

ABSTRACT

The hotel industry faces increasingly intense competition, making innovation a strategic necessity to maintain competitiveness. Organizational innovation is closely related to internal factors, particularly organizational culture and human resource management (HRM) practices that shape employees' values, norms, and work behaviors. This study aims to analyze the role of organizational culture, HRM practices, and their interaction in fostering innovation at Mexolie Hotel Kebumen.

This research employs a qualitative approach using a case study method. Data were collected through in-depth interviews with management and employees, direct observation of hotel operations, and analysis of internal company documents. Data analysis was conducted through data reduction, data display, and conclusion drawing. Data validity was ensured through member checking, by confirming the research findings with the informants to ensure accuracy and consistency of interpretation.

The findings indicate that organizational culture at Mexolie Hotel plays a significant role in fostering innovation through participative leadership, work norms and practices that emphasize teamwork and openness, as well as organizational traditions, stories, and symbols that reinforce service orientation and learning values. Human resource management practices, particularly in recruitment, training, performance evaluation, and reward systems, contribute to shaping employees' capacity and motivation to engage in innovative behavior. The interaction between organizational culture and HRM practices is mutually reinforcing, whereby cultural values are internalized through HRM practices, while HRM practices simultaneously reproduce a culture that supports innovation. These findings suggest that innovation at Mexolie Hotel is driven not only by formal policies but also by the alignment between organizational culture and human resource management.

Keywords: Organizational Culture, Human Resource Management Practices, Innovation, Hotel Industry.