

ISSN Print : 0976-6502

ISSN Online: 0976-6510

<http://www.iaeme.com/ijm/index.asp>

***International Journal
of
Management
(IJM)***



IAEME Publication

Plot : 03, Flat- S 1,

Poomalai Santosh Pearls Apartment

Plot No. 10, Vaiko Salai 6th Street

Jai Shankar Nagar, Palavakkam, Chennai- 600 041

Tamilnadu, India

EDITORIAL BOARD

Chief Editor

Prof. B. Arthi Gandhimathi PRJ Publication, India

Managing Editors

Dr. S. Balasubramanian IAEME Publication, India
Dr. Pon Ramalingam Hindustan University, India
Dr. K. Abdus Samad Jamal Institute of Management, Trichy, India
Dr. K.K. Ramachandran GRD Institute of Management, India
Dr. J. Joseph Francis Karunya University, India

Associate Editors

Dr. V. Antony Joe Raja Sri Muthukumaran Institute of Technology, India
Er. N. Tamil Selvan RVS College of Engineering & Technology, Coimbatore, India

Copy Editors

Mr. K. Prasanth IAEME Publication, India
Mr. T. Nagarajan IAEME Publication, India

Editorial Board

Dr. Georgios palaiologos Royal University for Women, Bahrain.
Dr. V. Raghu raman Senior faculty member- Ibra College of Technology-Oman.
Dr. R. Ravikumar Tamilnadu Agricultural University, TamilNadu, India.
Dr. A.R. Krishnan SRM University, Tamilnadu, India.
Dr. Iosif cornel National Institute of Statistics, Romania.
Dr. Pratap Raghunath Desai Bharati Vidyapeeth University, Maharashtra.
Dr. Aikaterini koskina Keele University, UK.
Dr. Ashok G. Matani Govt. College of Engineering Amravati, India.

| | |
|--|--|
| Dr. R.Wranton perez | St.Joseph's College of Engg.&Tech, TANZANIA. |
| Dr. A.K. Garg | MIT, India. |
| Dr. Leandro torres di | Fluminense Federal University, Brazil. |
| Dr. Hamid saremi | Azad Islamic University of Iran-Quchan Branch, Iran. |
| Dr. Nawab ali khan | Salman Bin Abdulaziz University ,KSA. |
| Dr. Alka swami | Govt. College of Engineering & Technology Bikaner , India. |
| Dr. Shivakumar deene | Central University of Karnataka, India. |
| Dr. N. Mahesh | Dhanraj Baid Jain Institute of Management, India. |
| Dr. Christine palani | Management Consultant, India. |
| Dr. K.S.Meenakshisundaram | Dr.Bala V Balachandar Campus, Tamilnadu, India |
| Dr. Dr. Samson O. Fadiya | Girne American University, North Cyprus |
| Dr. Wilson Udo Udo | University of Uyo, Nigeria |
| Dr. N. SHAIKMOHAMED | Jamal Mohamed College(Autonomous) Tiruchirappalli, Tamilnadu, India |
| Dr. Manu Melwin Joy | Ilahia College of Engineering and Technology, India |
| Dr. Subrata Chattopadhyay | Future Institute of Engineering and Management, India |
| Dr. Venkata Sai Srinivasa Rao Muramalla | Prince Sattam Bin Abdulaziz University, Kingdom of Saudi Arabia |
| Dr. V. Sowdamini | Pydah College of Engg&Technology, Viskhapatnam, India |
| Dr. J. Khaja Sheriff | University of Madras, Tamilnadu, India |
| Prof. Melnyk Alona Aleksievna | Kyiv National University of Technologies and Design, Ukraine |
| Dr. S.Senthil Kumar | SRM Institute of Science and Technology, Tamilnadu, India |
| Dr. Achmad Kautsar | Universitas Negeri Surabaya, Indonesia |
| Dr. M M Bagali | Acharya Institute of Technology, India |
| Dr. Sapan Kumar Gupta | Amity University, India |
| Dr. J.Rengamani | AMET Business School AMET University, India |
| Dr. D.Rajasekar | AMET Business School, AMET University, India |
| Dr. Stephen M. A. Muathe | Kenyatta University, Nairobi, Kenya |

| | |
|--------------------------------|---|
| Dr. TCHITCHOUA Jean | University of Yaoundé 2-Soa, Cameroon |
| Dr. Miao-Shen Chen | Nanhua University, Taiwan |
| Dr. Ralf Müller | BI Norwegian Business School, Norway |
| Dr. Esmat Ara | Shahjalal University of Science & Technology, Sylhet, Bangladesh |
| Dr. Musaddag Elrayah | King Faisal University, School of Business, Hofuf, Saudi Arabia |
| Dr. Rami A. Maher | Isra University Amman, Jordan |
| Dr. Arkadiusz Mironko | Indiana University East, United States |
| Dr. M. Selvam | Alagappa University, India |
| Dr. Syaikhul Falah | Cendrawasih University, Indonesia |
| Dr. R. Chroqui | University Hassan the 1st, 26000 Settat, Morocco |
| Dr. Buchari Lapau | Pekanbaru Hang Tuah Institute of Health, Riau Province, Indonesia |
| Dr. Matthias Kammer | Technical University of Munich, Germany |
| Dr. Anni Arnav | Dayananda Sagar University, Karnataka, India |
| Dr. Dinh Tran Ngoc Huy | International University of Japan - Banking University HCM city Vietnam |
| Dr. K. Rakesh | MVGR College of Engineering, Andhra Pradesh, India |
| Dr. K. Rajalakshmi | Shri Shankarlal Sundarbai Shasun Jain College for Women, Chennai, India |
| Dr. Aluregowda | PES College of Engineering, Karnataka, India |
| Prof. Iryna Bashynska | Odessa National Polytechnic University, Odessa, Ukraine |
| Dr. P. Venkaiah Babuu | Eswar College of Engineering, Narasaraopet, Andhra Pradesh, India |
| Dr. Fahd Alduais | Department of Accounting, National Institute of administrative Sciences, Ibb, Yemen |
| Dr. Narcisa Moşteanu | Professor of Finance, Business Administration Department, American University of Malta, Bormla, Malta |
| Prof. Devi Prasad Misra | Professor, Department of Business Management, Fakir Mohan University, Odisha, India |
| Dr. P. Jagadeesan | Professor and Head, Department of Commerce (General), School of Management Studies & Commerce, Vels |

| | |
|-----------------------------------|---|
| Dr. Raghavendra GS | Institute of Science, Technology & Advanced Studies (VISTAS), Tamilnadu, India |
| Dr. Shankar Macharla | Researcher, University of Mysore, Karnataka, India; Managing Director Geloof Industries Pvt Ltd, Bangalore, India |
| Dr. Priyanka Dave | National Institute of Rural Development and Panchayati Raj (NIRDPR), Telangana, India |
| Prof. Ernest Ofori Asamoah | Academician, Researcher and, L & D Consultant, USA |
| Er. Mithun Gaur | Dean, School of Business, Regent University College of Science and Technology, Accra, Ghana |
| Prof. Devi Prasad Misra | PGDM (Marketing & IT), BIMM Pune, India. |
| Prof. S. Umamaheswari | Head and Dean, Department of Business Management, F.M. University, Vyasa Vihar Balasore, Odisha, India. |
| Dr. Arun Singhal | Assistant Professor, School of management studies, Sathyabama university, Chennai, India. |
| Dr. Virupaxi Bagodi | Associate Professor, Bule Hora University, Bule Hora City, Ethiopia, Africa. |
| | Principal, Government Engineering College, Talakal, India. |

Reviewer Board

| | |
|------------------------------|---|
| Dr. N. Shani | Professor, Department of Business Administration, Nehru arts and science college, Coimbatore, India |
| Dr. T. Manvel Raj | Mohamed Sathak A.J. College of Engineering, India |
| Dr. Dhanuraj | Management Consultant, India |
| Prof. Sanobar Anjum | Prince Mohammad Bin Fahd University, Saudi Arabia |
| Dr. Deepika Ttiwari | Sikkim Manipal Institute of Technology, India |
| Dr. Gajendra Naidu. J | ATMA, India |
| Dr. S. Saiganesh | Dayananda Sagar Business School, India |
| Dr. Bamrara. A | HNB Garhwal University, India |

| | |
|--------------------------------|--|
| Dr.Hari Sundar.G. Ram | Sree Narayana Gurukulam College of Engineering, India |
| Dr.Anshul Gangele | Institute of Technology & Management, India |
| Dr.Davinder Sharma | BCIPS, India |
| Prof.Srinivas K T | CIMS - B School, India |
| Dr.B.Ravi Kumar | Sree Vidyanikethan Engineering College, India |
| Dr.Rajesh U Kanthe | BVDU, India |
| Dr.Swaranjeet Arora | Prestige Institute of Management and Research, Indore, India |
| Dr.A.Selvaraj | Gobi Arts and Science College,Tamilnadu, India |
| Dr.M.A.Lahori | Anekant Institute of Management Studies, Baramati, Pune, India |
| Dr.V. Antony Joe Raja | Prince Group of Companies, Chennai, India |
| Prof.Shraddha Chowdhary | Kasturba Gandhi College for Women, Secunderabad, India |
| Dr.Sivanesan R | St.Jerome's College of Arts and Science,Tamilnadu, India |
| Prof.Shraddha Bhome | Future Institute Of Engineering and Management and Future Business School, India |
| Dr.V.Rama Devi | Sikkim Central University, Sikkim, India |

INTERNATIONAL JOURNAL OF MANAGEMENT (IJM)

ISSN **Print: 0976-6502**

ISSN Online: 0976-6510

Journal ID : 101

11 Volumes 73 Issues 2430 Articles
available from 2010 to 2020.

Editorial Policy

- IJM will publish both theoretical and empirical papers having potential to make a significant contribution to the Management practices.
- All the papers submitted to IJM for editorial consideration will be scrutinized through single blind peer review so as to ensure standard, quality and originality.
- IJM will endeavour to complete the review process within 4-10 weeks of the receipt of articles.
- IJM will maintain zero tolerance for plagiarism. Originality of all the selected articles will be ensured through appropriate software and an undertaking before publication.

Publication Ethics and Malpractice Statement:

The publication of a peer reviewed journal requires continuous work, responsibility, liability and collaboration from all involved parties: authors, reviewers, chief editor, managing editors, associate editors, editors and board members. The chief editor/ editors have the responsibility of keeping/monitoring the publishing ethics and maintaining the academic record. The Editorial Board assume their responsibility on verifying the articles of fraudulent data or plagiarism. The editorial team's goal is to maintain the publication at the highest publication standards, implying: good

quality, original, research based articles, but also corrections, clarifications, retractions and apologies, if needed. We appreciate the contributions of every involved party to the work that we publish.

Publication and Authorship:

- All submitted papers are subject to strict blind peer review process by at least two national and international reviewers;
- The rejected articles are not being resent for reviewing;
- The papers before being sent for reviewing are first checked by anti-plagiarism software. Authors should provide all sources of data used in the research. Plagiarism in all its forms is unethical and it is unacceptable.

Authors' responsibilities:

- Authors must ensure that the submitted article is their original work, which has not been previously published;
- Authors must ensure that the submitted article has not been considered for publication elsewhere;
- Authors must state that all data in the paper are real and authentic;
- Authors must report any errors in their published paper to the Chief Editor/ Editors;
- Authors should provide revised version of their article, according to the reviewers' recommendations.

Reviewers' responsibilities:

- Any manuscript received for reviewing will be treated as confidential document;
- Reviewers should identify relevant published work that has not been cited by the authors;
- Reviews should be conducted objectively, and observations should be formulated clearly with supporting arguments, so that authors can use them for improving the paper;
- Reviewers should inform the Chief editor/editors on any substantial similarity between the manuscript under consideration and any other published paper;
- Reviewers should not consider manuscripts in which they have conflicts of interest resulting from competitive,

collaborative, or other relationships or connections with any of the authors, companies, or institutions connected to the papers.

Chief Editor/ Editors' responsibilities:

- Editors decide which of the articles submitted to the journal should be published;
- Editors are responsible for the contents and overall quality of the publication;
- Editors should evaluate manuscripts exclusively on the basis of their academic merit;
- Peer review assists the editors in making editorial decisions. Editors should publish only peer reviewed accepted articles;
- Editors should have a clear picture of a research's funding sources;
- An editor must not use unpublished information in the editor's own research without the express written consent of the author.

Plagiarism Policy:

Whether intentional or not, plagiarism is a serious violation. Plagiarism is the copying of ideas, text, data and other creative work (e.g. tables, figures and graphs) and presenting it as original research without proper citation. We define plagiarism as a case in which a paper reproduces another work with at least 25% similarity and without citation.

If evidence of plagiarism is found before/after acceptance or after publication of the paper, the author will be offered a chance for rebuttal. If the arguments are not found to be satisfactory, the manuscript will be retracted and the author sanctioned from publishing papers for a period to be determined by the responsible Editor(s).

| S.No | Article ID | Title of the Paper | Authors | Pages | Downloads | How to cite this article |
|------|---------------|--|--|---------|-----------|--------------------------|
| 1 | IJM_08_04_001 | <u>WOMEN ENTREPRENEURSHIP IN DEVELOPING COUNTRIES</u> Download PDF DOI | RUCHI TRIPATHI and VINAY PRATAP SINGH | 1 - 7 | 133 | View |
| 2 | IJM_08_04_002 | <u>MOTHER OF ALL TAX REFORMS: INDIA'S GOODS AND SERVICES TAX 2017</u> Download PDF DOI | R B KRISHNA and ANAND KUMAR JAISWAL | 8 - 15 | 144 | View |
| 3 | IJM_08_04_003 | <u>MAINTENANCE MODELLING OF SHIPBOARD MACHINERY BY DELAY TIME ANALYSIS</u> Download PDF DOI | RAHUL RAMACHAND RAN K. SUNIL KUMAR and ROY V. PAUL | 16 - 22 | 25 | View |
| 4 | IJM_08_04_004 | <u>AN ANALYSIS OF VALUE ADDITION IN AGRO PRODUCTS AND ITS IMPACT ON THE EXPORT POTENTIALS OF INDIA</u> Download PDF DOI | SANAL. B and KRISHNA KUMAR. S | 20 - 30 | 21 | View |
| 5 | IJM_08_04_005 | <u>WOMEN ENTREPRENEURSHIP: GENESIS FOR SUCCESSFUL BUSINESS MODEL</u> Download PDF DOI | NEETI HOODA | 31 - 39 | 28 | View |
| 6 | IJM_08_04_006 | <u>AN INNOVATIVE PROCESS FOR THE QUALIFICATION AND EVALUATION OF OCCUPATIONAL RISK MANAGEMENT UNDER THE OHSAS 18001</u> | GAMBERA VANESSA | 40 - 51 | 21 | View |

| | | | | | | |
|----|---------------|--|---------------------------------------|---------|----|----------------------|
| | | STANDARD Download PDF DOI | | | | |
| 7 | IJM_08_04_007 | BALANCED BANK CREDITS FOR BALANCED ECONOMIC GROWTH IN INDIA Download PDF DOI | SANJAYA JENA | 52 - 59 | 27 | View |
| 8 | IJM_08_04_008 | TRANSFORMING INDIA INTO A GLOBAL MANUFACTURING HUB IN THE ERA OF MAKE IN INDIA: GOVERNMENT INITIATIVES AND ACCOMPLISHMENTS Download PDF DOI | RICHA AWASTHI | 60 - 65 | 13 | View |
| 9 | IJM_08_04_009 | ANALYSIS OF ORGANIZATIONAL CULTURE COMPANY SOUTH KOREA IN INDONESIA Download PDF DOI | MOCHAMAD MOCHKLAS and DIDIN FATIHUDIN | 66 - 74 | 26 | View |
| 10 | IJM_08_04_010 | PROSPECT OF TRADITIONAL CRAFT IN PRESENT ECONOMY: A STUDY OF EARTHEN DOLL OF KRISHNAGAR, WEST BENGAL Download PDF DOI | KANDARPA KANTI HAZRA and ARUP BARMAN | 75 - 81 | 19 | View |
| 11 | IJM_08_04_011 | PSYCHOLOGICAL ASPECTS OF WORKPLACE HARASSMENT AND PREVENTIVE MEASURES: A REVIEW Download PDF DOI | KUSHA PANDIT CHAWLA | 82 - 87 | 15 | View |
| 12 | IJM_08_04_012 | MAPPING THE CHANGES IN | GJORGJI MANCHESKI | 88 | 14 | View |

| | | | | | | |
|---------|---------------|---|--|----------------------|----|----------------------|
| | | <u>COMPANIES IN THE REPUBLIC OF MACEDONIA, ACCORDING TO THE SIZE OF THE COMPANY</u> Download PDF DOI | and GLIGOROVSKI VIOLETA | - 97 | | |
| 1 3 | IJM_08_04_013 | <u>SELECTION AND RETENTION OF TALENT IN IT INDUSTRY: A STUDY IN THE STATE OF WEST BENGAL</u> Download PDF DOI | PRADYUMNA KUMAR TRIPATHY and AKANCHATRI VEDI | 98 - 10 8 | 17 | View |
| 1 4 | IJM_08_04_014 | <u>ENERGY CHARTER TREATY IS AN INSTRUMENT FOR THE PROMOTION OF COOPERATION IN THE ENERGY SECTOR AND PROVIDES THE LEGAL BASIS FOR AN OPEN AND NON-DISCRIMINATORY ENERGY MARKET</u> Download PDF DOI | SHIVANKU BHATT | 10 9 - 11 7 | 11 | View |
| 1 5 | IJM_08_04_015 | <u>NEED FOR DEVELOPMENT OF DRYPORTS IN INDIA ALONG WITH CASE STUDIES</u> Download PDF DOI | SHIVANI VIJAY DHOTRE, AYUSH SRIVASTAVA | 11 8 - 12 4 | 7 | View |
| 1 6 | IJM_08_04_016 | <u>DISASTER RECOVERY, AN ELEMENT OF CYBER SECURITY- A FLICK THROUGH</u> Download PDF DOI | J. SRINIVASAN and S. SIMNA | 12 5 - 13 3 | 22 | View |
| Pages 1 | | | | | | |

ANALYSIS OF ORGANIZATIONAL CULTURE COMPANY SOUTH KOREA IN INDONESIA

Mochamad Mochklas

Department of Management, Faculty of Economics and Business,
University of Muhammadiyah Surabaya, Indonesia

Didin Fatihudin

Department of Management, Faculty of Economics and Business,
University of Muhammadiyah Surabaya, Indonesia

ABSTRACT

Application of organizational culture in the company is very helpful for employees to do the job efficiently and effectively. South Korea has a unique culture and this culture affects people's lives in business, especially in international business ie Kibun, Inhwa and work discipline culture. The purpose of this research is to analyze the corporate culture dimension of South Korea's most dominant company in influencing the work culture of South Korea company in Indonesia. The research was conducted at a South Korean company in Surabaya. The method used in this research is quantitative method. The questionnaire that has been compiled is a series of questions related to the organizational culture of South Korean companies. The number of samples in this research are 229 employees working in South Korean company, then the data is analyzed by using SEM-AMOS 20.0. The results of this study indicate that the organizational dimension of Inhwa is dominant in the organizational culture of South Korean companies in Indonesia.

Key words: Organizational Culture, Kibun, Inhwa, Work Discipline

Key words: Mochamad Mochklas and Didin Fatihudin, Analysis of Organizational Culture Company South Korea In Indonesia. *International Journal of Management*, 8 (4), 2017, pp. 66–74.

<http://www.iaeme.com/ijm/issues.asp?JType=IJM&VType=8&IType=4>

1. INTRODUCTION

South Korea's economic growth over the last four decades is remarkable and earned the nickname of Miracles in the East Asia Region. South Korea will take a more positive position with a broader vision and implement global diplomacy through active cooperation with the international community (Risidanti, 2013).

South Korea has a unique culture and culture that affects the lives of everyday people and business practices, especially in international business. All the important aspects of Korean culture have a strong influence on how to do business (Lee, 2012). The role of expatriates in multinational corporations in increasing their development and influence is very important (Rahim, 2010).

The organizational culture of the various organizations in multinational companies has an important role in creating organizational effectiveness that supports the success of the organization (Sukmawati, and Himawan, 2015). Organizational culture is an important factor in improving the achievement of organizational goals and objectives, by developing the right corporate culture, the organization can achieve success that will affect the sense of employee loyalty and sense of organization (Nongo, 2012).

Investments made by multinational companies create increasingly intense industry competition in implementing global strategy, the success of the organization is largely determined by the ability of managers or leaders to adapt to a much broader international environment (Puspitasari et al., 2014). Therefore, cross-cultural leadership competencies are indispensable in companies operating internationally (Lumbanraja, 2008).

According to Shahzad et al., (2012) every individual in the organization has a different culture and he will try to adapt himself to the norms and values of the organization. Application of organizational culture is very helpful for employees to do their work efficiently and effectively. The process of cultural formation together improves the organizational ability to change (Purnama, 2013).

The Mayangsari et al., (2014) study of South Korean work culture has an effect on improving performance, also contributes to mutual respect between Indonesian employees and expatriates in fostering the loyalty attitude of Indonesian employees. This study aims to analyze the organizational dimensions of South Korean company's most dominant organization in influencing the work culture of South Korean companies in Indonesia.

2. THEORETICAL BASIS

2.1. Organizational Culture

Organizational culture is a set of assumptions or belief systems, values and norms developed within the organization that serve as a behavioral guideline for its members to address external adaptation and internal integration issues (Mangkunegara, 2005: 113). According to Robbins (2003: 681) there are 10 characteristics of organizational culture, namely: 1. Individual Initiative, 2. Tolerance to risky action, 3. Direction, 4. Integration, 5. Management support, 6. Control, 7. Identity, 8. Rewards system, 9. Conflict tolerance, and 10. Communication patterns.

2.2. Organization Culture of South Korea

South Korea's long-term business orientation is the stability of the company, this is done by South Korean business firms because the stability of the company provides a valuable experience when compared to growth and profitability. If a country's economic condition is unstable (such as inflation) then it does not have a major impact for a company with a long-term orientation. If the short-term orientation then there is no guarantee of business stability, because if a country's economic conditions occur inflation / unstable then the business conditions will be easily destroyed.

South Korean management is unique because culture is also limited. They strive to improve organizational performance in the most effective way in the context of South Korean culture. The South Korean management characteristic is a unique feature of organizational culture in

South Korean companies and strongly influenced by traditional culture as the essence of traditional family systems (Chang and Chang 1994: 129).

The working culture of South Koreans is typical of serious, individual, hard-working, disciplined worker, obedient to seniors and superiors, persevering in work, before the work is finished never to go home even finish late into the night, have a high temper, get angry when there is trouble But not vengeful. All these things are due to the conscription effects they follow so they are carried away at work. They also have mutual respect and respect for host country culture like Indonesia. And they are very alert in addressing the cultural gap faced. Korean work culture emphasizes more discipline related to the achievement of targets. The prevailing discipline is flexible and intolerant. The process of completion of the work is not too concerned as long as the company's target is reached (Mayangsari et al., 2014).

According to Lee (2012) some of the key aspects of unique South Korean culture that have a significant impact on doing business, namely *Kibun*, *Inhwa*, power and hierarchy, confucianism and collectivism, personal relationships.

Kibun

As one of the most important key aspects of Korean culture, it affects business in South Korea significantly. *Kibun* is basically a mood or a sense of balance and good behavior. In South Korea, people are constantly striving to keep *Kibun's* environment stable, both in personal and business life. People are willing to defend their own *Kibun* as well as others, and it is not polite to disturb *Kibun* of others. In the business world, South Koreans always make an effort to be polite, friendly, and do things with only the best of intentions. They do not want to lose the face of others by criticizing them in public. Therefore, it is very likely that South Koreans will show different opinions or feelings by giving positive or ambiguous answers. People need to read from a non-verbal language or their body to understand the true meaning of the answers. It is common for South Koreans to understand each other. However, it is very easy to cause misunderstandings and/or confusion for foreigners.

Inhwa

Another principle of South Korean business culture is *Inhwa*, which is defined as harmony. As a collectivist society, consensus is an important element in promoting and maintaining harmony in South Korea. *Inhwa* is taken from Confucian belief, and emphasizes a harmonious relationship with others. Usually Koreans want to give a positive answer and are reluctant to give a direct rejection. They do not want to harm a harmonious environment by giving negative answers or rejecting others to cause a losing face. In the business world, this term requires subordinates loyal to their bosses and bosses concerned with the welfare of subordinates. Therefore, workers see themselves as they are owed to entrepreneurs and leaders. In the business world, South Korea shows their respect to the leadership and usually avoids as much conflict as they can, if they have different opinions.

The distance of power and hierarchy

South Korea is a country with high power and hierarchy. In South Korea, people do not greet each other by name, but with their titles. The high power and hierarchy of distance not only in personal life, but also in the business world. In addition to the way of naming names, negotiations with Korea also show power distance. On the other hand, senior managers are usually decision makers. The junior staff may have more knowledge in dealing with the problem, so it is very important to involve them.

Confucianism and Collectivism

Confucianism permeates Korean life. It affects both personal life and the business world at a high level. Confucianism is the thought of ancient China that has spread through many East Asian countries and is often described as a religion, which is not entirely true. Kung Fu-Tzu, known in Western countries as Confucius, lived in China around 500 BC.

This cultural impact for South Korean businesses manifests primarily in decision making and negotiation. It usually takes longer to make a final decision, as all members need to consider the opinions and values of others. This decision is based on careful consideration of the interests of the entire team, and at the same time, maintaining a stable *Kibun* environment.

Personal relationships

In South Korea, personal relationships are essential to doing business, and are usually established before the beginning of business processes. To be successful, it is important to build a good personal relationship based on mutual trust and benefits. In order to build a personal relationship, it is helpful to be introduced by a friend at an appropriate level. To better understand personal relationships in South Korea, foreigners and foreign companies must realize that it is a collectivist society. South Koreans are not willing to do business with strangers without the introduction and support of friends. By introducing and building personal relationships, South Koreans will be more willing to consider foreign companies as part of a group, and as such, they will collaborate for the benefit and benefits of the whole group.

3. RESEARCH METHODS

3.1. Population and Data Analysis

The method in this research is quantitative. The population used in the study is the accessible population of 244 employees of South Korean companies in Surabaya. Of the 244 people the population by the researcher was used as a sample or by using the total sampling method. With the total sampling method it is expected that the results can tend to be closer to the real value and can minimize the occurrence of errors on the value of the population (Usman and Akbar, 2008: 181). Methods of data analysis in the study using SEM with the help of AMOS 20.0 program.

3.2. Operational Definition of Variables (Y1)

The operational definition of organizational culture in this research is the value system of South Korean PMA companies in Surabaya that are used as guidelines and implemented by employees in doing the work and is a way to overcome the problems faced both external and internal. There are three demergies of organizational culture in this study namely *Kibun*, *Inhwa* developed in the opinion of Lee (2012) and work discipline developed according to Mayangsari et al. (2014).

3.3. Organizational Culture Measurement Model (Y1)

The Measurement Model of Organizational Culture (Y1) using three dimensions consisting of *Kibun* (Y1.1), *Inhwa* (Y1.2) and work discipline (Y1.3). Each variable has an indicator of observed variables. Organizational culture *Kibun* (Y1.1) is a relationship indicated the existence of mutual understanding and conformity between the leadership is indicated by indicators of cooperation, devotion, perseverance and reinforcement in work. The organizational culture of *Inhwa* (Y1.2) is a demand of good behavior, which employees must have in working as morality, reflected in thoughts, attitudes and behaviors that are shown with indicators of honesty, trust and responsibility. And the organizational culture of South Korean companies

emphasizes the discipline of work (Y1.3). Which is shown to be obedient to the leadership, working on time, working according to procedures and obeying the rules.

4. RESEARCH RESULTS

4.1. Description of Respondents' Answers

Respondents' answers to each of the organizational culture dimensions indicators in the South Korea Company in this study, as shown in table 1.

Table 1 Description of Respondents' answers

| Dimensions | Indicator | Statement | Average | | Std. Deviation |
|-------------------------------------|--------------------|---|-------------|------|----------------|
| <i>Kibun</i> (Y _{1.1}) | Y _{1.1.1} | In the company there is a good cooperation between colleagues co-work | 4.17 | 4.07 | 0.861 |
| | Y _{1.1.2} | For companies dedicated employees viewed as a major source of competitive advantage | 3.77 | | 0.874 |
| | Y _{1.1.3} | Required diligence in completing the work | 4.10 | | 0.730 |
| | Y _{1.1.4} | Company gives space to employees in developing creativity in completing work | 4.22 | | 0.876 |
| <i>Inhwa</i> (Y _{1.2}) | Y _{1.2.1} | The company encourages me to be honest in my work | 4.27 | 4.21 | 0.691 |
| | Y _{1.2.2} | The company gave me confidence in completing the job | 4.22 | | 0.620 |
| | Y _{1.2.3} | My job responsibilities match the position given by the company | 4.13 | | 0.707 |
| Work Discipline (Y _{1.3}) | Y _{1.3.1} | In completing the work I followed the instructions given | 3.96 | 4.11 | 0.616 |
| | Y _{1.3.2} | The company requires me to work on time | 4.10 | | 0.736 |
| | Y _{1.3.3} | I work based on standard operating procedures that have been established. | 4.07 | | 0.706 |
| | Y _{1.3.4} | I always obey the rules set by the company | 4.30 | | 0.641 |
| Overall | | | 4.12 | | |

From table 1, the highest perception of respondents regarding the organizational culture lies in the organizational culture dimension of *Inhwa*. The highest average score of 4.21 on the dimension of work integrity. Overall it is known that the average respondent's answer on the organizational culture variable is 4.12 with good category. The standard deviation value generated on each indicator has a relatively low value, indicating the same perception of the employee about the organizational culture.

4.2. Result of Testing Factor Confirmation Analysis of Organizational Cultural Dimension

Dimensional Kibun

The result of first order test of confirmatory analysis of test result dimension from first order confirmatory analysis of dimension of harmonic relation can be seen from table 5.14.

Table 2 Loading Factor Measurement Model Dimensions *Kibun*

| | | | <i>Estimate Unstandardize</i> | <i>Estimate Standardized</i> | S.E. | C.R. | P |
|--------------------|------|------------------|-----------------------------------|----------------------------------|-------------|-------------|----------|
| Y _{1.1.1} | <--- | Y _{1.1} | 1.000 | 0.813 | | | |
| Y _{1.1.2} | <--- | Y _{1.1} | 0.804 | 0.644 | 0.082 | 9.754 | 0.000 |
| Y _{1.1.3} | <--- | Y _{1.1} | 0.643 | 0.617 | 0.075 | 8.535 | 0.000 |
| Y _{1.1.4} | <--- | Y _{1.1} | 0.838 | 0.670 | 0.085 | 9.828 | 0.000 |

Based on table 2 can be seen, all probability values for each indicator is smaller than 0.05 and the estimate standardized value is above 0.5. With this result, it can be said that the indicators of dimensioning of harmonic relationships have shown as a strong indicator in measuring the dimensions of harmonic relations.

Inhwa Dimension

The test results of the first order confirmatory analysis of the dimensions of the test results of the first order Confirmatory analysis of *Inhwa* dimensions can be seen from table 3.

Table 3 Loading Factor Model Dimensions *Inhwa*

| | | | <i>Estimate Unstandardize</i> | <i>Estimate Standardized</i> | S.E. | C.R. | P |
|--------------------|------|------------------|-----------------------------------|----------------------------------|-------------|-------------|----------|
| Y _{1.2.1} | <--- | Y _{1.2} | 1.000 | 0.802 | | | |
| Y _{1.2.2} | <--- | Y _{1.2} | 0.862 | 0.770 | 0.073 | 11.812 | 0.000 |
| Y _{1.2.3} | <--- | Y _{1.2} | 0.806 | 0.631 | 0.089 | 9.057 | 0.000 |

Based on table 3 can be seen, all probability values for each indicator is smaller than 0.05 and the estimate standardized value is above 0.5. With these results, it can be said that the indicators of the formation of the dimensions of *Inhwa* have shown as a strong indicator in the measurement of latent variables dimension of work integrity.

4.3. Dimensions of Work Discipline

Test results of first order confirmatory analysis of test result dimension of first order confirmatory analysis of work discipline dimension can be seen from table 4.

Table 4 Loading Factor Model Dimensions Work Discipline

| | | | <i>Estimate Unstandardize</i> | <i>Estimate Standardized</i> | S.E. | C.R. | P |
|--------------------|------|------------------|-----------------------------------|----------------------------------|-------------|-------------|----------|
| Y _{1.3.1} | <--- | Y _{1.3} | 1.000 | 0.692 | | | |
| Y _{1.3.2} | <--- | Y _{1.3} | 1.508 | 0.874 | 0.138 | 10.900 | 0.000 |
| Y _{1.3.3} | <--- | Y _{1.3} | 0.981 | 0.592 | 0.123 | 7.950 | 0.000 |
| Y _{1.3.4} | <--- | Y _{1.3} | 0.980 | 0.652 | 0.114 | 8.566 | 0.000 |

Based on table 4 can be seen, all probability values for each indicator is smaller than 0.05 and the estimate standardized value is above 0.5. With these results, it can be said that the indicators of the dimensions of the discipline of work have shown as a strong indicator in the measurement of work discipline dimension.

5. DISCUSSION

Every individual in the organization has a different culture and he will try to adapt himself to the norms and values of the organization. The application of organizational culture is helpful for employees to do their work efficiently and effectively (Shahzad et al., 2012). The process of cultural formation together improves the organizational ability to change (Purnama, 2013).

The results of this study shown in Figure 1, it is known that the coefficient value estimation organizational dimension *Inhwa* (Y1.2) is higher when compared with coefficients in other dimensions that is equal to 0.95. This shows that *Inhwa* organizational culture dimension is the most dominant reflection of corporate culture of South Korean company in Indonesia.

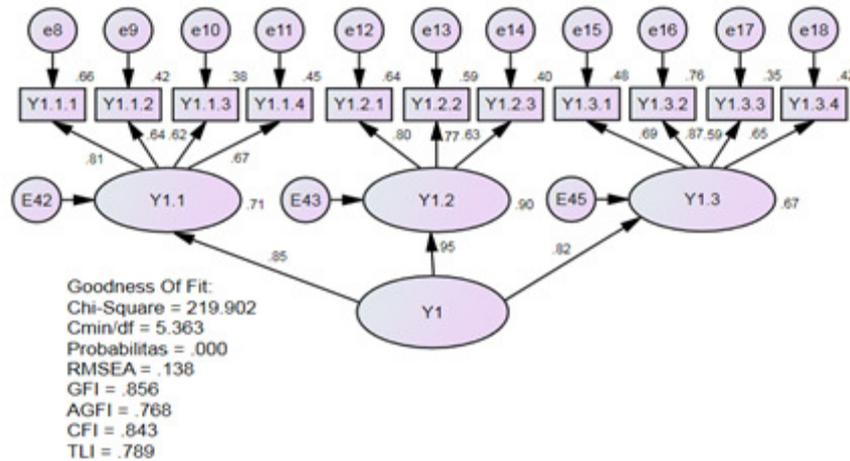


Figure 1 Confirmatory Factor Analysis of Organizational Culture

On examination of outer loading value in each dimension shows that the highest outer loading value in cultural dimension *kibun* (Y1.1) that is located in the indicator of cooperation (Y1.1.1) of 0.813, this indicates that a good cooperative relationship fellow Which is done inside and outside the highest work reflects how harmonious relationship of South Korean companies. The highest value of outer loading on the work integrity dimension (Y1.2) is located on the indicator of honesty (Y1.2.1) of 0.802 shows that the encouragement of the leadership to be honest, diligent and patient employees in the highest work reflects the organizational culture *Inhwa* South Korean Company in Indonesia. The highest value of outer loading on the dimension of work discipline (Y1.3) that is located on the indicator of working on time (Y1.3.2) of 0.874 shows that the requirement to work on time most high reflects how the work discipline applied by the South Korean company.

The results of this study support the opinion of Lee (2012) which states that the cultural aspects of South Korea have a strong influence on the way how to do business. According to Rahayu (2009) South Korean companies typically emphasize harmony, unity and cooperation, creativity and development. Corporate stability is a key objective because of the management's cultural background, where the alignment among members and the overall stable development of the organization is preferred over progressive morale and rapid growth.

Almost all of the company's motto in South Korea is based on Confucius ethics of harmony and unity, sincerity and diligence, creativity and development. The result is Confucius ethics which became a South Korean tradition embedded in human resource practices and organizational structures that brought South Korea success in its economic development (Lee, 2012).

The results of this study differ from Mayangsari et al. (2014) stating that the work culture of South Korea emphasizes more discipline related to the achievement of targets. The

disciplinary culture imposed by South Korean expatriates is flexible and tolerant, meaning that the work completion process is not particularly concerned as long as the company's objectives are met.

Syafitri and Heriyanto (2013) harmonious relationships with superiors, co-workers who help each other in working, harmonious working relationships with parties who need work in the office and clear assignment in work in the organization give effect to attitudes and behavior of employees in the work. Gorga (2006) a pleasant working relationship will be able to improve the spirit and earnestness of employees who will affect employee satisfaction. Comfortable working environment is needed by workers to be able to work optimally and productively, work environment here can be employee employment relationship.

The results of this study show that *Inhwa* organizational culture is the integrity of work in balancing the good feelings and behaviors that employees must possess as morality in work, is a South Korean culture that is capable of being applied by expatriate companies of South Korean PMA. The integration of work is how far the relationship and cooperation are emphasized in carrying out the tasks of each unit within an organization with good coordination. Management support, organizing or organizing the culture of the organization can be started from the development of the integration of work so that the implementation of organizational culture in every function and position that exist within the company can run in accordance with expectations. According to Robbins (2003: 681) with the integrity of work the company can encourage organizational units to work in a coordinated way. The compactness of these units can drive the quality and quantity of the work produced.

Sukwadi (2007) the belief of creating a solid foundation that can maintain the company. Work integrity is a tool that helps a company to function effectively. Integrity is something that exists within a person. Integrity, honesty, and frankness are key in the process of generating trust through good positioning. It is the demands of good behavior that employees must have in working as morality, reflected in their thoughts, attitudes and behaviors that are demonstrated with honesty, trust and responsibility.

6. CONCLUSION

Inhwa's dominant cultural dimensions reflect the culture of South Korean company organization in Indonesia. With *Inhwa* organizational culture is the integrity of work in balancing the feelings and good behavior that must be owned by employees as morality in work. Being honest here every employee is required to be open to the problems of the company, whether concerning the production process, quality or other problems. With the attitude of honesty of each employee is expected if there are problems in the work can be resolved quickly.

REFERENCES

- [1] A.P. Mangkunegara, *Manajemen Sumber daya Manusia Perusahaan*. Remaja Rosdakarya. Bandung, 2005
- [2] C. Purnama, Influence Analysis of Organizational Culture Organizational Commitment Job and Satisfaction Organizational Citizenship Behavior (OCB) Toward Improved Organizational Performance, *International Journal of Business, Humanities and Technology*, 3(5), 2013, 86-100
- [3] C.S. Chang, and N.J. Chang. *The Korean Management System: Cultural, Political, Economic Foundations*. Greenwood Publishing Group, Inc. USA. 1994.
- [4] C.Y. Lee, Korean Culture and Its Influence on Business Practice in South Korea. *The Journal of International Management Studies* 7(2), 2012, 184–191

- [5] Mayangsari, D. Hamid and A. Prasetya, Peranan Budaya Kerja Korea Selatan Dalam Meningkatkan Kinerja Karyawan Studi pada Karyawan PT. Cheil Jedang Indonesia, Pasuruan, *Jurnal Administrasi Bisnis*, 16(1), 2014, 1-8
- [6] E.S. Nongo, the Influence of Corporate Culture on Employee Commitment to the Organization. *International Journal of Business and Management*, 7(22), 2012, 1-8
- [7] Shahzad, R.A. Luqman, A.R. Khan and L. Shabbir, Impact of Organizational Culture on Organizational Performance: An Overview, *Interdisciplinary Journal Of Contemporary Research In Business*, 3(9), 2012, 975-985
- [8] I.G.N. Gorda, *Manajemen Sumber Daya Manusia*. Astabrata Bali. Denpasar. 2006
- [9] N. Risdanti, Studi Lintas Budaya Kepemimpinan Gaya Korea Di Indonesia (Pada PT. Semarang Garment). *Jurnal Bisnis STRATEGI*, 22(2), 2013, 28-44
- [10] P. Lumbanraja, Tantangan Bagi Kepemimpinan Lintas Budaya, *Jurnal Manajemen Bisnis* 1(2), 2008, 69-77
- [11] I. Puspitasari, M.A. Musadieq and A. Prasetya, Analisis Gaya Kepemimpinan Lintas Budaya Ekspatriat (Studi Penelitian pada PT. Haier Sales Indonesia, Jakarta Utara). *Jurnal Administrasi Bisnis* 8(1), 2014, 1-10
- [12] R. Sukwadi, Pengembangan Model Konseptual: Peran TQM Dalam Kepemimpinan Berkualitas Untuk Meningkatkan Kinerja Perusahaan, *Jurnal INASEA*, 8(1), 2007, 16-31.
- [13] W.P. Rahayu, Karakteristik Budaya dan Manajemen Bisnis Korea, *Jurnal Ekonomi Bisnis* 14(1), 2009, 31-36
- [14] S.A. Rahim, Repatriation Issues Relating to Expatriate Managers: A Critical Review. *ASA University Review*, 4(2), 2010, 209-222.
- [15] A Study On Trust And Conflict Resolution In Crossculture, Dr. P.Srinivas Rao, Dr. Padma Charan Sahu, Dr. Sathyapriya J and Vandhana.R, Volume 4, Issue 3, September - December 2013, pp. 43-49, *International Journal of Advanced Research in Management*.
- [16] Dr. U. Syed Aktharsha and V. Priya. A Study on Impact of Optimum Workplace Culture Policy That Provides Work-Life Balance. *International Journal of Management*, 7(2), 2016, pp. 66-75.
- [17] R. Jayan and Dr. A. Shameem, An Empirical Investigation About Quality of Work Culture In Logistics Firms In Chennai, *International Journal of Mechanical Engineering and Technology*, 8(7), 2017, pp. 1001-1010, 8(7),
- [18] S.P. Robbins, *Perilaku Organisasi Jilid 2*. Edisi 9. Penerjemah Tim Indeks. Jakarta, 2003.
- [19] Sukmawati and A. A. Himawan, Studi Literatur Dampak Budaya Organisasi Pada Perusahaan Multinasional. *JEAM*, 15, 2015, 61-67.