinese employees, the company will give us insurance and health protection, and also enjoy other bonuses and promotion system, so the company have taken good care of us, I think I want to work here, after all, everyone needs money, if they can work in a high-wage companies, why not do it.

The company's incentive system is also very attractive, before the majority of incentive system in Chinese companies were the Chinese Staff, but nowthe Indonesians also have wage incentives, it makes me feel very balanced, although the money is not a lot, but it is already higher than the other friend, at least not feel discriminated against with others, that's also a big reason to make me want to work here for long.

Researcher: so you mean that there are no problems with company's pay and benefits system?

Respondent 7:

Of course, anything would have problems, reward policy of the company is very good, but there are still some problems, for example, bonuses sometimes will not be given very timely, the prize of this month may be issued until next month, In addition, sometimes the company will pressing all bonuses until the end of the year release, so the problem is still there, but compare to the other development of system, we can accept those problems any way.

Researcher: could you please explain your company's plan or structures which were related with performance management?

Respondent 1:

Our company do has its own management system performance management, use the whole annual assessment to determine each department and each employee's job performance, then give the wage incentive to high performance staff.

Researcher: call you tell me about the details about the performance system in your company? Like structure or Appraisal standards?

Respondent 1:

Well, in general, the company will give each department a performance management plan, the department's assessment standards included in the plan, for example; efficiency standards, working hours, employee performance, employee innovation, as well as the employee's duties examination results, etc., through these results to be filtered, and finally get the better staff performance, and then according to the level to give them reward.

In addition, our performance evaluation results will be announced at the end of the year, the results of all bonuses are also performed at the end of the year, such is also more in line with the habits of the Chinese people, because the Chinese people usually buy a large number of items in each of the year end then carried out with a friend reciprocity.

Respondent 2:

The company implemented a performance appraisal system has been a long time, but before a lot of employees and even some competent that just a performance appraisal form will not achieve its proper role, dispensable. Later, the company began to intensify publicity appraisal system and adopt a more rigorous performance appraisal system, originally only the assessment of the annual appraisal system, now changed for the month appraisal and annual assessment, the monthly assessment results will be collected and then annual appraisal together to become the final test results, the same time, before the company only make employees develop assessment standards, but now, the company also gives each department a develop assessment standards, which means that each department will have a performance appraisal, so the enthusiasm of all sectors are mobilized, rather than as before, only individual employees were honored.

The company's performance appraisal standards include: departmental performance appraisal, employee performance appraisal. The departmental performance appraisal is the level of effectiveness of each department's performance appraisal standards include: department expense and income level, the progress of the completion of the work plan, product innovation, the amount of technology research, as well as emergency treatment capacity assessment, etc... employee performance appraisal, including efficiency, workload, attendance, working time, technological innovation, business conditions, customer feedback, as well as attendance, etc... Through these detailed assessment, the company will come to a better performance of departments and employees, and released at the end of the year awards.

Although the company implemented a performance appraisal system has been a long time, but the last two years began to be effective, because before a long period of time the performance appraisal is not known, in the company like a useless form, and later the company by strengthen the appraisal management, strengthen the correlation between performance and reward, then the performance appraisal began to have some success.

The above is the answer given by the director of human resources management of the two companies; let's look at each of the company's employees' views.

Researcher: How you think about your company's employee appraisal system?

Respondent 4:

Company do have appraisal system, but seems that appraisal forms are the same for everyone, most of them are just assessment attendance, so attendance should be the same, another factor as far as I know is overtime salary like previously said, there are a lot of people stay in the office after work to take overtime salary.

Researcher: how does the company distribute your year-end bonus? Is it rely on the assessment data?

Before the start of the appraisal system, the company did said that year-end bonuses should be paid in accordance with the test results, but in fact, the test results are useless, just a file. Release of year-end awards everyone has, only in accordance with the level of staff to set bonus, so the same level staff will get same bonuses no matter how their test results different, for example, our small staff, the company will only give a small amount of the money, but the high level employees like manager, director will always get much higher bonus.

So, in general, the assessment of the company is basically nothing, the issuance of the end of the year award just based on the level of employees to determine the bonus number, the month assessment, in my opinion, just to investigate your attendance to decided how much on money you should have in this month

Respondent 5

I agree with what he said, the company's appraisal system is basically useless, a good relationship with the manager always get more bonuses, to curry favor with the manager will got more bonus, but the people who has been hard work doesn't change anything, company's appraisal system is really useless.

Respondent 9:

The company's appraisal system is very strict; the companies recorded each person's working conditions every month. At the end of the year company will announce each person's Performance evaluation data, then to decide the amount of the end of the year Award. Of course, not only based on performance evaluation, the release of year-end awards must rely on staff levels and working hours also, so a high level, long working hours employee will always get a higher amount of year-end bonus.

Researcher: For staff appraisal, do you have any feeling about not fair? For example, no matter how the leaders 'test results like, they will always get more year-end awards?

Respondent 9:

No, because the company now not only assessment staff, but also the assessment each department, each department's realizable will directly affect the department leaders' bonus, for example, once Marketing department cheated by the others, the company reduced the year-end awards for market leaders, which as we all know, there is nothing unfair.

comparing the staff appraisal system in each company, we can find out that basically nothing in D & C companies, the company did not take full advantage of the staff appraisal data, but in JULONG OIL company, each employee are familiar with appraisal system and know how the company use appraisal system to calculate the year-end bonus, the company's staff appraisal system is very severe.

As we all know, Performance appraisal is a formal employee evaluation system. Through a system of methods, principles for assessing and measuring the behavior of staff duties and work effect, it is an important activity to manage communication between managers and staff. Performance results can directly affect the pay adjustment Award. The results of the performance appraisal can directly affect the pay adjustments, bonuses and job lifting and many other vital interests of employees, with the ultimate aim is to improve the performance of their staff to achieve business objectives, improve employee satisfaction and future success sense, and ultimately achieve a "win-win" business and personal development.

But it is also a two-edged double-edged sword, put to good use to maximize stimulate the enthusiasm of the staff, and tap the potential of employees; conversely, it will dampen the negative impact on employees, to the enterprise development. For example, the assessment failed with not clear, evaluation criteria dishonest assessment process and performance feedback channel is not smooth to enhance failure, and so on. In this paper, the actual situation of the enterprise management system, elaborated enterprise performance management situation and existing problems, and solves these problems, learn from the advanced experience of foreign countries, and proposed the establishment of effective performance assessment and improvement system countermeasures and suggestions.

Researcher: Is there any relationship problem between Chinese and Indonesian employee in your company? Do you have any action to solve those problems?

Respondent 1:

At the earlier time when company just arrived in Indonesia, employees are basically all Chinese people, only a few people of Indonesia, and most of them are the driver or translator, but later with the expansion of the scale of the company, a growing number of local employees gets into the company's each department to work, the problem is slowly revealed, the Indonesian staff only speak with the Indonesians, Chinese employees speak only with the Chinese staff, people rarely use English at office, also many Indonesian employees dissatisfied with their wages, because the same level of Chinese employees' wages were much higher than Indonesia employee, so the company make wages amount became confidentiality to prevent employees rivalries, try to speak English during the meeting to care Indonesian employees, the company has also specialized in the canteen, divided into China canteen and Indonesia canteen, to facilitate employees to eat.

Respondent 2:

Employee relations issues in every Chinese company will encounter, we also encountered a lot of employee relations issues, the most prominent problem is that Chinese employees cannot have a good friendship with Indonesian staff, most Indonesian employees speak only with the staff from the Indonesian, Chinese people is the same, only exchanges with the Chinese people, but a lot of work to be staff have accomplished together, poor employee relations, caused a large part of the work inefficient, employees collaborate with each other, did not follow the spirit of the company in order to let employees to know each other, often organized party or activities, to achieve mutual understanding between the Chinese employees and employees in Indonesia, in addition, the company also has a provision which is must speak English at office anytime, at the same time, the company will organize employees learn Indonesian language every week, on the other hand, the company began to recruit Chinese students who were studying in Indonesia to make more communication with Indonesia employee.

There have a lot of differences in culture between China and Indonesia, the Indonesian employees needs to pray every day in many ways, so the company gave understanding and tolerance, and asked the Chinese employees during the prayer time, cannot make much noise, and respect the culture of the Indonesian National.

There is a problem that has been is the wages of the employees, many employees are dissatisfied with the wages, because the same level of the Chinese employees' wages are much higher than the wages of employees in Indonesia, which resulted in the Indonesian employees mentally unbalanced, leading to tension between the research on this problem a lot, company finally formulate a policy, the company commitment to the basic salary of the employees in Indonesia will be higher than the average wage level in Indonesia, at the same time, the Indonesian staff get more compensation, these include: health insurance, life insurance, unemployment insurance, industrial injury insurance and maternity insurance, etc., and same with Chinese employees, they can enjoy the year-end awards, so let Indonesian employees feel the balance, while also saving the company's compensation wage expenses.

Above data were collecting from the HRM directors from both company, following data were answered by the employees:

Researcher: What do you think about the employee's relationship between Chinese and Indonesia in your company?

Respondent 3:

As a Indonesian employee, I actually feel a little bit being discriminated by the other Chinese, and many of my friends feel same with me, because the company run by the Chinese, and they usually speak Chinese at office, and most of the managers were Chinese, so sometimes I feel that those managers only care about the Chinese employee, and also about the salary, Chinese employee no matter how the position he or she is, the salary will always higher than the original people, all of those problems make us feels like being discriminated by the company.

Researcher: How was the relationship between the employees?

Respondent 3:

For the employees relation, like I just said, all the Chinese employees salary were higher than the original people, that's a little uncomfortable with us, and meanwhile, most of the employees can't speak English or Indonesian, in fact, only few people can speak English but very bad pronounce, we cannot even communicate with each other, how can we get relation? Now the situation is that

most of the time, Chinese employees stay as a unit, and Indonesia employees stay as another unit in the company, communication between those two units were very less.

Respondent 5:

Actually we didn't get along with each other quite well, seems that there has some kind of estrangement between me (Chinese) and Indonesia employee, first of all, we can't speak English and Indonesian, second, sometimes we can feel that Indonesian employees were having some bad emotion with us, it's hard to explain, but in short, our relationship were not good at all.

Respondent 8:

I think our relationship were quite well, because I feel no matter Indonesian or Chinese, it's same, we always go out together and having fun together, even though our Chinese employee's English were terrible, but at least we can make each other know what are we talking, and it works well, I think there is no problem between Indonesian employees and Chinese employees in the company.

Respondent 11:

As a Indonesian people, I can say that I feel very peace in this company, my last company was also a Chinese company, but the difference is in there I always feel anxious, tension, and kind of pressure, because company's Chinese employee were not as friendly as here, but in here, all the Chinese employees even the manager were both kind and friendly to us, and it makes me feel very peace, and company also gives us many rights even same with the Chinese employee, that makes us feel being cared by the company, so honestly, we feel pretty good in this company.

For any business, build positive employee relations can attract and retain good employees, improve employee productivity, increase the loyalty of the staff of the enterprise, improve the morale of the work, and to enhance the company's performance, and reduce absenteeism, absence rate. Staff absenteeism rate, increase the cost of business due to employee benefits, supplemental staff training and performance loss. The high employee turnover rate, increase the cost of business due to the recruitment, training and performance loss. Employee relations should including the relationships between employees and corporate, and employees with employees.