



## Why Do They Work in Laos? A Case of Indonesian Workers in Laos Mining Companies

Paditsavanh Thammavongsith; Parnawa Putranta

Master of Human Resource Management, Atma Jaya Yogyakarta University, Indonesia

<http://dx.doi.org/10.18415/ijmmu.v6i1.1004>

### **Abstract**

Laos is one of the countries where the numbers of foreign direct investment increase every year. However, the government cannot provide the qualified skill worker from the domestic. Therefore, the employers have to import the skill workers from other abroad to contribute in the specific working area. As we can see from the foreign direct investment trend in from 2005 – 2015, the main investment sector in Laos were mineral and energy business, these firms required many skill workers and recruit foreign workers to contribute in their project. Also the main foreign workers came from Indonesia. In the same time, from 2013-2018, the Indonesian Embassy in Laos has the record of the decreasing of the Indonesian Worker in the mining sector average 16,7 percent per year. As recently, the trend to motivate the employee that has a different background in the organization is one of the most important tasks for the employer, because the overseas worker in the mining companies plays the important role to develop the local staff in the various fields.

The objective of this paper is to explore the motivations and the challenges of the overseas Indonesian workers in the mining companies in Laos. The study uses a qualitative research methodology for the analysis. Data was collected by interviewing ten (10) overseas Indonesian workers among the different mining companies in Laos.

This research has undertaken some main themes that describe the perception of the overseas Indonesian workers in the mining companies in Laos about their motivations and the challenges in their work. The factors that motivated the overseas Indonesian workers to work in the mining company in Laos has appeared into four factors as employee compensation and benefits, career opportunity and development, friendly working environment, and national factor. Besides that, the challenge factors faced by Indonesian workers such as the language barrier and religion practice.

**Keywords:** Motivation; Challenges; Overseas Indonesian Workers; The Mining Company; Laos

### **Introduction**

People from all around the world move to a new country to live, study or work which they're adapting to a different experience about culture, try to live with the new way of life, to meet new people and to understand new language which eventually takes time, effort and might experience with the culture shock. The hiring of overseas workers is one option in an international company may exercise to reduce

the labor shortage situation in the host country or in other cases the local country cannot supply the required skilled workers to the company. Laos has many natural resources including land, water, forests, and minerals (variety of mineral resources such as copper, coal, gold, and iron) most of which have not been exploited. These are the most important factors to attract large amounts of foreign investment in mining, hydropower, and agricultural land concession. In addition, the number of population and the domestic market is so small. Moreover, Laos is facing a shortage of skilled workers and needs to bring in foreign labor to supply the market. The government estimated 500,000 laborers would be needed by 2015 as the country looks to strong economic growth. However, the country could supply only about 55,000 workers a year; the shortage was serious in skilled areas (Vientiane Times, 2013). From the record of the Indonesian Embassy in Vientiane was found that more than half Indonesian citizens in Laos have contributed to work in the mining sector as skill workers. Thus, this study will explore the motivation and the challenge of the overseas Indonesian workers currently employed in the mining companies in Laos.

### ***Background***

Now a day, an increasingly interconnected world, modern transportation has made it easier, cheaper and faster for people to move in search of jobs, opportunity, education, and quality of life. While the conflict, poverty, inequality and a lack of sustainable livelihoods force people to leave their homes to seek a better future for themselves and their families abroad. This movement takes time and effort which may result in culture shock. Working abroad has been a popular choice for many people in recent years.

### ***Research Questions***

Within the research purpose of this study and based on the research background, the research questions are formulated as below:

- a. What are the factors that motivated the Indonesian workers to work in Laos?
- b. What are the challenges faced by the Indonesian workers during their work in Laos with regard to the differences in culture?
- c. How did the Indonesian workers adjust to cross-cultural differences in Laos?

### ***Research Purposes***

The purpose of this research is to explore the motivations of the overseas Indonesian workers in the mining companies, as well as examine the element make them motivated to work in Laos. Along with the motivation, the researcher also examines the challenges factor toward the culture shock experience and how do they adjust to cross-cultural differences in Laos. The data will be collected by interviewing ten (10) Indonesian workers who work in the mining company in Laos.

## **Method**

To gain a deeper, richer understanding of the issues involved with overseas Indonesian workers in the mining companies, this study used a qualitative approach by collecting data through semi-structured interview open-ended questions. Also, due to the lack of previous studies in this specific area and the lack of validated survey instruments, the authors felt that using qualitative research techniques would be the best research strategy on this initial project. The method is appropriate for exploring and understanding a phenomenon studied and it is suitable for the interpretation for a problem through the descriptive word (Neuman, 2009). The strength of qualitative research is its ability to provide complex textual descriptions of how people experience a given research issue. As a qualitative approach gives detailed descriptions of the case being studied and provides an analysis of the themes or issues (Stake, 1995), it is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts of particular populations. To be more specific, qualitative research allows the subjects being studied to give strong answers to questions put to them by the researcher and may give valuable insights which might have been missed by any other method. Meanwhile, the qualitative method also has some weak points, according to Creswell (2013), the result can be biased because the researcher will put their own view about the phenomenon to the investigation and interpreted differently.

Data were collected using a purposeful semi-structured interview, open-ended questions. All interviews were recorded, transcribed, and analyzed by themes. Transcripts were analyzed to identify key phrases, statement, and themes. Irrelevant contents were eliminated and only that important of the related content from the response was analyzed and was used to create the statement in each interview.

Line by line coding of data in each transcribed interview helps the researcher to focus on the main context of the text in the line, which produced descriptive code that formed common themes. The researcher reviewed the transcripts, merged the set of themes and came up with the final list. Reliability was established by ensuring all steps and procedures were documented and consistent throughout the study (Gibbs, 2007). Validity was established by member checking and presenting all data (Ali & Yusof, 2011).

## **Findings and Discussions**

The result from the questionnaire data analysis as described in the previous chapter, chapter four (4). The objective of this research study is to understand the motivation of Indonesian workers who worked in the mining companies and also the obstacle of them to work in Laos as these following research questions informed this study: (a) What are the factors that motivated the Indonesian workers to work in Laos?, (b) What are the challenges faced by the Indonesian workers during their work in Laos with regard to the differences in culture?, and (c) How did the Indonesian workers adjust to cross-cultural differences in Laos?.

The Major themes found were as follows:

Motivation factors

Theme 1: Financial rewards

Theme 2: Career opportunity and professional development

Theme 3: Friendly working environment

Theme 4: Similarity

Challenge and conquest factors

Theme 5: Language Barrier

Theme 6: Religion

This segment of the final chapter will address the significant findings of the research questions. The research question was to explore the opinion of the Indonesian workers in the mining companies in Laos about the motivation and the challenges that they faced and how to deal with it. Overall, the participants described their perception both in positive and negative ways related to their working experience and the social life in the host country. Thus, the results of this study show that there is some motivational and challenges factor of overseas Indonesian workers.

### *Motivational Factors*

Through analysis from (Smith, 2015) has revealed that employees would not stay with one employer for many years without seven (7) factors as: (1) the desire to help people, (2) a positive working environment, (3) job fulfillment/gratification, (4) learning and enrichment program, (5) convenience/flexibility, (6) advancement opportunity and (7) financial stability. According to Hilson & Banchirigah, 2009 stated that employees from the mining companies in Ghana are motivated by intrinsic and extrinsic factors with particular emphasis on pay or remuneration. Good pay was identified to be the best motivating factor for employees in the mining industry. In contrast, in this study, the informant in the interviews ranked four (4) factors which motivate them to work in the mining company in Laos, these four (4) factors are: (1) financial rewards, (2) career opportunity and development, (3) friendly working environment, and (4) similarity.

Firstly the financial rewards were expressed one hundred percent from the participant as the motivation factor in the mining companies in Laos. The informants expressed that the reason why they choose to work in the mining company in Laos because of the financial rewards such as the basic salary, allowances, bonuses. With that the company covers all basic need for them during working on site such as; foods, transportation, uniform, PPE (Personal protective equipment), cleaning service, and so on. This form of the reward system has proven to be highly motivating, based on the simple idea we humans strive to do perform better if we are able to acquire what we want (Bengtsson & Hedberg, 2012). Having a motivational compensation also may lead to the retention of the employee. According to Bau & Dowling (2007), the reward could get more people to become interested in working at the company and, above all, it means that they have employees who want to stay in the company.

Secondly, career opportunity and development has motivated them to work in the mining companies. Ninety percent of the participants stated that they have the opportunity to learn new things in this company because the company always provides new training skills for them. This is obtained from the experiences and training offered by the company. Training that provides by the company is the foundation of the career development and it can help the employee develop their certain skills, make them have more confidence to try something new in their task will lead them to deal with stress, frustration, and conflict. These factors bring them an opportunity to have better performance and make them feel satisfied with their work and have the motivation to continue their work. According to Cole (2002), getting more knowledge leads to the high morale of the employees, its increased confidence and motivations. Then, it may lead to the lower turnover also, because it brings a sense of security at the workplace which in turn reduces employee turnover and absenteeism is avoided. Baah and Amoako (2011) stated that the opportunities for personal growth and advancement help employees to find their worth with respect to the value given to them by the organization. It can increase the Motivational level of employees which will ultimately raise the internal happiness of employees and that the internal happiness will cause motivation and satisfaction.

Thirdly, a friendly working environment is another factor that motivates them to work in the mining company. Nine from the ten participants mentioned that they (work with people from different backgrounds and nationalities therefore they must have a good relationship and trust each other both in the working hour and after working hour to create the good atmosphere at their workplace and make them motivated to work. Feelings of dissatisfaction may start to surface if the relationship with co-workers is not good in the workplace. An employee feels emotionally or socially detached at work and cannot seem to fit into their organization's culture or blend with other colleagues in that case. At that time, the employees prefer to find a different job than try to approach the issue directly. Workplace relationships and interaction have an impact on employee's motivation, satisfaction and retention.

Negative attitudes can lead to isolation and loneliness, which may instigate an employee's desire to resign. Thus, Dotan (2007) stated that when employees have trustful friends at work, they can get help or advice from their friend, co-workers and, therefore, gain feelings of security, comfort, and satisfaction with their job at work. Also, employees in friendship tend to engage in altruistic behaviors by providing co-workers with help, guide, advice, feedback, recommendation, or information on various work-related matters (Hamilton, 2007).

Lastly, similarity was another motivational factors that inspires them to work at mining companies in Laos. Looking at national factors such as the political stability of the host country (Yurkiewicz and Rosen, 1995). The destination country, lifestyle and political situation were considered to be quite relevant motivational factors. The current political situation in the home country/host country could also in some cases influence the motivation of the employee. As 80 percent of the participants underlined that the political status in Laos are stable, the culture is similar with its location. Overseas workers are often taken for enjoyment, traveling, exploring and challenging themselves with new environments in a different country. At the same time, they get confused, worried, and not ready to face the obstacles, especially those associated with unfamiliarity and, more importantly, the way they live and work.

### *Challenge and Conquest Factors*

Today, burnout signifies feelings of physical and emotional exhaustion, alienation from others, and reduced personal accomplishment. Regardless to those motivational factors mentioned above, the participants also stated that there a few challenging factors they faced while working in Laos. During the interview the participants responds that there are a lot of stress, pressure and some problems between them and co-workers who have different backgrounds, race, language, and culture. Therefore, language barrier and religion practices were two themes derived through the interview which resulted as challenging facotrs for this study.

Firstly, language barrier, according to Imberti (2007), language is the key to a person's self-identity, it enables the person to express emotions, share feelings, tell stories, and convey complex messages and knowledge. Language is our greatest mediator that allows us to relate and understand each other, it can be defined as a system of conceptual symbols that allows us to communicate and provides us with a significant frame of reference and a relational context that sustains our identities. The impact of the language barrier cannot be evaluated using simple measures such as dollars spent on interpreters or days lost in translating documents. Instead, the true cost has to be seen in terms of the way it misrepresents and damages relationships. These in turn then impose pressures and constraints on the strategies pursued by the company and the organizations and systems they consequently adopt.

Secondly is religion factor, a major role in embracing religion or spirituality has to do with internal motivation. Anger, fear, and/or hurt could motivate someone to seek out those unlike and uncomfortable feelings and find happiness, love, and security in religion. Someone could easily find a belief that gives him/her hope, as many religious minorities are subjected to a range of overlapping stereotypes, assumptions and negative opinions on a regular basis. In some countries religion tendered to inhibit cultural adaptability (Novera, 2004) which would be the only reason that they would consider religion as a factor to be considered. In countries that have strong religious affiliations, difficulty in adaption may occur at times (Tarakeshwar et.al, 2003). The majority of the participants though stated that religion was not much of a factor. Religious beliefs and philosophies can be practiced anywhere in the world. It is up to individual to not allow this to be an obstacle.

## **Conclusion**

From the results of this exploratory research, it appears that common motivation and challenges run through Indonesians workers working overseas in the mining companies in Laos that include employee compensation and benefits, career opportunity and development, friendly co - workers, the national factor, language barrier and religion factor. It is important for a multicultural company to understand the motivation and the challenge of the overseas worker that have different backgrounds. The business world has evolved quite rapidly which has resulted in globalization becoming a key strategic requisite for most organizations (Altman & Baruch, 2012); therefore, the management of an effective international workforce is increasingly of paramount importance to maintain a competitive advantage for an organization (Pinto et al., 2012). With this increase demand for internationally mobile employees, of equal importance is being able to assess an employee's intention to work abroad and understand the factors that motivate them to become an overseas worker. The outcome of 10 interviews conducted with the overseas Indonesian workers who work in Laos, especially in the mining sector, however, would consider a future assignment and revealed that the following factors are considered to be motivating them to work abroad.

- a. Company policy like compensation and benefit appears to be a quite fundamental motivating factor to the overseas worker when coupled with attractive features from other factors like career opportunities, favorable destination country, lifestyle, and experience.
- b. Career opportunity and development appeared to significantly motivate many overseas workers. There is the argument that career growth and skills development may not be hindered by staying in the home country however it appears to be quite evident that experience and the type of skills developed as a result of an overseas assignment definitely motivate the overseas worker to accept assignments of this nature.
- c. The geographical location appears to be quite fundamental for the overseas worker to choose the country for work such as the destination country; lifestyle and political situation were considered to be quite relevant motivational factors. The current political situation in the home or the country destination could also in some cases influence the motivation of the overseas worker to continue or stop working.
- d. Language and religion are less motivational to the decision in some cases, but it has become the main challenge for the overseas worker like loss of rhetorical skills is always present as the use of humor, symbolism, sensitivity, negotiation, persuasion, and motivation requires a very high level of fluency. This may undermine credibility and trust, and the second language user, in particular, might gain an unmerited reputation of being fickle, unreliable and deceitful.

A relatively newly added factor that surfaced from this study was the influence that company policy has on the overseas Indonesian workers' motivation to work in Laos. With the current instability in many economies appears to have become an increasingly growing motivational factor. Overseas workers are more risk-averse and less likely to take the chance of uprooted themselves if they are not sufficiently aware of what they are getting themselves into and the type of support they can expect from the company that is offering them the assignment. In addition to the above, this research also indicates that motivational factors do not change considerably as a result of an individual. The importance given to various factors may change to some extent however the main motivating factors appear to remain constant. If companies take into consideration all of the above motivational factors, they should have better success at attracting and placing overseas worker into future international assignments.

There are some limitations to this study. Firstly, this study was conducted in the mining industries only. Generalization of findings towards other companies or industries may be done but with caution. Future studies may replicate this research throughout various participants from different nationalities, not only overseas Indonesian workers. The research also must conduct in various organizations, not only private but the public organization, non-governmental organization and also across the industry for a better generalization. The results of the research study included data gathered from only those respondents who voluntarily agreed to participate. Participation by overseas Indonesian worker representatives in the study was strictly voluntary. Lack of response potentially increases sample bias by excluding data from individuals not participating. The participants represented those most interested in the study and not necessarily of the underlying population.

In addition, motivation is a very complex concept since definitions cannot be refined to certain variables listed by the researcher. Any attempt to define these variables would not be not easy as each individual has their own perception of what motivation means to them. Therefore, determining what exactly motivates employees can be considered to be somewhat subjective.

## **References**

- Adler Nancy J., 2008, *International Dimensions of Organizational Behavior*. Thomsen SouthWest 5th edition, USA.
- Ali, A., & Yusof, H. (2011). Quality in qualitative studies: The case of validity, reliability, generalizability. *The issue in Social & Environmental Accounting*, 5, 25-64. Retrieved [www.iiste.org/Journals/](http://www.iiste.org/Journals/).
- Altman, Y., & Baruch, Y. (2012). Global self-initiated corporate expatriate careers: A new era in international assignments? *Personnel Review*, 41(2), 233–255. <https://doi.org/10.1108/00483481211200051>.
- Baah, K., & Amoako, G. K. (2011). Application of Frederick Herzberg's Two-Factor Theory in Assessing and Understanding Employee Motivation at Work: a Ghanaian Perspective. *European Journal of Business and Management*, 3(9).
- Bau, F., & Dowling, M. (April 2007). An empirical study of reward and incentive systems in German entrepreneurial firms. *sbr*, 160-175.

- Bengtsson, A. & Hedberg, J (2012). Beloningssystem i media. En kartlaggning av dagspressens yrkesrapporter om beloningssystem under åren 2007, 2009 och 2011 (Master's thesis) Gothenburg: Department of Business Administration, University of Gothenburg.
- Cole, G.A. 2002. Personnel and human resource management, 5th Ed. Continuum London: York Publishers.
- Cresswell JW, Plano Clark VL. Designing and conducting mixed methods research. 2<sup>nd</sup> Sage; Thousand Oaks, 2011.
- Dotan, H. (2007). Friendship ties at work: Origins, evolution and consequences for managerial effectiveness (Unpublished doctoral dissertation). University of California, Los Angeles. Los Angeles, CA.
- Gibbs, G.R. (2007). Analyzing qualitative data. London, England: Sage.
- Hamilton, E.A. (2007). Firm friendship: Examining functions and outcomes of workplace friendship among law firm associates (Unpublished doctoral dissertation). Boston College. Boston, MA.
- Hilson, G., & Banchirigah, S.M. (2009). Are Alternative Livelihood Projects Alleviating Poverty in Mining Communities? Experiences from Ghana. *Journal of Development Studies*, 45(2), 172-196. <http://dx.doi.org/10.1080/00220380802553057>.
- Imberti, P. (2007). Who resides behind the words? Exploring and understanding the language experience of the non-English speaking immigrant. *Families in Society*, 88(1), 67-73.
- KBRI Vientiane, 2018
- Neuman, W. L. (2009). *Social research methods: Qualitative and quantitative approaches* (7th ed.). Boston: Allyn & Bacon.
- Novera, I. A. (2004). Indonesian postgraduate students studying in Australia: An examination of their academic, social and cultural experiences. *International Education Journal* 5(4), 475-487.
- Pinto, L. H., Cardoso, C. C., & Jr, W. B. W. (2017). Expatriates' withdrawal intentions: The influence of organizational culture and satisfaction with the assignment, (2005). <https://doi.org/10.1108/PR-02-2016-0033>.
- Stake R. E. *The art of case study research*. Thousand Oaks, CA: Sage; 1995
- Tarakeshwar, N., Stanton, J., & Parament, K. I. (2003). Religion: An overlooked dimension in crosscultural psychology. *Journal of Cross-cultural Psychology* 34(4), 377-394.
- Vientiane Times, 2013
- Yurkiewicz, J., and Rosen, B. (1995), "Increasing Receptivity to Expatriate Assignments," in *Expatriate Management*, ed. J. Selmer, Westport, CT: Quorum, pp. 37– 56.



**Copyrights**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).