Strategy For Localization Of Foreign Human Resources In Pt Krakatau Posco

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ABSTRACT

The purpose of this paper is to examine how strategy for localization of foreign human resource in terms of Korean technical assistance and Indonesia workers. We analyze some characteristic of both of countries internal and external factors, offering win-win solution. Using qualitative and quantitative dataset from internal data, measuring by Likert scale 1 to 5, interview and survey did to get clear conclusion. Localization is good in some conditions, but for long term it will be made problems and company must support local employees to develop their skill, knowledge with policy and role in company.

Keywords: localization, human resource, multinational company, expatriate

INTRODUCTION

Reasons for POSCO's entry into Indonesia

In 2016, a global agreement was reached to reduce greenhouse gases through the Paris Climate Change Agreement. By 2050, all countries agreed to realize carbon neutrality. It's not something you can or not do. It is a goal that must be achieved (United Nations, 2023). South Korea has proposed a goal of reducing greenhouse gas emissions, such in October 2021, the Korean government significantly increase the national greenhouse gas reduction target from 26.3% of greenhouse gas emissions in 2018 to 40.0%. To achieve this, the building sector aims to reduce its greenhouse gas emissions by 32.8% by 2030 and 88.1% by 2050 (Park & Chung, 2023). So the Korean government is putting pressure on companies that emit a lot of carbon (Routers, 2021). Unfortunately, POSCO produces the most carbon emissions in Korea. Since statistics were compiled in 2009, POSCO has been the No. 1 company in carbon emissions, with 12 percent of its top 10 companies emissions (Korean Times, 2023).

Figure 1. POSCO Corporate Citizenship Report
Sources: statistica.com
The Data from figure 2 show that POSCO's steel production is 35 to 40 million tons from 2009 to 2021. In another hand, the Korean Government released its 2050 carbon neutral strategy and announced the 2030 Nationally Determined Contribution (NDC) to actively respond to calls for the transition to net-zero carbon emissions (Park & Chung, 2023). Due to Korea's carbon emission reduction policy, that in 2050 POSCO cannot increase production capacity anymore in Korea. In order to achieve 60 million tons of steel production by 2030, it is essential to increase production capacity through overseas investments. POSCO, which wants to invest abroad, and the Indonesian government, which needed a foreign company to build and operate a steel mill, got a mutual interest, which led to the creation of a steel mill with a joint venture called PT KRAKATAU POSCO.

![Posco Steel Production Result](statista.com)

Figure 2. POSCO Steel Production Result from 2009 to 2021 (unit in million ton)

**Importance of the Steel Industry**

Steel plays a vital role in the modern world. In South East Asia, steel is the largest sector of industrial economy (Ikram et al., 2016) because steel is the most important materials for building and infrastructure, steel is the enabler of a wide range of manufacturing (Worlds Steel Organization, 2019). Besides that, the steel industry is directly linked to economic development. As the steel industry develops, other industries such as construction, machinery, automobiles, and ships can also develop together. This can create jobs and economic benefits across industries. In addition, the steel industry is an important thing that determines defense capabilities. This is because steel is essential for the manufacture of military equipment and military materials. Therefore, the development of the steel industry is essential to improve the nation's military and defense capabilities. For the above reasons, it is important to have a steel mill in their country rather than import steel products to maintain national interests.

**The necessity for Localization in Multinational Company**

In modern era, there is trend where internationalization of business has become an irreversible trend. Such as South Korea, in less than 30 years it developed rapidly from an agricultural country to an industrial and trading country (Mochklas et al., 2019). This situation makes government, especially multinational company have made a global strategies to increase investment (Li & Wang, 2010). A global strategy focuses on the need to integrate and coordinate operations around the world to achieve cost reductions and marketing approaches. Thus, many multinational company achieve these goals with
‘localization’ to worker as a long-term strategic goals (Hyun et al., 2015). These strategies include inside and outside, such as expansion, mergers, brand enterprises, enhance the level of branches, development technology and so on (Li & Wang, 2010).

Li and Wang (2010) found that there are two reason multinational company doing localization. First, localization is cross-culture management, which means that as foreign branches of the host country implement management, they need to keep the advanced management mode from their home countries, besides that also use the local worker to adapt to the local environment. As a goal to achieve successes, so that should find new methods to manage and minimize the local constraints. Then, cultural conflicts which happen and very common in many aspect, likes inefficient management decision, unified corporate objectives, lack of enterprise cohesion, a substantial increase in management fees, etc. These situations will increase the difficulty of multinational operations and may even lead failure of multinational company.

The second reason is the need for profit. As a global strategy, localization, multinational company have significant influence to reduce the cost (Li and Wang, 2010). In normal circumstance, worker who is sent abroad must pass through the long period of in-depth training of the relevant host country company, this situation makes them leave the familiar way of life, such as unfamiliar economic and backward technological, thus the company must pay a fee to compensate which these expenditures reasonable cause they leave their common life. Additional, Localization help multinational company reduce the high cost of cross-border operation for expatriate, as well as promote integration with the local social and culture, reducing foreign capital and local community crisis mood, conductive to the economic security of the host country and increase employment opportunities. Newman, et al., (2016) state that company choose localization because some important reasons like governmental laws and regulation, industry condition and competitive dynamics, financial market condition and local economic condition, like local culture.

Research Scope and Limitation

Research Scope
Not only Korean technical assistants but also manager-level Korean workers such as Team Leaders, Plant Leaders, and Department heads have worked in PT KRAKATAU POSCO. However, since technical assistants account for the largest portion of Korean employees and have been planning to reduce the number since 2014, I will intend to conduct research on Korean technical assistants, not manager-level Korean workers.

Limitation
Since PT KRAKATAU POSCO is not a listed company, sensitive information may not be able to write down or specify figures in the paper. In addition, qualitative research methods such as surveys will be mainly used because research on localization has many subjective factors.

LITERATURE REVIEW
Theoretical Foundation
Localization of foreign subsidiaries is one of the primary concerns for multinational company (Ando, 2014). Localization is a kind of Human Resources Strategy, which is a part of corporate strategy in multinational company (Huan, 2019; Law et al., 2009). Based on international human resource management (IHRM) talent localization is, the conceptual of
The concept of organizational culture was introduced in the early 1980s. Organizational culture has been defined as a set of norms and values that are widely shared and strongly held throughout the organization (O’Reilly & Chatman, 1996). Mangunegara (2005) also stated that organizational culture is a system of belief, values, and norms developed in organizations that aims as a guide for members of the organizations is behaving in overcoming all organizational problems both externally and internally. In line with the culture fit perspective it has been proposed that organizational cultural differences can pose significant barriers to achieving integration benefit (Cartwright & Cooper, 1996). Further, to achieve another organizational goal and objectives, the company also have to develop the right corporate culture, so that the organization can achieve success which affect the sense of employee loyalty and sense of organization. The applications of organizational culture is very helpful for employees to do their jobs both efficiently and effectively (Mochklas et al., 2019). The process of forming culture together increases an organization's ability to change (Purnama, 2013). Besides that, the organizational culture that is not aligned with the company's strategy can cause a decrease in employee loyalty (Rachmadita et al., 2011). Management needs to motivate employees by creating systems and engineering in increasing employee productivity and competitiveness by providing incentives, education, and training (Shaban et al., 2017). When the organization can develop an appropriate organizational culture, the organization will be able to achieve the success that has an impact on increasing employee loyalty and a sense of belonging to the organization (Nongo,
Organizational Capabilities

Organizational capabilities are social contracted entities, organized in networks of knowledge carrying relations among individuals and inanimate firm assets that as a whole, aim at performing efficiently and effectively a given task (Spanos & Prastacos, 2004). In organizational context, is a company’s ability to manage resources, such as employees, effectively to gain an advantage from competitors (Huan, 2019). Capabilities’ building represent a process of synthesis and integration which border organizational environment (Spanos & Prastacos, 2004). Focus is a key to meet the demands on the business’ abilities (Luanne Kelchner, 2019). Further, as a multinational business, the organizational capabilities need to support its business model. Evans et al (2010) stated that talent localization is a human resource strategy for local responsible that can build up the unique organizational capabilities and the human resource practices drive the necessary actions and behaviors to manage the multiple tensions and conflicting demands embedded in international business. The organizational capabilities from specialization occur in the routines and communication procedures between and among organizational actor (Nelson, R. & Winter, 1982) and as a guidance for management in human resource because it reflected in distinct human resources practices that are supported by different roles of the human resource function, leading in turn to a set of desired organizational outcomes, where the company strategy will be achieved. Organizational capabilities also increase internal sourcing, greater resource availability lead to higher level of external sourcing (Bendickson et al., 2023).

Cultural Competence

Cooper (1982) said that cultural competence is integration and transformation of knowledge about individuals and groups of people. There are three types of classification, they are cultural awareness, cultural sensitivity and cultural adroitness. Studies by Gudykunst & Kim, (1992) found that culture has a direct effect on self-construal, communication, personality orientation, even mediates the influence of cultural communication. In an ethnocentric point of view through a powerful acknowledgement and acceptance of difference (Bennett, 1993). Some studies found that cultural competence defined as the process by which individuals and systems respond respectfully and effectively to people with much aspect such as all cultures, languages, classes, races and ethnic a way that recognizes, affirms and values the worth of the individual and protects and preserves the dignity of each (Murden et al., 2008). Characteristic of people explained as act to be confident, working effectively, responsible, planned in doing tasks, and future goals Waterman, (1981). Even, individual can act to be selflessness, tolerance, no need of other’s confessions, optimism and no hesitation in making decisions; dare to face every challenge and be open to new experiences (Grant, 2008). Self-confidence defined as the positive attitude of an individual that enables him to develop a positive assessment of himself and the environment and circumstances he faces (Frendika et al., 2020). The objectives of the study are thus:

1. To assess employee perceptions of personal values, cultural competence and self-confidence of employees
2. To compare each variable has dominant and significant influences toward self-confidence of employees.

Work Culture of South Korean Companies

The corporate stability in South Korea's long-term business orientation is done by South Korean business firms because the stability of the corporate provides a valuable experience when compared to growth and profitability (Mochklas & Fatihudin, 2017). If the country’s economic condition is unstable (such as inflation) then it does not have a major impact for corporations with long-term orientation. If the short-term orientation then there is no guarantee of business stability, hence if a country’s economic conditions occur inflation or unstable then the business conditions will be easily destroyed.

The Confucian culture of the East Asian countries is deeply rooted in Korea as well as China and Japan (Choi, 2004). Until this modern era, Korean Companies are well-known with Confucian values to manage the company (Mochklas et al., 2019). Korea’s conglomerates are pursuing business administration reform strategy for the improvement of productivities (Choi, 2004) and they control the economy of South Korea or Chaebol (Mochklas et al., 2019). They hold system with Confucianism value in organizations, paternalistic leadership, prioritizing loyalties and harmonious values, collectivism, family concepts, hierarchical structures and gender roles (Lee, 2012). The unique culture in South Korea where it influences people’s daily lives and business practices. The studied found that working culture of South Koreans is typical of serious, individual, hard-working, disciplines worker, obedient to senior and superiors, persevering in work, before the work is finished never go home even finish late into the night, have high temper, get angry when there is trouble but not vengeful (Lee, 2012; Puspitasari et al., 2014). As Confucianism value, sociocultural infrastructure prescribes the characteristics of human resource management and industrial relations in Korea (Choi, 1976). Due to the conscription effects, Korean are carried away at work. Such as in Indonesia, they have mutual respect and respect for host country culture. On the other hand, they are very alert in addressing the cultural gap faced. Work culture emphasizes more discipline related to achievement of targets. The prevailing discipline is flexible and intolerant. Thus, the process of completion of the work is not too concerned as long as the company’s target is reached (Mayangsari & Prasetya, 2014; Mochklas & Fatihudin, 2017)

Difference Perception of South Korean and Indonesian

In Organization, companies and workers are two things that cannot be separated, workers have a very important role in carrying out the life of the company and workers are active actors in every activity (Mochklas et al., 2018). Worker who understand and accept company goal will feel responsible in realizing the company purposed (Hasibuan, 2014). Frendika et al. (2020) found that there is different perception of South Korean and Indonesian. Korean workers are good personal values in terms of cooperation and good attitude towards work norms and rules, although they lack a sense of responsibility. This studies contrary with Kim’s statement (2011) that Korea workers has a strong sense of collective responsibility. The collectivism attitude emerged as a logical consequence of Korean homogeneity (Frendika et al., 2020). The rational reason why its happen because the changing of value in Korean society
likes international, human, principle in community organizations and technological factors (Kim, 2011). The capabilities in cultural competence make perception that Korean workers are sensitive to culture and have good culture knowledge but difficult to understand other cultures due to they are unable to establish communication with their colleagues. Korean Character found that they are positive outlook, have realistic goals, and always carry out self-evaluations, but are not concerned with status in work, it is difficult to adapt to the work environment.

Within diversity culture that exist, the company must have an interaction of cross-cultural leadership, such as in multinational company (Suharnomo & Risdanti, 2017). Further, the different in national culture are reflected how organizations are structured and managed (Chen, 2001). Difference with Korean worker, Indonesian workers have some characteristic such as high sense of empathy, are kind, and are able to cooperate but lack priority on work performance and less responsible for their work (Frendika et al., 2020). In character of cultural competence, they are sensitive for the existing culture and has solutive skill in solving problems, thus they can be easily understanding other culture, always be open with colleagues and can solve the problems that happen in environment around. The last, the perception of Indonesian workers about self –confidence in criteria has realistic goals and appropriate expertise, but is too concerned with status in work and lack of self-reflection (Frendika et al., 2020)

**Conceptual Framework**

*Localization in PT KRAKATAU POSCO*

Based on the internal data, localization is not done a plan due to some reasons. There four categories, included; perspective Korean expatriate, environment factors, cultural difference and lack of technique. The first, perspective Korean expatriate, they have high expectation for performance, hence they work so hard and try to do risk taking because in company the system will do rotation in four years. When they do good performance without doing mistake, they will have change to get position. Second, environment factors included geopolitical factor that make the worker have different perspective. Korean workers have high expectation for working than Indonesian hence, Korean workers have characteristic enthusiasm for success than Indonesian workers.
The third categories are cultural difference, due to multinational company, the workers faced to different language to communication, in some studies this situation make difference style in work culture and different tendencies that Korean workers is quickly than Indonesian workers is slowly. These case support lack of technique for workers to response the ability of emergency work and lack of diverse work experiences.

Localization is a dynamic process whereby the degree of reliance on parent country nationals changes as the parent country national are replaces with host country nationals (Law et al., 2009; Selmer, 2004). Additional, a static composition of staff in foreign subsidiary and dynamic change in degree of reliance on parent country are district constructs (Ando, 2014). Li and Wang (2010) found that there are some reasons as main issues for process of localization, such as;

a. The salaries of foreign staff and local staff are significantly different;
   The Source in U.S. company data show that the worker’s treatment compared with their performance.

b. Lacking of international in the local labor market; and Multinational company have already felt the problems of local worker, lacking of international worker in local market and the low international level, thus making the talent localization strategy of some multinational shake talent localization, especially the qualified talent localization, people must pose the following qualities:
   (1) In overall situation, they have the strategic perspective
   (2) Capable in management skills and excellent knowledge

As a result, U.S. worker’s tend to be high, workers from Hong Kong, Macao, and abroad Chinese have moderate salary, but the treatment of local staff is generally low. This difference easily makes the local staff psychologically imbalance, thus affecting the enthusiasm. For Example, sentiments will cause difficulties if they are reflected into the company’s management, and even lead to the company’s loss of talent, impeding the process of localization.
(3) Operation with Chinese and international market experience and implementation of enterprise mergers, re-experience.

(4) Proficient foreign language level and able to deal well with headquarters.

c. Competition in multinational companies and transnational companies with local company increase, and the qualified personnel is the most important resource to support the development of multinational company. In high-level talent, there is an intense competition for qualified personnel, competition for talent between all transnational company. They compete to attract a large number of talent such as innovative technical developers.

H1: There are some internal factors of the multinational company (POSCO) doing localization

H2: There are some external factors of the multinational company (POSCO) doing localization

Human Capital Management in POSCO

Based on the core value of POSCO (2021) company in human capital management. The recruitment new talent based on their knowledge and qualifications. During open recruitment, we select “creative talent with a practical and caring mindset” in consideration of our strategic direction and hiring conditions. POSCO’s hiring process is designed to judge all applicants fairly by objectively evaluating their skills and qualifications, conducting systematic screening and abiding by its standards.

After an initial review of their application, the prospective employee’s competence and personality are graded based on the POSCO Aptitude Test (PAT). Their first interview focuses on their job knowledge and expertise in the field of application, while the second interview assesses their personality and whether they will be a good fit for the company (POSCO, 2021).
In human capital management, POSCO company also does development of field-oriented technical professionals. POSCO uses both the Technician Level (TL) System and POSCO Master’s System. Over time, field technicians steadily improve their TL level through various accomplishments. Their best skills are later evaluated through a screening, which eventually helps them reach the rank of POSCO Master (POSCO, 2021).

In career development, POSCO (2021) actively supports and encourages its employees’ career development, and hopes to nurture the next generation of insightful leaders by increasing their technical expertise. Office staff and engineers can map their own career path based on the Career Development Plan (CDP), and cultivate their professionalism through work rotation. To promote this self-directed career development, POSCO allows for interviews with department heads every year and hosts quarterly internal job offers. Technical field staff are rotated within their department and given new roles periodically to help them gain additional experience and better prepare them to deal with unexpected work situations. High performing employees are also trained in production process management to eventually become field supervisors.

METHOD
Research Design
This research used qualitative methodology. Qualitative research is a method of inquiry employed in both academic and non-academic disciplines context, (i.e. academic; social and nature science; i.e non-academic; including market research, business and service demonstrations) (Denzin & Lincoln, 2005). The using of qualitative conclusion because there is quantitative data in internal company to approved with some previous studies related to localization in multinational company. Qualitative research involves looking in depth some non-numerical data, understanding the phenomenon, exploring the total situation and often with access to large amounts of hard data (Taylor et al., 2015). Although using internal data with statistical analysis, we could not explain clearly because of business information. So, we mixed a statistical analysis from internal data with qualitative research and supported with previous research.

Data Collection Methods
The analysis data of this research comes from two aspects: the internal human resources documents and the interview and survey from questionnaire result. The interview is contacted by
face-to-face or telephone or google.doc due to the regional restrictions, such as the employees in site located in different company.

Data Analysis Methods

Based on interview and survey from questionnaire, we get data collection from internal human resources documents in form statistical analysis and interview. The population used in the study is the accessible population of 725 employees of PT KRAKATAU POSCO. In interview, this study use Indonesian employee to know some opinion about them.

RESULT AND DISCUSSION

Analysis

The data is coming from company internal data PT KRAKATAU POSCO that doing research to the worker in December, 2022. The questions consisted of four categories: expertise, technology transfer, communication & relation, and necessity. The question composition is almost same as the purpose of hiring Korean technical assistants.

Before conducting the survey, it was expected that Korean technical assistants' expertise, technology transfer, and communication & relation questions would receive high scores, and Korean technical assistant's necessity question would receive low score. This is because local employees have accumulated a lot of skills because it is the 10th year since the steel mill was operated. Some questions were in questionnaire with Likert scale 1 to 5 with 1 is strongly disagree; 2 is disagree; 3 is neutral; 4 is agree and 5 is strongly agree. The participant was asked to indicate their agreement with each of 15 questions item included in personal values and cultural competence employee perception.

Table 3. Questionnaire company for employee

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Questions Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expertise</td>
<td>1 Specialist or mastery in technology being transferred</td>
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<td></td>
<td></td>
<td>2 The training/ coaching contents have relevance with the employee needs in the workplace</td>
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<td></td>
<td></td>
<td>3 Providing constructive feedback for improvement when evaluating the performance based on knowledge or skill</td>
</tr>
<tr>
<td>2</td>
<td>Transfer Knowledge</td>
<td>4 Skillful in tutorial and mentoring (not only working as a worker and giving order)</td>
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<tr>
<td></td>
<td></td>
<td>5 Share knowledge and experience about the problems and the ways to solve it</td>
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<td></td>
<td></td>
<td>6 Encourage employees to actively improve the capabilities in performing the job</td>
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<td></td>
<td></td>
<td>7 Delegate the task and build employee confidence to perform troubleshooting</td>
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<tr>
<td></td>
<td></td>
<td>8 Demonstrate commitment and willingness to transfer knowledge</td>
</tr>
<tr>
<td>3</td>
<td>Communication and relations</td>
<td>9 Respect and listen to what happens in a discussion or when solving the problem</td>
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<tr>
<td></td>
<td></td>
<td>10 Open for discussion or consultation when faces with problems on work</td>
</tr>
<tr>
<td>No</td>
<td>Variable</td>
<td>Questions Item</td>
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<tr>
<td>----</td>
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</tr>
<tr>
<td>11</td>
<td>Establishing work relationship based on the trust with employee’s capability when performing troubleshooting</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Support in building communication network between employees and other parties related to operation/troubleshooting</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Although related to Koreans, employee is able to conduct work coordination with related parties without support from TA</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Necessity</td>
<td>Most of troubleshooting are hardly to solved with guide from TA</td>
</tr>
<tr>
<td>5</td>
<td>Necessity</td>
<td>Take role not only as communication mediator among Korean parties but also performing in troubleshooting</td>
</tr>
<tr>
<td>14</td>
<td>Comment</td>
<td>Fluent in English and Bahasa Indonesia so there is no problem in communication</td>
</tr>
<tr>
<td>15</td>
<td>Comment</td>
<td>Actively conduct sharing knowledge, the material is easy to understand</td>
</tr>
<tr>
<td>16</td>
<td>Comment</td>
<td>Supportive to employee work</td>
</tr>
</tbody>
</table>

The questionnaire was developed by HDR department, PT KRATAU POSCO. Table 3 show some variable that company taken to get the result, such as expertise, transfer knowledge, communication and relation, necessity, and comment. The source variable is taken based on the employee needed and company profile, that routine doing in every period. All statistical analyses were carried out using the internal data that served in table 4. The result of count all of the question in variable expertise the average of question item number 1 is 4.14; number 2 is 4.02; number 3 is 4.10 with average in expertise variable 4.09. Variable knowledge question item number 4 is 3.93; number 5 is 4.13; number 6 is 4.07; number 7 is 3.96; number 8 is 4.01 with average variable transfer knowledge is 4.02. And then, variable communication and relation show average in 4.02 with average in every item are, number 9 is 3.99; number 10 is 4.18; number 11 is 4.05, number 12 is 4.01; number 13 is 3.88 and the last, variable in necessity with average 3.26 that have average in every question item number 14 is 2.83, it shown the lowest score in all question item and number 15 is 4.25 highest score in all question item. From 4 variables, element of transfer knowledge and communication and relation get high average with result is 4.02. This is indicated that the major obstacle to overcoming these barriers is, of course, the problem of language (Bjorkman et al., 2004; Legewie, 2002). Legewie, (2002) find that English is international business language and is a prerequisite for all kinds of international networking at the formal and informal level. Since the beginning of international operations, lack of proficiency in English has put MNCs (e.g. Japanese MNSs) is a disadvantageous position versus firms form other industrialized countries (Legewie, 2002).
### Table 4. Score from Questionnaire Data

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Question Item</th>
<th>Score by Question Item</th>
<th>Score by Category</th>
<th>Company Average</th>
<th>Company Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expertise</td>
<td>1</td>
<td>4.14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>4.02</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>3</td>
<td>4.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td>3.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Transfer Knowledge</td>
<td>5</td>
<td>4.13</td>
<td></td>
<td>4.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>4.07</td>
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<td></td>
<td></td>
<td>7</td>
<td>3.96</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>8</td>
<td>4.01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Communication and Relation</td>
<td>9</td>
<td>3.99</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>10</td>
<td>4.18</td>
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<tr>
<td></td>
<td></td>
<td>11</td>
<td>4.05</td>
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<td>4.02</td>
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<td>12</td>
<td>4.01</td>
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<tr>
<td></td>
<td></td>
<td>13</td>
<td>3.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Necessity</td>
<td>14</td>
<td>2.83</td>
<td></td>
<td></td>
<td>3.26</td>
</tr>
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<td></td>
<td></td>
<td>15</td>
<td>4.25</td>
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</table>

Sources: Internal Data

Interviews with Korean managers, local employees, and HR employees on the localization of Korean Technical Assistant showed answers to various types. In the case of Korean managers and Korean Technical Analysts working in the field, the reason why localization is difficult was the lack of ability to cope with emergency situations and distrust of facility management for Indonesian employees.

Local employees were interviewed on four categories: Expertise, Transfer Knowledge, Communication and Relations, Necessity of Korean Technical Assistant. While Expertise, Transfer Knowledge, Communication and Relations were scored 4 out of 5. Necessity of Korean Technical Assistant was scored 3 out of 5. Among the questions, 2.83 points were given for the necessity of Korean Technical Analysts in case of an emergency, indicating a different position between local employees and Korean workers.

For HR Opinions, the reason why Korean managers cannot boldly localize is that Korean Manager (Expatriates) don’t want to get the responsibilities for problems in the factory due to the emergency situation and distrust of facility management capabilities mentioned. In addition, in the case of expatriates, they return to Korea after working for four years, so they want to work with Korean Technical Assistants who spoke the Korean language and worked in Korea together during their working period.

**Business Solution**

1. Imposing additional points in personnel evaluation to Korean managers who actively promote localization.
2. If there is an issue that inevitably occurs during the localization process, it should not be penalized.
3. In the case of the department conducting localization, request to dispatch facility inspection professionals from POSCO Korea.
periodically for a certain period of
time. It resolves the distrust of local
employee facility management held
by Korean managers.
4. Development of an educational
program with POSCO Korea to
strengthen the capacity of local
employees.
5. Support for Indonesian language
education for Korean employees and
Korean language education for local
employees.

Implementation Plan and
Justification
Head Quarter of POSCO (2021)
reported that POSCO operates various
program aimed at strengthening it’s
employees’ professional skillsets.
These program help each employee to
grow through work, networking and
learning, such as:
1. Development of field –oriented
   Technical expertise and human
capital.
   To train world-class field
technician, POSCO operates a
POSCO Master system and a
technician level (TL) system. Over
time, field technicians steadily
improve their TL level through
performance improvements and
through evaluations, are appointed a
POSCO Master for having the best
skillsets.
2. Career development
   POSCO foster the next
generation of insightful business
leaders, and to improve the field
technical expertise, actively supports
its employees’ career development.
3. Competence strengthening Program
   and customized training support
   POSCO focuses on nurturing
professionals to transfer
technological knowledge in line with
changes in the workplace
environment, and it offers
customized leadership training
programs to strengthen the
supervisors’ leadership skills. To
develop future talents, POSCO
offers position-customized education
programs, including class learnings
and e-learning courses.
4. New collar level certification system
   In this digital transformation
era, POSCO plans to identify the
employees who ‘contribute to
society by using new IT to improve
the work quality and create a new
value as New Collar talents and to
primarily train them. We launched
the New Collar Level Certification
System in 2020, and all employees
are welcome to participate.
5. Strengthening competitiveness of
   local-hires overseas
   POSCO owns worksites in
approximately 20 countries around
the world. Our overseas offices
promote local management led by
local workforce, and in order to
heighten their prospects for career
growth, we are promoting the
localization of workforce for general
manager-level positions or higher.
To nurture talented local workforce
abroad, we offer various programs
such as the Global Mobility Program
and leadership courses for new hires,
managers, and supervisors.

Based on the report the company
should do the aim of company to get the
best employee and good quality in every
level, both in local employee and Korean
employee.

CONCLUSION
Based on the result of the research and
discussions it can be concluded that:
A. HR department’s opinion that Korean
managers* didn’t localize Korean
technical assistants
Korean managers want to give work
instructions in Korean, which is convenient for communication.
1. Korean technical assistants have the same POSCO culture with Korean managers. So, it is easy to understand the intentions of Korean managers.
2. In the case of Korean managers, they do not want to face any problems while they are working because the working period is usually four years.
3. Sometimes they don't want to reduce the number of people due to human affection.

B. Korean Managers and Technical Assistants Opinions on the Difficulties of Localization
1. In the case of daily work, it can be left to Indonesian engineers, but there are lacks of resolution in the event of the emergency situations. (Lack of comprehensive judgment, determination, emergency experiences)
2. In the case of production facilities, if management is neglected, there is no problem in the short term. However, if management is neglected for a long time, problems arise and it takes a lot of money and time to solve the problem. (Lack of predictive ability such as preventive maintenance)

C. Indonesia Employees' Opinions on Korean technical assistants
1. Some Korean Technical assistants are necessary for technical transfer, emergency work response, and core work support.
2. Some Korean Technical assistants work alone and they do not transfer technology.
3. Some Korean Technical assistants only get angry rather than teach when there are problems.

* The Korean managers are expatriates. Their positions are plant leader and department head.

The work culture will run well depending on the job. Expatriates must be able to direct and influence the thoughts, feeling, actions and behavior of local workers to be moved towards company goals. The important things in work culture is there are direct interactions between the leadership and workers that can influence and shape cultural characteristics in company. Finally, multinational company integrate business activities worldwide in order to get benefit from linkages and synergies among countries, thereby gaining a competitive advantage.
REFERENCE


