

THE MEANING OF WORK AND ITS IMPACT ON EMPLOYEE PERFORMANCE: COMPARING THE ETHNIC AND NON-ETHNIC INDONESIAN ENTREPRENEURS FROM AN ETHNO-BUSINESS PERSPECTIVE

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***Abstract:** In this paper, ethno-business refers to the relationships between culture and business and its influence on individual performance. The paper aims to discover how Indonesians of Chinese origin compared to Indonesians of local origins interpret work and how such interpretations affect their businesses or job performances. Analysis is conducted based on two points, namely: first, how Indonesian-Chinese construct the meaning of work and its effect on job performance; and second, how cultural backgrounds have influenced business or job performances among the two groups. The data were taken from selected businesses in a few purposively selected cities across Indonesia. The data were compiled using the general linear model and 400 entrepreneurs were analyzed. It has been found that there is a significant difference between the two groups in regard to work meaning and business or job performances.*

***Keywords:** culture, ethno-business, entrepreneurship, Indonesia-chinese, Indonesian entrepreneurs, work meaning and job/business performance*

INTRODUCTION

The performance of an organization often depends on the abilities, skills and knowledge of its employees. These three components are often shortened as KSAs referring to Knowledge, Skills and Abilities. Both recruiters and managers look for these three components during the hiring, transfer and promotional processes (Lauby, 2013). Several studies have revealed the importance of employees' performance in organizational development and sustainability.

Ricketts (2012) established that engaging employees in sustainability is a growing trend with significant business benefits. However, though this is true, Root III (2015) notes that the most important element if maximum performance is to be obtained from employees, is the need to provide them with the necessary tools to succeed and among such tools possessing good knowledge about the organization or company.

In this paper, the meaning of work and its impact on employee performance has been examined in relation to the ethnic and non-ethnic Indonesian entrepreneurs,

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to gain an overview of “how” the two groups perceive work and “how” these perceptions affect performance. In other words, efforts have been made to examine the influence of culture on business and work performance in Indonesia.

Culture is fundamental in human development, without its molding influence, people would be human beings only in their biological sense with animal like behaviours (Stanley *et al*, 1956; Abdu, 2015). Culture encompasses all sorts of things, including how we eat, play, dress, work, think, interact, and communicate (Atma Global Inc, 2003) and of course how we do business or perform at work. This is called cultural capital which refers to forms of knowledge, abilities, and learning attitudes which contribute to a person’s status in society.

Everything we do, in essence, has been shaped by the cultures in which we are raised and these cultural influences impact how we (Atma Global Inc, 2003) do business and also perform at work. Lickona (1991) argues that traditional wisdom and lessons of history can be used to develop. This is very important because practices based on culture reflect the changing values and beliefs to which people in a society subscribe (Graham, 1969; Abdu, 2015). A successful business is that whose doors lead to the richest treasures of the larger open society, which is a power of knowledge- to training and skills necessary for productive employment, to the wisdom, the ideals, and the culture which enrich life and to the creative, self-disciplined understanding of society needed (Burrup, 1967) for work performance.

Indonesia with its diverse population and as a nation with thousands of Islands spread out over an area which is approximately 760,000 square miles, about three times the size of Texas. If the water surrounding the islands is included, the country extends across slightly more than 3 million square miles (in comparison, the United States fills a total area of 3.7 million square miles), the islands are located above and below the equator; some are situated directly on it (Lamoureux, 2003). This gives a new horizon and insight on how to develop the Small Scale Enterprises (SME) in Indonesia.

Based on the research conducted in the four cities of Bandung, Palembang, Banjarmasin and Yogyakarta, it has been found that the different viewpoints which arise depend on the cultural background of an individual. This makes working places important development tools which must accommodate all diversities. The business environment in Indonesia must enable its people to understand one another and work for the good of the country. Within this context, the country’s business and employment sector should focus on bringing this vast and diverse population to an acknowledgement of belonging to one nation, to a feeling of safety and prosperity, and to a possession of the human and physical resources necessary for urban and rural development (PENMAS, 1982). Below is figure 1 illustrating the Islands which make up the Republic of Indonesia:

Figure 1: Map Showing the Different Islands that Make-up Indonesia



Source: Adapted from Central Intelligence Agency (US) Website: <https://www.cia.gov/library/publications/the-world-factbook/geos/id.html>

As it is observed in the map above, Indonesia is a huge country, divided with Islands, and with a wide geographical location. Estimates put the number of different ethnic groups at three hundred or more, and these include indigenous populations such as the Javanese people, estimated to make up around 45% of the country's population. Native to Java, their populations can also be found all over the country, as well as in Singapore and Malaysia. The Sundanese are another ethnic group, from the Western part of Java, and are the country's second largest ethnic population. Other groups include Chinese and Malay Indonesians and the Madurese people, to name but a few. With this broad range of populations comes just as broad a mix of cultures, languages, religions, traditions and histories. People may identify themselves according to their ethnicity, birthplace or family, and hundreds of languages are spoken throughout the country, however most Indonesians are united through the national language, Bahasa Indonesia, as well as through the national philosophical foundation of Pancasila (Just Landed, November, 2015).

THEORETICAL REVIEW

History of Cultural Diversity in Indonesia

In Indonesia, little is known about cultural diversity in teaching and learning. Considerable research attention has been devoted to studies on how culture influences control systems' and its impact on employee behaviour in organisations (Mia and Winata, 2007). Research shows that most of the studies focus only on culture, but they do not fully capture the cultural influences on most of the important aspects of development (Hwang, 1989; Harrison, 1990; 1992; Chow, Kato, and Merchant, 1996; Lau, 2003; Mia and Winata, 2007) including education. Implying that most of this research does not take in account the importance of education in problem solving.

In the effort to integrate the long-awaited cultural sensitivity in Indonesia's educational system, Malihah (2015) who examines how character education and

multicultural values can contribute to a perfect and transformed Indonesia by 2045, points out that there is need to understand multiculturalism and cooperative attitudes of the citizens. However, she further points out that to realise this, a variety of methods, media and instruments are needed to prepare the various instruments or tools which can help to consider character and multicultural values' in educational development. Here we are reminded of the necessity to recognise and value diversity (Avis, Fisher, and Thompson, 2010) in a pluralistic society such as Indonesia. In relation to this, the Prophet Muhammad (PBUH) in a Holy Hadith says that:

“the one who knows himself will know his Lord” *Man `arafa nafsahufaqqad `arafarabbahu,*
Shayk Nurjan (29 Muharram 1437; Abdu, 2015).

Abdu (2015) in the effort to interpret this hadith, mentions that hear the Prophet Muhammad (PBUH) wanted to show us the importance of knowing and the relationship of knowledge to the Almighty God. This implies that a study on work meaning and work performance among the different groups is fundamental in development.

Equality and Diversity

The new guidance from the Chartered Management Institute (2008) suggests that the term diversity is about valuing the differences between people and the ways in which those differences can contribute to a richer, more creative and more productive working environment. Equality is about 'creating a fairer society, where everyone can participate and has the opportunity to fulfil their potential' (DoH, 2004).

According to Avis et al (2010) diversity involves multiple understandings. For instance, Lumby et al (2005) suggest that diversity should be used to describe different kinds of people. The term is used to categorise individuals in terms of visible differences (Avis et al, 2010). While Kandola and Fullerton (1998) use an inclusive definition recognising both 'visible and non-visible differences.' However, this description has led to undecided thoughts about which differences should be used to measure diversity (Avis et al, 2010). Probably this is so, due to the argument that a person is not one thing (Grayling, 2007; Avis et al, 2010) thus, focus upon certain aspects of identity involves value judgements, embedded within the rhetoric of diversity (Avis et al, 2010).

Countries have taken different approaches to the question of how to accommodate differences. In some of the European countries such as France, the aspiration has been for everyone to be considered first and foremost French, with the eye of officialdom studiously blind to differences of ethnicity, creed and originating culture, while, in Britain, the project of multiculturalism has flourished, premised on the belief that a diverse and pluralistic society can achieve greater coherence through the recognition, acceptance and celebration of differences, allowing immigrants the space to preserve cultural and credal continuities as they saw fit in their own communities (Grayling, 2007).

The Influence of Multiculturalism on Business and Work Performance

Importance of Multicultural Education Multicultural education is intended to decrease race, ethnicity, class and gender divisions by helping all students attain the knowledge, attitudes and skills they need in order to become active citizens in a democratic society and participate in social change (Ledwith and Seymour, 2001). It is imperative that teachers learn how to recognise, honour and incorporate the personal abilities of students into their teaching strategies (Gay and Airasian, 2000). If this is done, then local students may become more culturally aware.

Ideally, multiculturalism is at its pick when a teacher, a subject area, a school or parent group understand cultural diversity across curricular and grade levels. In this perspective, an approach to a topic or concept is introduced at the primary level, reinforced in the junior grades, and developed fully as the students mature in the intermediate and senior levels to become part of the student's total learning package on graduation (Devine, Baum, Hearn, 2008). The evaluation process typically reflects some or all of the following criteria:

- To understand the connections among peoples, cultures, and environments around the World.
- To understand that all human beings have similar potential and aspirations but are not equally able to realize them.
- To look at global issues from different perspectives.
- To have an informed understanding of justice, human rights and responsibilities.
- To ensure our natural environment is sustainable for future generations

Business units can be developed based on culture depending on the prevailing condition. For example, through using Pike and Selby's four dimensions of globality in Pike, G. and Selby (1999) though developed for a global education, it also works for businesses and work performance improvements:

- The spatial dimension suggests that we are no longer isolated in our own small part of the world.
- The temporal dimension suggests that we should no longer think of our time on earth as a discrete period, but rather as a lifetime in the continuum of past, present and future. What we learn from the past can be brought to bear on our present lives and affect the lives of future peoples. ... A temporal dimension – integrating past, present, and future – is necessary for a profound understanding of any curricular topic or subject.
- The issues dimension suggests that there is not one simplistic progression from problem to solution. Rather, there are many causes and many related effects of economic and political development, the environment, gender and race equity, health, peace and conflict resolution, rights and responsibilities.

Finally, the inner dimension emphasizes the empowerment and autonomy of individuals and groups. Personal development goes hand in hand with planetary awareness.

Patterns of Work Meaning for Indonesians

Studies on the past, show that Indonesian work orientation is not like the Westerners. The work spirit is low according to Boeke (1993) and is considered not conducive or not suitable with the development of program (Kuntjaraningrat, 1989). On a discussion of dualistic economy theory Boeke (1993) explained the characteristic of Indonesian people as follows: There is almost no orientation on profit for the East People (Indonesia). Speculative profit attracted them, but these profits have no regularity and continuity elements which identify of income concept. East industry was identified with "anti-capital" and "lingering action dealing with investing a fund because the risk is always viewed behind it". There is a little desire on a finishing the problems and lack of accuracy, **lack of business quality, and** even failed on granting standard and samples, lack of supplying elasticity, disorganizing, and indiscipline as well as lack of the entitlement of local **specialization** (Boeke, 1993).

They used to dedicate a "bypass culture" as their work habit which resulted in disobeying stipulation and broke the law procedure in effort to accomplish work goals. The study also showed that Indonesian people is not convenient to support the economy development; **accordingly**, the government suggested wisely not to be speculative by providing special authorized capacity on ethnic groups in Indonesia. (Boeke, 1993; Higgins, 1999).

Almost in all studies that have been done, terminology of "Indonesian people" and Indonesia Manager" means Indonesian Ethnic (Kuntjaraningrat, 1989; Dananjaya, 2006; Geertz, 1999) and Indonesian Ethnic Manager (Dananjaya 2006). Accordingly, Indonesian entrepreneurs are divided into two types, namely ethnic entrepreneur and non-ethnic entrepreneur (Chinese Entrepreneur).

In several cross cultural study, terminology of Indonesia is used only for an Indonesian ethnic as an appeal from other countries. (Hofstede, 1980). There is an effort from the government to improve the way the people behave and ethnic group orientation of business concerning with the target.

Work meaning was set up by several factors, such as work centrality, work norm, and work output as well as in the managerial job fit. This imbalance score is in line with the work stratification measurement from each managerial worker group. (Wanous, 1974; Lawler, 1987). Imbalance score on a general study is measured in T score from Index. It is calculated from employees hope and their context of work. It results in ratio among one managerial group and others that can reveal each profiles from various group, namely the differences and the similarities between two groups.

METHOD

To establish the appropriate results, the author examine four hundred (400) entrepreneurs, with the help of general linear model. The data was later on analyzed using SPSS software. However, all data obtained was acquired using the questionnaire as the data collection instrument.

RESEARCH RESULTS

Based on the analysis that has been carried out by the researcher, the following part will discuss

Descriptive Statistics

Result of descriptive statistics' calculation is shown in the table below

	Mean
non ethnic groups performance	7.48
ethnic groups performance	6.60

The average of the non-ethnic groups performance is 7.48 while the ethnic groups performance is 6.60. Thus, descriptively the non-ethnic groups performance is higher than the the ethnic groups performance.

Work Meaning on Work Performance among Ethnic and Non Ethnic Groups

The effect of work meaning on work performance among the non-ethnic and ethnic group is significant as it is shown by the significance or the p value as much as 0,000 which is lower than 0,05. This can be proved with the following hypothesis testing.

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Non Ethnic Performance	116,920 ^a	2	58,460	116,623	,000	,832
	Ethnic Performance	86,961 ^b	2	43,481	88,703	,000	,791
Intercept	Non Ethnic Performance	,404	1	,404	,806	,374	,017
	Ethnic Performance	,117	1	,117	,239	,627	,005
ethnic	Non Ethnic Performance	1,011	1	1,011	2,017	,162	,041
	Ethnic Performance	,221	1	,221	,450	,506	,009
work	Non Ethnic Performance	116,707	1	116,707	232,820	,000	,832
	Ethnic Performance	86,961	1	86,961	177,406	,000	,791
Error	Non Ethnic Performance	23,560	47	,501			
	Ethnic Performance	23,039	47	,490			
Total	Non Ethnic Performance	2938,000	50				
	Ethnic Performance	2288,000	50				
Corrected Total	Non Ethnic Performance	140,480	49				
	Ethnic Performance	110,000	49				

a. R Squared = ,832 (Adjusted R Squared = ,825)

b. R Squared = ,791 (Adjusted R Squared = ,782)

Hypothesis

H0: The work meaning does not affect significantly on work performance among ethnic and non-ethnic group

H1: The work meaning affects significantly on work performance among ethnic and non-ethnic group

Criteria:

- If significance (sig) observation $< 0,05$ reject H0 and accept H1
- If significance (sig) observation $> 0,05$ accept H0 and reject H1

Decision

Based on the significance value from the observations as much as 0,000 (taken from Sig the column and Corrected Model row) which is lower than 0,05; accordingly, H0 is rejected and H1 is accepted.

The work meaning affects significantly on work performance among ethnic and non-ethnic group. The effect of work meaning on work performance among the ethnic group is significant as it is shown by the significance or the p value as much as 0,000 which is lower than 0,05. This can be proved with the following hypothesis testing.

Hyphothesis

H0: The work meaning does not affect significantly on work performance among the ethnic group

H1: The work meaning affects significantly on work performance among the ethnic group

Criteria:

- If significance (sig) observation $< 0,05$ reject H0 and accept H1
- If significance (sig) observation $> 0,05$ accept H0 and reject H1

Decision

Based on the significance value from the observations as much as 0,000 (taken from Sig the column and Work row) which is lower than 0,05; accordingly, H0 is rejected and H1 is accepted. The work meaning affects significantly on work performance among the ethnic group. The effect of the work meaning on work performance among the ethnic group is as much as 0,791 (79,1%).

The effect of work meaning on work performance among the non-ethnic group is significant as it is shown by the significance or the p value as much as 0,000 which is lower than 0,05. This can be proved with the following hypothesis testing.

Hyphothesis

H0: The work meaning does not affect significantly on work performance among the non-ethnic group

H1: The work meaning affects significantly on work performance among the non-ethnic group

Criteria:

- If significance (sig) observation $< 0,05$ reject H0 and accept H1
- If significance (sig) observation $> 0,05$ accept H0 and reject H1

Decision

Based on the significance value from the observations as much as 0,000 (taken from Sig the column and Work row) which is lower than 0,05; accordingly, H0

is rejected and H1 is accepted. The work meaning affects significantly on work performance among the non-ethnic group. The effect of the work meaning on work performance among the non-ethnic group is as much as 0,832 (83,2%).

DISCUSSION

In an increasing multicultural working environment academics should realise and use education for cultural diversity as an opportunity to add value to the education process through the creation of more dynamic learning outcomes. The knowledge developed regarding culture and cultural dynamics, must be integrated into every facet of a school, program, or agency. Staff must be trained, and effectively utilize the knowledge gained.

Administrators should develop policies that are responsive to cultural diversity. Program materials should reflect positive images of all people, and be valid for use with each group. Then these same professionals could collaborate with families to develop school policies that reinforce culturally familiar values to improve children's behavior.

The culturally competent teachers might use these policies to avoid more expensive interventions. When interventions do become necessary, family and community input on cultural issues might be used in determining effective treatment. Institutionalized cultural knowledge can enhance an organization's ability to serve diverse population.

In conclusion, the effect of work meaning on work performance of the non-ethnic group as much as 0,832 (83,2%) is higher than the ethnic group as much as 0,791 (79,1%). Moreover, the work performance of the non-ethnic group as much as 116.707 is higher than the ethnic group as much as 86.961 as it is shown in their mean square estimation.

CONCLUSION

In this paper, an attempt has been made to acquaint the readers with information of the influence of culture on business and work performance, and how such cultural aspects can be used to shape the business enterprises. The average of the non-ethnic groups performance is higher than the ethnic groups performance. The effect of work meaning on work performance of the non ethnic group is higher than the ethnic group. The work performance of the non ethnic group is higher than the ethnic group.

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