

A COMPARISON OF DOMESTIC AND INTERNATIONAL HUMAN RESOURCE MANAGEMENT PRACTICES FROM AN ORGANIZATIONAL CULTURE PERSPECTIVE: A CASE STUDY OF THE RETAIL COMPANIES INDOMARET AND 7-ELEVEN

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Abstract

This study aims to analyze the comparison of Human Resource Management (HRM) implementation at the domestic and international levels by examining organizational culture through case studies of Indomaret and 7-Eleven retail companies. Differences in cultural contexts, operational scales, managerial approaches, ownership structures, regulatory environments, and global business pressures are considered important factors influencing the design and implementation of HRM policies in both companies. This study employs a literature review method with a comparative case study approach using secondary data obtained from academic journals, reference books, and official company documents. The analysis focuses on recruitment and selection practices, training and development programs, performance appraisal systems, and reward mechanisms associated with organizational values and broader institutional conditions. The findings indicate that Indomaret, as a domestic retail company, tends to implement HRM practices emphasizing internal stability, procedural compliance, and standardized work behavior, reflecting a hierarchical and collective organizational culture. In contrast, 7-Eleven adopts more flexible and adaptive HRM practices by integrating international standards with local adjustments to accommodate diverse cultural and operational contexts. However, the study argues that differences in HRM practices cannot be explained solely by organizational culture. Other structural dimensions, including ownership models, regulatory frameworks, and global operational demands, also play significant roles in shaping HRM strategies and organizational effectiveness. Therefore, organizational culture functions as one of several strategic factors influencing variations in domestic and international HRM practice.

Keywords: Human Resource Management, Organizational Culture, Domestic HRM, International HRM, Retail

INTRODUCTION

Human Resource Management (HRM) is an important part that determines an organization's ability to achieve long-term goals through the management of employees as the company's main asset. HRM is now not only seen as an administrative function, but also as a system that is integrated with organizational strategy, work culture, and business market dynamics (Zanzibar et al., 2025). The effectiveness of HRM practices is therefore influenced not only by technical policies but also by how these policies align with organizational values and operational environments.

The increasing intensity of globalization has transformed organizational operations from domestic-based activities into cross-border business systems involving different cultures, regulations, and labor characteristics. This transformation has created important distinctions between domestic Human Resource Management and International Human Resource Management (IHRM). International HRM requires organizations to manage multicultural employees, adapt global policies to local contexts, and develop cross-cultural competencies to maintain organizational effectiveness across different countries (Fora & Perkasa, 2025).

Organizational culture is frequently identified as one of the main factors influencing employee behavior and shaping HRM practices. Shared values, norms, and assumptions within organizations influence recruitment patterns, training systems, performance evaluations, and employee development strategies. Previous studies indicate that alignment between organizational culture and HRM practices contributes positively to employee engagement, organizational commitment, and performance outcomes (Cahyati et al., 2024). However, existing studies tend to examine organizational culture and HRM relationships within single organizational settings, particularly domestic firms, while limited attention has been given to comparative analyses between domestic and multinational companies operating under different institutional and cultural environments.

Furthermore, previous research generally emphasizes organizational culture as the dominant explanatory variable in HRM implementation without adequately considering broader structural dimensions such as ownership models, regulatory frameworks, operational complexity, and global business pressures. This creates an analytical limitation because differences in HRM practices between domestic and international companies may not be explained solely by cultural factors. In multinational organizations, HRM strategies are also influenced by international standardization requirements, local labor regulations, and global market competition. Consequently, there remains a research gap regarding how organizational culture interacts with these broader factors in shaping HRM practices across different organizational contexts.

The retail sector is an industry that is highly dependent on the quality of human resources due to the high level of direct interaction with customers. PT Indomaret Prisma (Indomaret), as a local retailer in Indonesia, has extensive operations with a total of 22,869 outlets spread across various locations in Indonesia (Indomaret Group, 2024). This large scale requires planned and consistent human resource management, with an emphasis on local work culture values such as discipline, compliance with procedures, and employee loyalty. Previous empirical research has revealed that human resource management practices

and organizational culture at Indomaret have an impact on productivity and workforce sustainability at the operational level (Lydiatifa, 2022).

Table 1.
Distribution of Indomaret Outlets in Indonesia

Island	Percentage Estimate	Number of Outlets Estimate
Jawa	60%	±13.800
Sumatra	20%	±4.600
Kalimantan	7%	±1.610
Sulawesi	7%	±1.610
Bali & Nusa Tenggara	4%	±920
Maluku & Papua	2%	±460
Total	100%	±23.000

Source: Indomaret Group Career Website accessed on February 9, 2025

In contrast, 7-Eleven represents an international retail organization operating across multiple countries and cultural settings. According to the corporate profile of 7-Eleven Japan, the company operates approximately 21,743 outlets in Japan and around 84,541 outlets globally (7-Eleven Japan, 2025). The extensive geographical distribution creates additional challenges related to workforce diversity, adaptation to local labor regulations, and balancing global HRM policies with local cultural expectations. International HRM practices in multinational companies such as 7-Eleven, therefore, require a combination of global integration and local responsiveness (Indra, 2025).

Continental Distribution	Number of Outlets
East Asia	46,582
Southeast Asia	21,610
North America	15,192
Oceania	767
Europe	382
Middle East	8
Total	84,541

Source: 7-Eleven Japan Corporate Data Website, accessed February 9, 2025.

Despite the growing literature on HRM and organizational culture, comparative studies examining domestic and international retail companies remain limited, particularly studies that simultaneously consider organizational culture and broader institutional factors influencing HRM implementation. Most previous studies focus separately either on domestic HRM practices or international HRM systems, resulting in limited understanding of how organizational culture interacts with operational scale, ownership structures, and global business demands.

Therefore, this study aims to analyze the differences between domestic and international Human Resource Management practices from an organizational culture perspective using Indomaret and 7-Eleven as comparative case studies. Unlike previous studies, this research not only positions organizational culture as the primary analytical perspective but also recognizes the influence of structural and institutional factors in explaining HRM variations. This study is expected to contribute theoretically to intercultural HRM literature while providing practical insights for retail organizations in developing HRM

strategies that are adaptive to cultural diversity, organizational scale, and changing business environments.

RESEARCH METHOD

This study employs a literature review method combined with a comparative case study design to analyze differences between domestic and international Human Resource Management (HRM) practices from an organizational culture perspective. This methodological combination was selected because the study aims to compare HRM implementation across organizations operating in different cultural and institutional contexts rather than examining employee perceptions or testing causal relationships through primary data collection. The literature review approach enables the integration of findings from previous empirical studies, theoretical frameworks, and organizational documents to develop a comprehensive understanding of HRM variations between domestic and multinational retail companies.

The comparative case study design was chosen because it allows an in-depth examination of similarities and differences between two organizational settings with contrasting characteristics, namely Indomaret as a domestic retail company operating mainly within Indonesia and 7-Eleven as an international retail company with global operations. This design facilitates analysis of how organizational culture, operational structures, managerial orientations, and broader institutional contexts influence HRM practices in each company.

Alternative methodological approaches such as interviews, surveys, and mixed methods were considered but not adopted in this study. Interviews and surveys could provide direct employee perceptions and richer organizational insights; however, these approaches require extensive access to internal company information and respondents across multiple locations, which would be difficult given the international scope of the comparison. Likewise, mixed-method approaches may offer broader empirical evidence but demand primary data collection processes that exceed the objective of this study, which focuses on conceptual comparison and synthesis of existing knowledge. Therefore, the literature review and comparative case study combination was considered the most appropriate method to address the research objective.

The focus of analysis is the implementation of Human Resource Management viewed from an organizational culture perspective. The HRM dimensions examined include recruitment and selection processes, training and development programs, performance appraisal systems, compensation and reward mechanisms, and organizational values influencing employee behavior. The unit of analysis consists of two retail organizational contexts: domestic retail operations represented by Indomaret and international retail operations represented by 7-Eleven.

Data collection was conducted through a systematic literature review process using secondary sources related to Human Resource Management, International Human Resource Management (IHRM), organizational culture, and retail management. The data sources included national and international academic journal articles, reference books, official corporate reports, company profiles, and publicly available organizational documents. The selection of literature prioritized relevance to HRM implementation, organizational culture

dimensions, and comparative perspectives between domestic and multinational organizations.

Data analysis was carried out through several stages. First, relevant concepts and findings related to HRM practices and organizational culture were identified from selected literature. Second, the information was categorized according to HRM dimensions, including recruitment, training, performance evaluation, and reward systems. Third, comparative analysis was conducted between domestic and international retail contexts to identify patterns of similarity and difference. Finally, findings were interpreted using HRM and organizational culture theories to explain how cultural and structural factors influence HRM implementation.

To strengthen validity and reliability, this study applied source triangulation and consistency checking by comparing information obtained from multiple academic and organizational references. Cross-checking between theoretical literature, empirical findings, and official company documents was conducted to minimize interpretive bias and improve analytical credibility.

However, this study recognizes several limitations associated with the use of secondary data. First, academic publications may contain publication bias, where studies with significant findings are more likely to be published than studies reporting contradictory or insignificant results. Second, official company documents may involve selective reporting, emphasizing positive organizational performance while providing limited information regarding operational challenges and HRM problems. Third, differences in methodological quality, analytical approaches, and contexts across literature sources may influence the consistency of comparative interpretation. Acknowledging these limitations is important to increase transparency and clarify that the findings should be interpreted as conceptual and comparative insights rather than definitive empirical generalizations.

Therefore, despite relying on secondary evidence, the methodological design adopted in this study provides a systematic framework for understanding differences between domestic and international HRM practices while considering organizational culture and broader institutional influences.

RESULTS AND DISCUSSION

The literature review demonstrates that differences in Human Resource Management (HRM) practices between domestic and multinational retail companies are influenced not only by organizational culture but also by operational complexity, ownership structures, international expansion strategies, and institutional environments. The comparison between Indomaret as a domestic retail company and 7-Eleven as an international retail company shows that variations in HRM implementation emerge from the interaction between cultural values and broader organizational demands. Therefore, organizational culture should not be interpreted as the sole explanatory factor but rather as one element operating alongside structural and strategic considerations.

Recruitment and Selection Practices from an Organizational Culture Perspective

The analysis indicates that recruitment and selection practices at Indomaret emphasize compatibility between employee characteristics and organizational values that are hierarchical, collective, and procedure-oriented. Employees are expected to demonstrate

discipline, loyalty, and adherence to operational standards. At first glance, these characteristics appear to be strongly associated with Indonesian cultural values, particularly relatively high power distance and collective work orientation. Previous studies by Lydiatifa (2022) and Pamungkas and Wulandari (2024) support this interpretation by showing that domestic retail companies often prioritize workforce stability and procedural consistency.

However, attributing these recruitment patterns solely to organizational culture may oversimplify the situation. Indomaret's emphasis on standardization can also be explained by its extensive operational network and centralized management structure. Managing thousands of outlets across Indonesia requires uniform procedures and predictable employee behavior to maintain service consistency. Therefore, recruitment practices are influenced not only by collective cultural values but also by operational efficiency requirements and organizational control mechanisms.

In contrast, 7-Eleven applies recruitment practices that are more responsive to cultural diversity and international operational needs. Literature suggests that the company adopts global competency standards while allowing local adaptation in different countries. Recruitment evaluates not only technical qualifications but also intercultural communication skills, adaptability, and readiness to operate in multicultural environments. This approach reflects global-local integration strategies commonly found in international HRM systems (Bunawijaya et al., 2025; Zanzibar et al., 2025).

Nevertheless, the flexibility observed in 7-Eleven should not be interpreted exclusively as a consequence of organizational culture. The multinational nature of the company, global labor mobility, and the need to comply with different labor regulations also contribute significantly to recruitment design. Thus, international recruitment systems appear to result from both cultural adaptation and institutional pressures associated with global operations.

Training and Development as a Reflection of Work Culture Values

Training and development practices also reveal important differences between domestic and international HRM systems. Indomaret focuses training programs on operational efficiency, procedural compliance, service quality, and the formation of uniform work behavior across outlets. Training functions not only as a skill-development mechanism but also as a means of reinforcing organizational values and maintaining consistency throughout the organization. This finding supports Syahrani et al. (2025), who argue that local companies often utilize training as an instrument for cultural internalization.

However, the standardized nature of Indomaret's training programs may reflect more than cultural preferences. The company's large domestic market coverage and extensive store network create practical requirements for standardized employee competencies. Uniform training reduces operational variation, minimizes service inconsistencies, and supports centralized supervision. Consequently, organizational culture and operational scale jointly shape employee development systems.

Conversely, 7-Eleven places greater emphasis on intercultural competencies, leadership development, and international career preparation. Training programs are designed not only to improve technical abilities but also to strengthen employees' capability to operate within culturally diverse environments. Such practices align with Boyratan et al. (2025), who emphasize adaptive organizational culture as an important factor supporting international HRM success.

Despite this cultural explanation, the broader context of multinational operations must also be considered. Cross-cultural training in 7-Eleven is likely influenced by international expansion strategies, workforce diversity, and the need to maintain global service standards. Therefore, training systems represent an interaction between organizational culture and strategic business requirements rather than culture alone.

Performance Evaluation and Reward System

The comparative findings show that Indomaret adopts a relatively administrative performance evaluation approach emphasizing attendance, procedural compliance, and achievement of predetermined operational targets. Reward systems are generally collective and stability-oriented, reflecting organizational values that prioritize consistency and internal control. Such systems contribute to maintaining operational uniformity across a large domestic retail network.

Nevertheless, these practices may also stem from organizational structure and business models rather than cultural values alone. Retail companies with highly standardized operations often require measurable and uniform performance indicators to maintain efficiency. Therefore, Indomaret's evaluation system appears to be influenced by both collective organizational culture and the practical need for centralized operational monitoring.

In comparison, 7-Eleven utilizes performance appraisal mechanisms that are more results-oriented and flexible. The company reportedly applies Key Performance Indicators (KPIs) adapted to local conditions while maintaining alignment with global standards. Reward systems are more individualized and performance-based, reflecting competitive and achievement-oriented values. Rajesh Kumar and Chitra (2024) argue that organizational culture provides an important basis for designing performance systems aligned with organizational strategies.

However, the adoption of performance-based evaluation at 7-Eleven may also be linked to market competition and international business demands. Multinational organizations often require performance metrics that allow comparisons across regions while maintaining accountability and strategic coordination. Therefore, differences between Indomaret and 7-Eleven suggest that performance systems emerge from interactions among organizational culture, market pressures, and international management requirements.

Implications of Organizational Culture on Domestic and International HRM Practices

Overall, the findings confirm that organizational culture remains an important factor influencing HRM practices in both domestic and international retail organizations. Indomaret's relatively homogeneous culture supports internal consistency, workforce stability, and procedural compliance. However, such stability may reduce flexibility when organizations face rapid environmental changes or international expansion challenges.

Meanwhile, 7-Eleven demonstrates a more adaptive organizational culture that supports cross-cultural integration and global coordination. Nevertheless, the company's HRM flexibility cannot be explained solely by cultural adaptability. Global market competition, multinational ownership structures, labor regulations, and international operational complexity also contribute to shaping HRM strategies.

These findings suggest that the distinction between domestic and international HRM extends beyond technical implementation differences. Domestic HRM tends to prioritize internal control, stability, and standardization, whereas international HRM requires balancing

global integration with local responsiveness. Therefore, organizational culture functions not merely as a background variable but as one component within a broader system involving strategic, structural, and institutional influences.

From a theoretical perspective, this study challenges the tendency of previous research to treat organizational culture as the primary determinant of HRM differences. Instead, the findings indicate that HRM practices result from interactions between culture and broader organizational contexts. Consequently, future studies should adopt more integrative approaches by examining cultural, institutional, and strategic dimensions simultaneously to provide a more comprehensive understanding of HRM implementation across domestic and multinational organizations.

CONCLUSION

Based on the comparative literature analysis of Human Resource Management (HRM) practices in domestic and international retail companies, this study concludes that differences in HRM implementation between Indomaret and 7-Eleven are influenced by the interaction of organizational culture with broader structural and institutional factors. Organizational culture remains an important element in shaping HRM policies; however, it does not operate independently in explaining variations between domestic and international HRM systems.

The findings show that Indomaret, as a domestic retail company, emphasizes internal stability, procedural compliance, and consistency of employee behavior through recruitment, training, and performance systems that support operational standardization. Its relatively homogeneous and hierarchical organizational culture functions as an effective mechanism for maintaining efficiency and service quality across an extensive domestic network. Nevertheless, such standardization may reduce organizational flexibility when responding to rapid environmental changes and global business dynamics.

In contrast, 7-Eleven demonstrates more adaptive and flexible HRM practices characterized by competency-based recruitment, intercultural training, and performance systems oriented toward results and global standards. These practices reflect not only a globally oriented organizational culture but also the influence of multinational operational structures, workforce diversity, international market competition, and the need to balance global integration with local responsiveness.

Therefore, this study argues that the distinction between domestic and international HRM extends beyond technical differences in recruitment, training, and evaluation systems. The findings indicate that HRM practices are shaped through interactions among organizational culture, operational scale, ownership structures, regulatory environments, and strategic business demands. Organizational culture should thus be viewed as a strategic component within a broader organizational system rather than as the sole determinant of HRM effectiveness.

From a theoretical perspective, this study contributes to intercultural HRM literature by extending previous discussions that primarily positioned organizational culture as the dominant explanatory variable. The study proposes a more integrative perspective in which cultural, institutional, and strategic dimensions collectively influence HRM implementation across domestic and multinational organizations.

This study also recognizes several limitations. The analysis relies entirely on secondary data derived from academic publications and official company documents, which may

contain publication bias, selective reporting, and variations in methodological quality. In addition, the research focuses only on two retail organizations, limiting the generalizability of findings to broader industrial contexts. Future research is therefore recommended to employ primary data collection methods such as interviews, surveys, or mixed-method approaches and to include additional organizational cases to obtain a more comprehensive understanding of HRM practices across different sectors and international settings

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