

Integrating Training And Motivation To Improve Sustainable Performance In A Cross-Cultural Context

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Abstract

It is estimated that more than half of the Chinese MNEs (Multi-national enterprises) operating in Indonesia have continued to lose money in the past three years due to cultural, linguistic, and business practice differences. The once effective leadership style in China has become ineffective in Indonesia. How to operate sustainably in Indonesia is rising as one of the biggest challenges faced by Chinese MNEs in Indonesia. Former studies mainly focused on theoretical research that lacked practical relevance in the actual business. This is the first study to examine all these variables with cultural adaptation, leadership style, workplace, and work-life balance as independent variables and employees' satisfaction, performance, and commitment as dependent variables from both theoretical and practical perspectives. A quantitative way is used in this study. Using mathematical multiple regression methods, there are several notable findings. 1. The dependent variables are highly related to the independent variables, with the P-value at 0.88 and R² at 0.77. 2. Both the employee satisfaction and performance are mostly affected by the cultural adaptation, with the P-value at 0.811 and 0.672, the R² at 0.66 and 0.45. 3. The employee commitment is mostly impacted by the leadership style, with the P-value at 0.735 and R² at 0.54. 4. There is gender discrimination in MNEs, with the possibility for females to get a higher position being only 50% that of men. By introducing and applying the integrating training & motivation (ITM) solution, employee satisfaction, performance, and commitment will be improved, thus the Chinese MNEs can improve performance sustainably.

Keywords: cultural adaptation, leadership, employee satisfaction, cross-cultural

A. INTRODUCTION

Together with the Indonesian government and the Kazakhstan government, the Chinese government announced "the Belt and Road Initiative" in 2013. Under this initiative, it is expected to facilitate trade and business among countries alongside the ancient Silk Road, which connects Asia, the Middle East, Africa, Europe, and South America. The spirit of the Belt and Road Initiative is based on five principles: policy coordination, connectivity of infrastructure, unimpeded trade, financial integration, and people-to-people (Spencer Feingold, 2023). Thanks to the encouragement and support from the Chinese government and the potential business opportunities, many Chinese companies are investing overseas. Indonesia is one of the most attractive investment destinations. Unlike companies from Japan and South Korea with more than 40 years' investment experience overseas, where they have already established themselves, Chinese companies are newcomers with a lot to learn.

It is reported that China has been Indonesia's biggest trade partner for eight consecutive years, with bilateral trade volume at 139.42 billion USD in 2023, which almost doubled compared to 2018. China exported 65.2 billion USD to Indonesia in 2023, an increase of 50% from 2018. Indonesia exported 74.2 billion USD to China in 2023, an increase of 217% from 2018. In 2022, China's direct investment amount in Indonesia amounted to 4.55 billion USD, increasing 244% from 2018 (Qian Zhou, 2024). There are many similarities between China and Indonesia. For example, both China and Indonesia have huge populations ranking high in the world. Both are very important countries in the regional area. There are differences, too. For instance, culture, religion, language, and the judicial system are distinct from one another. Once upon a time, the historical maritime Silk Road connected these two countries. Several hundred years later, the strong desire to increase the people's welfare and develop the economy connects these two countries once again. Thanks to the joint efforts of people from Indonesia and China, all things are heading in the expected direction.

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While the bilateral trade and business are increasing significantly, several cross-cultural challenges stop the Chinese multi-national enterprises (MNEs) operating in the manufacturing industry in Indonesia from improving sustainably. It is estimated that more than 2000 Chinese MNEs are operating in Indonesia. Among them, less than half enjoy continuing profit. The main challenges faced by Chinese MNEs are cultural differences, communication barriers, and different management practices. Cultural differences and communication barriers significantly impact the operational efficiency and employee satisfaction (Bing chi, Zhenghua Gu, 2024; Yu Chen, Fang Wang, 2019). Cross-cultural communication is more difficult than general communication. It may lead to misunderstandings or even conflicts (Ben Tran, 2016). The once effective leadership style in one country may turn out to be a disaster in another country with a different cultural environment (Ingo Bildstein et al. 2013).

For instance, it is common and a matter of pride for Indonesians to change jobs frequently due to dissatisfaction or other reasons. However, it is difficult for Chinese employers to understand that. In traditional Chinese culture, that behavior will be considered disloyal, not serious, and not committed to the work. Furthermore, neither Indonesian nor Chinese is a native English speaker. The language barrier makes it much more difficult and inefficient for people with different mother languages to understand each other. Particularly, when much information is very professional, any misunderstanding may lead to accidents because there are many safety risks in the manufacturing industry. There is a recent tragic case of miscommunication in the cross-cultural context. The fire accident killed 13 workers, injured 46 in Sulawesi Island (Bernadette Christina, 2023). The work pattern in China is more intense than in Indonesia. The idea of high efficiency leading to success is deeply rooted in the Chinese people. Naturally, expats from Chinese MNEs will spontaneously demand that the Indonesian employees work like them without sufficient consideration. This requirement may be considered aggressive or disrespectful to the Indonesian employees. These cross-cultural challenges separately or jointly decrease the efficiency of Chinese MNEs operating in Indonesia. With the bilateral economic ties between Indonesia and China becoming increasingly close, it is crucial to find solutions to counter the challenges faced by Chinese MNEs operating in the manufacturing industry in Indonesia.

Meanwhile, it takes around 2-3 years for a new employee without any experience in the manufacturing industry to be familiar with the customers and master the basic professional knowledge to work independently. Accordingly, the salary and position adjustment in the manufacturing industry is much slower than in other industries like IT and finance. Employees from the manufacturing industry in China are used to this fact. However, the majority of Indonesians can not wait that long. So, there is a mismatch phenomenon in which many Chinese MNEs from the manufacturing industry complain about the difficulties in hiring qualified local employees, while many young Indonesian complain about the limited job opportunities. It is difficult for this kind of local marketing team from the manufacturing industry to maintain the current business, let alone to develop new customers or new markets, considering that rich and skillful professional experience is critical in the manufacturing industry, unlike other industries like IT. If taking the hiring cost, training cost, and the opportunity cost into consideration, the cost is high to maintain an unstable local marketing team with a high employee turnover rate.

Generally speaking, the employee turnover rate of MNEs operating in the manufacturing industry in Indonesia shall be around 10% to maintain stability and vitality. If this rate is too low, this MNE's local marketing team will lack work passion. If this rate is too high, the local marketing team is unstable. The mismanagement of the local marketing team will cause an abnormal employee turnover rate. As to Chinese MNEs, this rate is usually around 30% which is significantly higher than other MNEs from Japan, South Korea, and Malaysia. Thus, the Chinese MNEs' operating performance is heavily reliant on the limited Chinese expats, with the local employee turnover rate significantly higher than the average level of the manufacturing industry, due to cross-cultural challenges. This is unsustainable.

How to improve the sustainable performance of Chinese MNEs operating in the manufacturing industry in Indonesia? There is no clear guidance. Current studies focus on a very specific point, such as cultural adaptation or leadership. Which is more important? To what extent is it important? Current studies do not give answers. So it can not guide the actual business operations. In this article, it will be answered. By integrating the training and motivation methods, these cross-cultural challenges faced by Chinese MNEs from the manufacturing industry operating in Indonesia will be overcome. Then the employee satisfaction, employee performance, and commitment will be improved. Eventually, the sustainable performance target will be achieved.

B. LITERATURE REVIEW

There are many theories about comparing cross-cultural differences between two countries. Among them, the most popular theories are Hofstede's Cultural Dimensions, Trompenaars's Cultural Framework, and the GLOBE. The Hofstede Cultural Dimensions were introduced by Hofstede in 1980, with four dimensions consisting of individualism and collectivism, power distance, uncertainty avoidance, masculinity, and femininity. The current Hofstede-Minkov model is complemented by adding two more dimensions: long-term orientation, indulgence, and restraint (Žemojtel-Piotrowska, M., Piotrowski, J., 2023). Trompenaars's Cultural Framework was introduced in 1993 by Geert Hofstede and Hampden Turner with seven dimensions consisting of universalism and particularism, achievement and origin, individualism and collectivism, affective and neutral, concreteness and diffuseness, external and internal control, and time perspective (Jumaev Ulugbek Sattorovich, 2020). The Global Leadership and Organization Behavior Effectiveness Research Program (GLOBE) is a cross-cultural research project conceived by Robert House in 1993, aiming to answer five questions. Are there leader attributes, behaviors, and organizational practices that are universally accepted and effective across cultures? Are there leader attributes, behaviors, and organizational practices that are in only some specific cultures? In what way do cultural differences affect the kinds of leaders and organizational practices that are accepted and effective? What is the relative standing of each of the cultures studied on each of the nine core dimensions of culture? Can the nation-specific and universal aspects of leadership and organizational practices be explained in terms of an underlying theory that accounts for systematic differences among cultures (Koopman et al., 1999)?

In this article, Hofstede's Cultural Dimensions will be used as a tool to compare the cultural differences between China and Indonesia, in conjunction with Trompenaars's Cultural Framework and the GLOBE. According to Hofstede's cultural dimensions, except for Power Distance, the other five dimensions of cultural differences between China and Indonesia are more than 30%. Particularly, there are big differences in the individualism and long-term orientation (e.g., Figure 1).

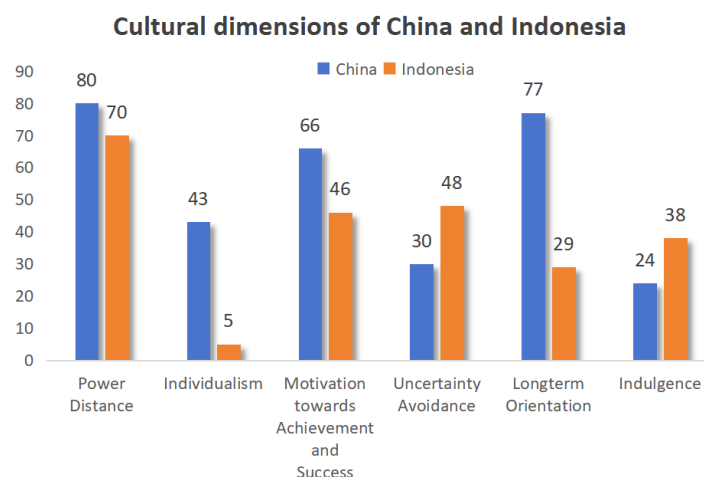


Figure 1. Hofstede's Cultural Dimensions of China and Indonesia

Source: [theculturefactor, https://www.theculturefactor.com/country-comparison-tool?countries=china%2Cindonesia](https://www.theculturefactor.com/country-comparison-tool?countries=china%2Cindonesia)

The current studies show that the Influence of Traditional Values, Work meaning and Performance, Bureaucracy, Adaptability, and Modernization are the key cultural differences between Chinese and Indonesian business practices.

Influence of Traditional Values.

In Chinese business practices, it is strongly influenced by traditional values, including Confucianism, Taoism, Buddhism, and Yin-Yang thinking. The main principles include Guanxi (relationship), jiating (family), renqing (human feelings), fengshui (balance), qinfen (diligence), and mianzi (face). Decision-making is often centralized, with directors making major decisions. Long-term cooperation, hard-working and win-win are appreciated (Pauluzzo, R. and Shen, B., 2018; Zhibo Shi, 2020). In Indonesia, business practices are influenced by a mix of local cultural values, such as Javanese

culture, and the historical context of Chinese Indonesian business. The business environment is shaped by sociopolitical changes, especially in the post-Suharto era, leading to a mix of traditional and modern practices. There is a significant role of ethnic Chinese in the business sector, often leading to inter-ethnic collaborations (Sujoko Efferin and Trevor Hopper, 2007).

Working Meaning and Performance

In Chinese business practices, work is often seen as a means to achieve collective goals. Personal value while maintaining harmony within the organization is important (Pauluzzo, R., and Shen, B., 2018). There is a preference for controlling behavior through personnel and behavioral controls rather than objective measures. Meanwhile, young Chinese people, especially those born in the 21st century, are becoming increasingly confident in focusing on personal feelings, work-life balance, and collective goals. In Indonesia, there is a notable difference in how work is perceived between ethnic Chinese Indonesians and local Indonesians. Ethnic Chinese Indonesian often have a more performance-oriented approach influenced by their cultural background (Sujoko Efferin and Trevor Hopper, 2007).

Bureaucracy

In Chinese business practices, business practices are highly socially embedded with relationships (Guanxi) playing a crucial role in navigating the business (Pauluzzo, R. and Shen, B., 2018). Meanwhile, high-efficiency and transparent procedures are appreciated. In Indonesia, business practices are often plagued by bureaucratic inefficiencies and a lack of transparency (Sujoko Efferin and Trevor Hopper, 2007). However, it seems that Indonesian people are well adapted to it despite complaining occasionally.

Adaptability and Modernization

In Chinese business practices, businesses are highly adaptable and increasingly integrating with Western business practices while retaining core traditional values (Sujoko Efferin and Trevor Hopper, 2007; Lee Kuan Yew and Jacob Donald Tan, 2022). With the economy developing and interacting with the rest of the world, Chinese business practices are becoming increasingly pragmatic, professional, and confident. In Indonesia, business practices, especially those owned by ethnic Chinese Indonesians, have adapted to political changes and market demands over generations. There is a focus on maintaining harmonious relationships within the business environment, influenced by both local Java and Chinese cultural values. Thanks to the contribution of the President of Indonesia, the Indonesian business is becoming more pragmatic.

These key cultural differences highlight the unique cultural influences and business practices in China and Indonesia, shaped by their respective historical, sociopolitical, and cultural contexts. There are several Cross-Cultural Management (CCM) studies and theories integrating training and motivation to manage cross-cultural differences to improve the MNEs' operating performance sustainably and effectively: 1) Cultural Intelligence (CQ) training enhances employees' ability to function effectively in diverse cultural settings by focusing on cognitive (CQ Knowledge), meta-cognitive (CQ Strategy), motivational (CQ Drive), and behavioral (CQ Action) aspects. This training can increase employees' commitment and satisfaction, which are crucial for motivation (Ana Azevedo and Mary Jo Shane, 2019); 2) Self-Determination Theory (SDT) emphasizes the satisfaction of needs for autonomy, competence, and relatedness in motivating employees. Cross-cultural differences that must be considered when tailoring training programs effectively (Ryan, R.M., Deci, E.L., 2023; Church et al., 2012); 3) Regulatory Focus Theory (RFT) distinguishes promotion motivation and prevention motivation, suggesting that individuals have different motivational orientations (promotion vs. prevention focus) that cultural contexts can influence. Training programs should align with these orientations to enhance motivation and effectiveness (Wirtz, J., & Lwin, M. O., 2009; Higgins, 2015).

According to Ali's research, a good and solid training system increases the employees' dedication and performance (Almarashdah, 2024). According to studies of Jinhua Zhang and Manal, affection and obligation contribute to the desirable task performance delivery in China's culture (Jinhua Zhang, 2024; Manal Ali Almarashdah, 2024). According to studies by Hong Zijong and Jinhua Zhang, supervisors who feel a high level of responsibility for constructive change motivate employees' engagement in job crafting and positive word of mouth (Jinhua Zhang, 2024; Hong Zijong, 2024).

Currently, there are several practical approaches to integrating CCM theories with employee training and motivation: 1) Developing Tailored Training Programs that are designed to cater to diverse learning needs and cultural backgrounds. This involves understanding and applying various learning theories such as adult learning, behavioral, cognitive, and social learning theories (Schunk and Dale H., 1996; Pritchard and Alan, 2017). For instance, incorporating experiential learning can help to bridge cultural gaps and enhance engagement; 2) Building an effective Leadership and Organization Culture, which is crucial in fostering a culture of continuous improvement and motivation. Leaders should be trained to adapt their styles to different cultural contexts, promoting an inclusive and supportive environment (Chuang and Szu-Fang, 2013; Palmer et al., 2001; Ashikali et al., 2021). This includes understanding the impact of organizational and societal culture on employee responses and integrating these insights into Human Resource Management (HRM) practices (Fitzsimmons et al., 2014); 3) Applying Practical Training Methods utilizing real-world problem-solving activities and experiential projects to enhance cross-cultural skills significantly. For example, training programs that include mindfulness and authentic leadership topics can improve cultural intelligence and innovative work behavior (Ana Azevedo and Mary Jo Shane, 2019); 4) Continuous Learning and Adaptation is also an option approach. Organizations should support both strategically driven and local, continuous learning. This involves creating training programs that are flexible and responsive to both global organizational strategies and local cultural nuances (Millington and Graham, 2011).

There are several implementation strategies to apply those approaches to integrating training: 1) Culture adaptation. To adapt training content and delivery methods to align with the cultural values and learning preferences of employees from different backgrounds (Black et al., 1990; Behera et al., 2024); 2) Inclusive Leadership. To train leaders to foster trust, inclusive leadership, and effective communication across cultural boundaries (Black et al., 1990; Smith and Hussein Kamaldeen, 2025); 3) Feedback and Evaluation. Implementing robust feedback mechanisms is crucial to continuously assess and improve training programs, ensuring that they meet the diverse needs of the workforce (Dahiya et al., 2011).

By integrating these theories and approaches, organizations can design effective training programs that not only enhance employee skills but also boost motivation and engagement in a culturally diverse workplace. Combining with motivation measurements, this holistic approach ensures that training and development initiatives are both culturally sensitive and aligned with the organizational goals. However, current studies focus on a very specific point, such as cultural difference, training, motivation, cultural adaptation, or leadership. Which is more important? To what extent is it important? Current studies do not give answers. So it can not guide the actual business operations.

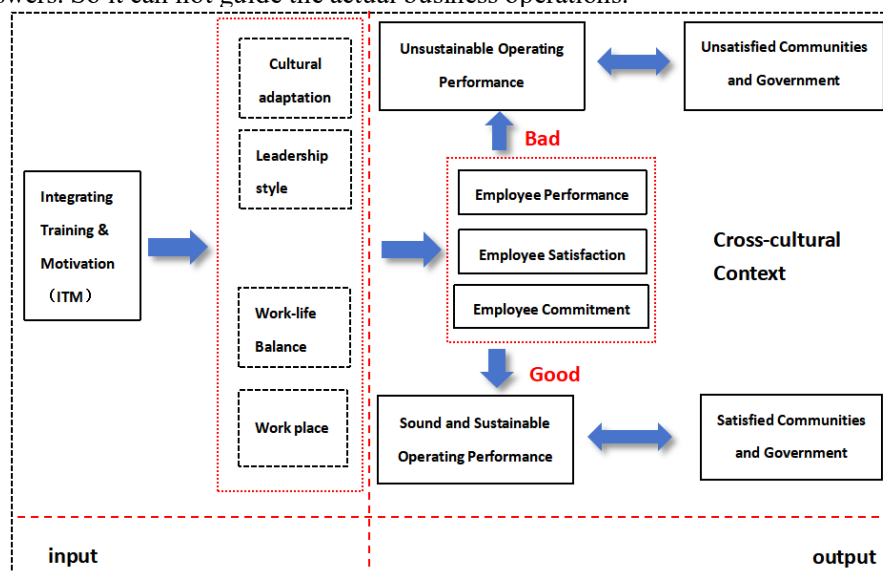


Figure 2. Integrating Training And Motivation Strategies To Improve Sustainable Performance In A Cross-Cultural Context

Source: Research data, 2025

Based on those studies and their advantages and shortcomings, the theoretical framework of this study is introduced. Under the cross-cultural background, Integrating Training and Motivation (ITM) strategies aim to adjust variables like cultural adaptation, leadership style, work-life balance, and workplace, leading to the adjustment of employee performance, satisfaction, and commitment, which will impact the company's operating performance (e.g., Figure 2). The cultural adaptation refers to the extent to which Chinese MNEs operating in Indonesia adapt to the local Indonesian culture. The leadership style is the extent to which the management is inclusive and supportive of the local employees. The work-life balance refers to the ability to work while taking care of family. The workplace measures the work environment to determine if it is comfortable. Language measures the extent to which expats communicate with local employees in the local language. Integrating training and motivation of the local employees in a cross-cultural context will not only improve the local employees' commitment, satisfaction, and performance but also improve the sustainable performance of Chinese MNEs operating in Indonesia. By doing this, it will contribute to a better local employees' welfare as well as provide more job opportunities, business opportunities, and taxes to the local communities and the local government.

C. METHODS

In the fields of cross-cultural management and company operations, both qualitative and quantitative research methodologies are widely used. In the article, quantitative research methodology based on theoretical study and on-site experiences is used to study the relationship between the dependent variables and independent variables. A survey based on the conceptual model and the on-site experience is designed. It is reviewed by the professor of ITB, who is also an expert in this area, to guarantee the reliability. First-hand data from the local employees of the MNEs operating in Indonesia is collected through a Google Form, which will be directly sent to the MNEs' local employees only to guarantee the feedback is from the target people. Meanwhile, all the interviewees answered the Survey anonymously, and no personal information, such as name, ID, or email, that could identify them, was recorded. Then, the data are treated by the WPS (note: a Chinese data software similar to Microsoft Excel) and Origin software to conduct multiple linear regression analysis to understand the relationship between dependent variables and independent variables.

In this article, a survey, the most popular method, is applied. The objective of this research is to find solutions to overcome the cross-cultural challenges faced by Chinese MNEs operating in Indonesia to improve their sustainable performance. The Survey is designed to obtain local employees' opinions on various aspects, including cultural adaptation, leadership style, work-life balance, workplace, employee satisfaction, employee commitment, employee performance, etc. According to Jenkins, D. G., & Quintana-Ascencio, P. F. (2020), a minimum of 25 valid samples of response are required to maintain consistency and avoid false positives or negatives. (Delice, A., 2010) thought that a minimum of 30 samples is required while designing relational surveys. Thus, our target minimum sample of feedback is 30 pieces. To diversify those samples, local employees from other MNEs besides the CS company are interviewed.

The Survey consists of three parts, including independent variables (X), dependent variables (Y), and demographic information, with 38 questions. The independent variables include cultural adaptation(X1), leadership style(X2), work-life balance(X3), workplace(X4). The dependent variables (Y) are combined by employee satisfaction (Y1), employee performance (Y2), and employee commitment (Y3). To make it simpler, the mathematical equations between independent variables X and dependent variables Y are as follows:

$$\begin{aligned} X &= X1 + X2 + X3 + X4 \\ Y &= Y1 + Y2 + Y3 \\ X &= f(X1, X2, X3, X4, X5, r1) \\ Y &= f(Y1, Y2, Y3, r2) \\ Y &\approx f(X, r3) \end{aligned}$$

Where X=independent variables
X1=cultural adaptation
X2=leadership style

X3=work-life balance
X4=work- place
Y=dependent variables
Y1=employee satisfaction
Y2=employee performance
Y3=employee commitment
r1, r2, r3=correlation coefficient
f=function

There are 38 questions. There are 29 questions relating to the independent variables and dependent variables. Twenty-eight of them are quantitative questions at the same measurement scale, with a 1 to 5 score. One question is an open question aiming to collect any ignored opinions. Meanwhile, among those 28 questions, three questions are intentionally designed to avoid bias. The demographic information, including nine questions, is designed with the help of on-site experiences to group the local employees for further study. An expert from ITB has reviewed all these questions. The designed Survey is as depicted in Appendix A. In this research, a questionnaire is used to collect first-hand data. Google is widely used in Indonesia. It can also translate the language into Indonesian for easier reading. At the same time, local employees who are working in the MNEs operating in Indonesia are educated people with basic English skills. So, a questionnaire based on Google Form is an appropriate way to collect feedback at a low cost.

Meanwhile, the data is stored on the Google server to ensure both authenticity and objectivity. WPS, a Chinese office software that is similar to Microsoft and very popular in China, will be used to process the data. Origin, a United States software that is a professional and popular data tool, will be used to conduct the multiple regression analysis to find the correlations between the dependent variables and independent variables.

D. RESULTS AND DISCUSSION

A total of 47 samples of feedback were collected as follows. The result is downloaded into a CSV format file on the local computer for further analysis. The original data is as follows. According to the intentionally designed questions to avoid bias, three samples of feedback are considered invalid. It is unclear whether the expats understand the local values and customs, as this person has been experiencing misunderstandings due to cultural differences, so the seventh feedback is invalid. At the same time, one will not feel anything if this person is leaving this organization, while this person feels 100% attached to the organization, so the 6th and 34th feedback is invalid. Exclude the three invalid feedback samples. There are 44 valid samples of feedback.

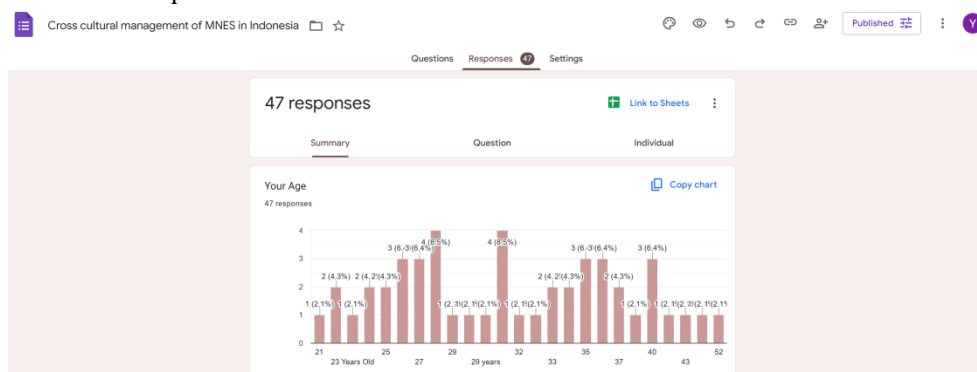


Figure 3. Feedback on Questionnaires

Source: Research data, 2025

Cronbach's alpha of these samples can be easily calculated using the variance function (ie, $VAR.S(\text{Number1}, \dots)$) in the WPS software. The total variance of 28 quantitative questions $\sum \sigma^2_q = 34.3255814$, and the variance of each sample's total score, $\sigma^2_s = 399.2219873$. The Cronbach's alpha = $28/(28-1) * (1 - \sum \sigma^2_q / \sigma^2_s) = 0.947871359$, which is above 0.7 and close to 1, indicating a high internal consistency of the samples (BrckaLorenz, A. et al., 2013).

#	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Timestamp	Your Age	Your Gender	Your Education	Your Marital Status	Years in the Company	Your Department	Your Position	Your Salary	Your Compensation	The expats I feel the ex I have exper	My co		
2	2025/05/20	34	Female	Diplomat or	Married with more than 5	Sales or Ma	Manager	Between 6 - China	4	4	2			
3	2025/05/20	26	Female	Master or S	Married with between 1 t	Production	Staff	Between 6 - China	4	3	3			
4	2025/05/20	42	Male	Bachelor or	Married with more than 5	Others	Supervisor	Between 6 - China	5	5	4			
5	2025/05/20	24	Female	Bachelor or	Unmarried below 1 yea	Others	Staff	Between 6 - Others	5	5	3			
6	2025/05/20	23	Male	Bachelor or	Married with between 2 t	Sales or Ma	Staff	Between 6 - China	4	4	4			
7	2025/05/20	28	Male	Bachelor or	Married with between 2 t	Sales or Ma	Staff	Between 6 - China	4	3	3			
8	2025/05/20	29	Female	Bachelor or	Married with between 4 t	Others	Staff	Between 6 - Others	5	5	5			
9	2025/05/20	25	Male	Bachelor or	Unmarried between 2 t	Others	Staff	Between 6 - China	5	5	4			
10	2025/05/20	32	Female	Bachelor or	Unmarried more than 5	Others	Staff	Between 6 - China	5	4	2			
11	2025/05/20	34	Female	Bachelor or	Married with more than 5	Sales or Ma	Staff	Between 6 - China	4	3	2			
12	2025/05/20	28	Male	Bachelor or	Unmarried between 3 t	Others	Supervisor	Between 6 - China	3	2	5			
13	2025/05/20	28	Male	Bachelor or	Unmarried below 1 yea	Sales or Ma	Staff	Between 6 - China	4	3	2			
14	2025/05/20	28	Female	Bachelor or	Married with between 1 t	Sales or Ma	Staff	Between 6 - China	4	3	3			
15	2025/05/20	33	Female	Bachelor or	Married with between 3 t	Sales or Ma	Staff	Between 6 - Others	4	4	2			
16	2025/05/20	36	Male	Bachelor or	Married with more than 5	Logistic	Manager	Between 12 China	4	4	3			
17	2025/05/20	23	Female	Bachelor or	Unmarried below 1 yea	Others	Staff	Between 6 - China	4	4	3			
18	2025/05/20	29	Female	Others	Married with more than 5	Others	Staff	Between 6 - Others	3	3	3			
19	2025/05/20	26	Female	Bachelor or	Married with between 1 t	Others	Staff	Between 6 - China	5	3	4			
20	2025/05/20	25	Female	Bachelor or	Unmarried between 1 t	Others	Staff	Below 6 Jut.Others	1	1	2			
21	2025/05/20	35	Male	Others	Married with more than 5	Others	Others	Between 6 - China	5	5	1			
22	2025/05/20	30	Male	Others	Married with more than 5	Others	Staff	Below 6 Jut.China	3	3	1			
23	2025/05/20	38	Female	Diplomat or	Unmarried more than 5	Others	Staff	Between 6 - China	3	2	3			
24	2025/05/20	43	Male	Others	Married with more than 5	Others	Others	Between 6 - China	3	2	2			
25	2025/05/20	30	Female	Bachelor or	Unmarried more than 5	Others	Staff	Between 6 - China	3	2	3			
26	2025/05/20	29	Female	Others	Married with more than 5	Others	Staff	Between 6 - Others	3	2	2			
27	2025/05/20	52	Female	Bachelor or	Married with more than 5	Others	Manager	Between 6 - China	1	1	1			
28	2025/05/20	27	Male	Diplomat or	Unmarried below 1 yea	Others	Others	Below 6 Jut.China	4	1	2			

Figure 4. Download Samples Of Feedback

Source: Research data, 2025

In all these valid samples, the original variables are added to replace each question in the WPS software, like the independent variables including cultural adaptation (X1), leadership style (X2), work-life balance(X3), workplace(X4) and the dependent variables(Y) including employee satisfaction (Y1), employee performance (Y2) and employee commitment (Y3) based on the designed questionnaire at the beginning. Then it is easy to get the mathematics average value of each variable. For example, there are nine questions under the cultural adaptation X1 variable. The value of the cultural adaptation X1 variable is the average mathematics score of these nine questions. Based on this rule, values of the other variables, such as leadership style (X2), work-life balance (X3), workplace (X4), employee satisfaction (Y1), employee performance (Y2), and employee commitment (Y3), are calculated. The value of the independent variable X equals the average value of X1, X2, X3, and X4. The value of the dependent variable Y equals the average value of Y1, Y2, and Y3. In the WPS software, it is easy to get the average, median, standard deviation, and variance of those variables using the Average, Median, Stdev, and Var functions. The statistical values of each variable are as follows in Table 1.

Table 1. Descriptive Statistics Table of Research Variables

Variable	Mean	Median	Standard Deviation	Variance
Cultural Adaptation (X1)	3.21	3.28	0.74	0.55
Leadership Style (X2)	3.01	3.20	0.87	0.75
Work-Life Balance (X3)	3.10	3.00	0.99	0.98
Workplace (X4)	3.40	3.50	1.09	1.18
Employee Satisfaction (Y1)	3.43	3.50	0.87	0.75
Employee Performance (Y2)	3.57	3.67	0.76	0.58
Employee Commitment (Y3)	3.49	3.33	0.88	0.78
Independent Variables (X)	3.18	3.30	0.75	0.57
Dependent Variables (Y)	3.50	3.65	0.76	0.58

Source: Research data, 2025

Overview of Correlation and Regression Approach

Multiple regression analysis was conducted using Origin software, with the confidence level set at 95%. The aim was to determine the relationship between independent variables—Cultural Adaptation (X1), Leadership Style (X2), Work-Life Balance (X3), and Workplace (X4)—and dependent variables—Employee Satisfaction (Y1), Employee Performance (Y2), and Employee Commitment (Y3). The Pearson correlation coefficient (r), p-values, and R² values were used to interpret the strength and significance of these relationships. The regression outcomes are summarized in Table 2 below:

Table 2. Regression Results of Each Variable

Independent Variable	Dependent Variable	Regression Equation	Pearson's r	p-value	R ²
Cultural Adaptation (X1)	Y1 – Employee Satisfaction	Y1 = 0.38385 + 0.94856X1	0.81121	< 0.0001	0.65806
	Y2 – Employee Performance	Y2 = 1.34946 + 0.69171X1	0.67229	< 0.0001	0.45198

Independent Variable	Dependent Variable	Regression Equation	Pearson's r	p-value	R ²
Leadership Style (X2)	Y3 – Employee Commitment	Y3 = 1.19697 + 0.71566X1	0.59965	< 0.0001	0.35958
	Y – Overall Dependent	Y = 0.86818 + 0.81987X1	0.80119	< 0.0001	0.64191
	Y1 – Employee Satisfaction	Y1 = 1.15376 + 0.75403X2	0.75437	< 0.0001	0.56908
	Y2 – Employee Performance	Y2 = 2.00605 + 0.51828X2	0.58929	< 0.0001	0.34726
	Y3 – Employee Commitment	Y3 = 1.23402 + 0.74934X2	0.73452	< 0.0001	0.53952
Work-Life Balance (X3)	Y – Overall Dependent	Y = 1.58053 + 0.63617X2	0.72727	< 0.0001	0.52892
	Y1 – Employee Satisfaction	Y1 = 1.91626 + 0.48670X3	0.55671	< 0.0001	0.30992
	Y2 – Employee Performance	Y2 = 2.22740 + 0.43212X3	0.56174	< 0.0001	0.31555
	Y3 – Employee Commitment	Y3 = 2.37065 + 0.36155X3	0.40519	0.00636	0.16418
	Y – Overall Dependent	Y = 2.07494 + 0.45863X3	0.59944	< 0.0001	0.35933
Workplace (X4)	Y1 – Employee Satisfaction	Y1 = 1.37454 + 0.60381X4	0.75690	< 0.0001	0.57290
	Y2 – Employee Performance	Y2 = 1.99346 + 0.46340X4	0.66017	< 0.0001	0.43582
	Y3 – Employee Commitment	Y3 = 1.83821 + 0.48682X4	0.59789	< 0.0001	0.35748
	Y – Overall Dependent	Y = 1.68615 + 0.53317X4	0.76371	< 0.0001	0.58325

Source: Research data, 2025

A strong correlation was found between the set of independent variables (X1–X4) and the combined dependent variables (Y1–Y3). The Pearson's r was 0.88 ($p < 0.0001$) with an R^2 of 0.77, indicating a high degree of model fit and statistical significance (95% confidence level). This result suggests that approximately 77% of the variance in the dependent variables can be explained by changes in the independent variables (Figure 5).

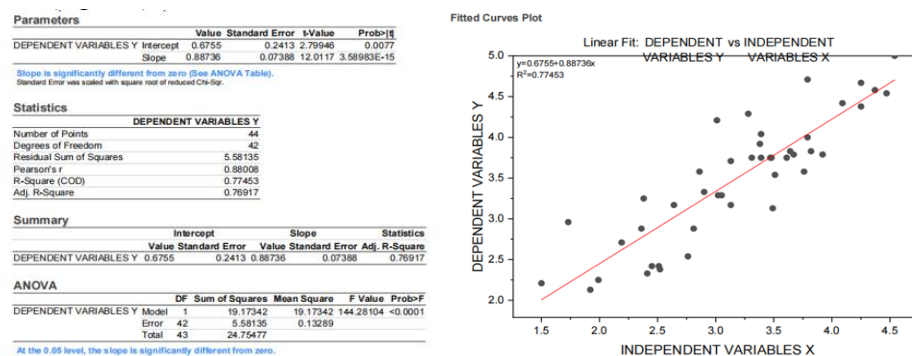


Figure 5. Overall Correlation Strength

Source: Research data, 2025

The Pearson correlation values between individual independent variables (X1–X4) and the combined dependent variable (Y) ranged from 0.59 to 0.81, indicating strong positive correlations. Among them, Cultural Adaptation (X1) had the highest correlation ($r = 0.801$, $R^2 = 0.64$); Followed by Workplace (X4) ($r = 0.763$); Leadership Style (X2) ($r = 0.727$); and Work-Life Balance (X3) ($r = 0.599$) (See Figure 6 for visual representation).

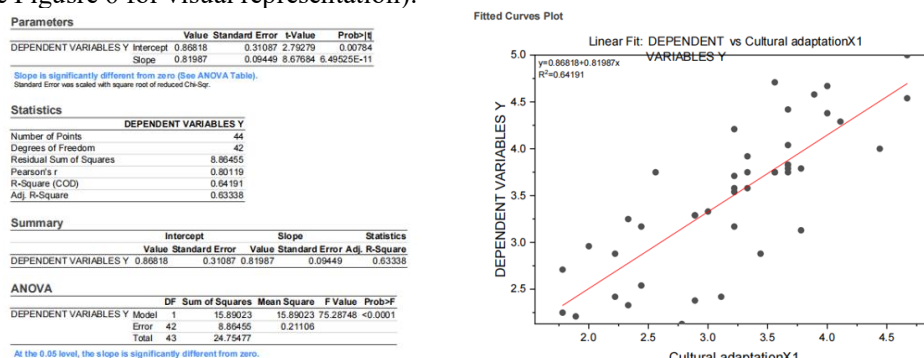


Figure 6. Correlation Ranking Across All Variables

Source: Research data, 2025

Cultural Adaptation (X1) was most strongly correlated with Employee Satisfaction (Y1), with $r = 0.811$ and $R^2 = 0.66$, followed by Workplace (X4), Leadership Style (X2), and Work-Life Balance (X3).

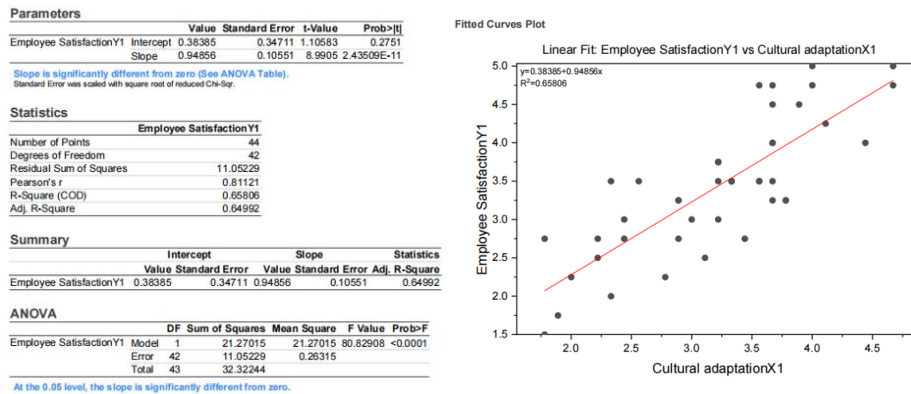


Figure 7. Fitted Curve Between Y1 and Independent Variables

Source: Research data, 2025

Cultural Adaptation (X1) also had the strongest relationship with Employee Performance (Y2), with $r = 0.672$ and $R^2 = 0.45$, followed by Workplace (X4), Leadership Style (X2), and Work-Life Balance (X3).

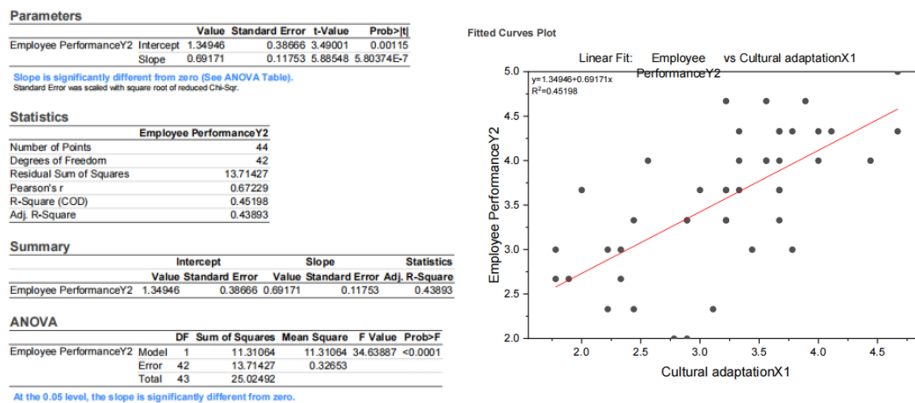


Figure 8: Fitted Curve Between Y2 and Independent Variables

Source: Research data, 2025

In contrast, Leadership Style (X2) was the most influential factor for Employee Commitment (Y3), with $r = 0.735$ and $R^2 = 0.54$, followed by Cultural Adaptation (X1), Workplace (X4), and Work-Life Balance (X3).

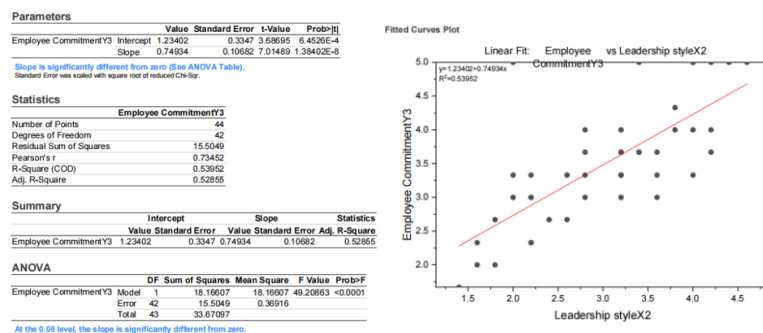


Figure 9. Fitted Curve Between Y3 and Independent Variables

Source: Research data, 2025

Comparative Analysis with Previous Studies

The current study confirms that cultural adaptation, workplace environment, leadership style, and work-life balance play a critical role in influencing employee satisfaction (Y1), employee performance (Y2), and employee commitment (Y3). These results are largely consistent with findings from previous literature. For example, based on Cultural Intelligence (CQ) Theory, Azevedo and Shane (2019) emphasized that training interventions can significantly enhance both employee commitment and satisfaction, which are essential drivers of motivation in multicultural work environments. Similarly, Almarashdah (2024) found that implementing a robust training system contributes positively to employee dedication and performance. Cultural adaptation was also highlighted by Chi and Gu (2024), who reported a positive correlation between employees' cultural adjustment and their satisfaction levels.

Regarding leadership, Tanachia Ashikali et al. (2021) demonstrated that inclusive leadership contributes to better company outcomes, while Bildstein et al. (2013) linked humble leadership to greater team productivity. Chuang (2013) also emphasized that effective global leadership is vital for organizational development in international settings. A notable contribution of this study is that it integrates workplace conditions and work-life balance with the previously studied variables (cultural adaptation and leadership style) in a comprehensive regression model—a relatively unexplored combination. This integrated approach reveals new insights: while cultural adaptation (X1) strongly correlates with employee satisfaction and performance, leadership style (X2) appears to be the most significant predictor of employee commitment (Y3). Moreover, workplace environment (X4) and work-life balance (X3) are shown to exert substantial effects on both employee satisfaction and performance, underscoring their importance in the Indonesian context. These nuanced findings provide a more detailed understanding of how various organizational factors interplay to influence employee outcomes in multinational enterprises (MNEs).

Other Significant Findings from Feedback Data

Overall Satisfaction Levels Are Below Expectations

All measured values for independent and dependent variables were found to be below 4.5 (see Appendix B). In the business practice of the case company (CS Company), any score below 90% is deemed unsatisfactory. The average scores for all variables ranged between 3.01 to 3.57, with median values from 3.00 to 3.67. Interestingly, the scores for independent variables (e.g., leadership style, cultural adaptation) are on average 10% lower than those for dependent variables (e.g., satisfaction, commitment), suggesting a perceived lack of organizational support. This indicates that local employees are generally dissatisfied with MNE operations in Indonesia—an observation consistent with the unsustainable performance patterns of MNEs in the region.

Gender-Based Disparities

When demographic data is considered (see Appendix C), some unexpected findings emerge: Female employees consistently reported scores 20% lower than male employees across most variables; The likelihood of women advancing beyond staff level is only half that of their male counterparts. These findings suggest significant gender inequality in MNEs operating in Indonesia. The gap in opportunities and perceptions of workplace support for women may point to deeper structural issues in talent development and inclusivity practices.

Feedback Emphasizes the Need for Clear Guidance

Approximately 30% of respondents provided comments on the final open-ended question. A common theme across these responses was the need for clear guidance and communication from superiors. Sample feedback includes: "Superiors need to show the team how to solve the problem." "Guidance is very much needed." "The company must be clear in demanding." "Not just instructions without clear direction." "Not only focus on the result." "Use clear and inclusive language." These responses highlight a gap in managerial communication. Employees desire more structured direction, support, and inclusive leadership rather than vague instructions or results-only pressure. This insight reinforces the earlier statistical finding that leadership style is a significant determinant of employee commitment, and adds qualitative depth by pointing out specific areas for improvement, particularly in communication and guidance.

E. CONCLUSION

As discussed, the local employee is currently unsatisfied with the MNEs operating in Indonesia. The employee performance and commitment feedback are also at a low level. As it is known to all, the company's performance relies on the employees' performance. A performant employee establishes the competitive advantage for the employers (Vosloban, R. I., 2012). It is proven in the CS company's actual business practice. The sales volume has increased 20%, and a cost reduction of roughly 2 billion Indonesian rupiah has been achieved due to improved engagement of local employees in 2023 compared to 2022. Adjustment of the cultural adaptation X1, leadership style X2, work-life balance X3, and workplace X4 will lead to adjustment of the dependent variables Y, including employee satisfaction Y1, employee performance Y2, and employee commitment Y3. The ITM method will help to make a good adjustment (e.g., figure 10).

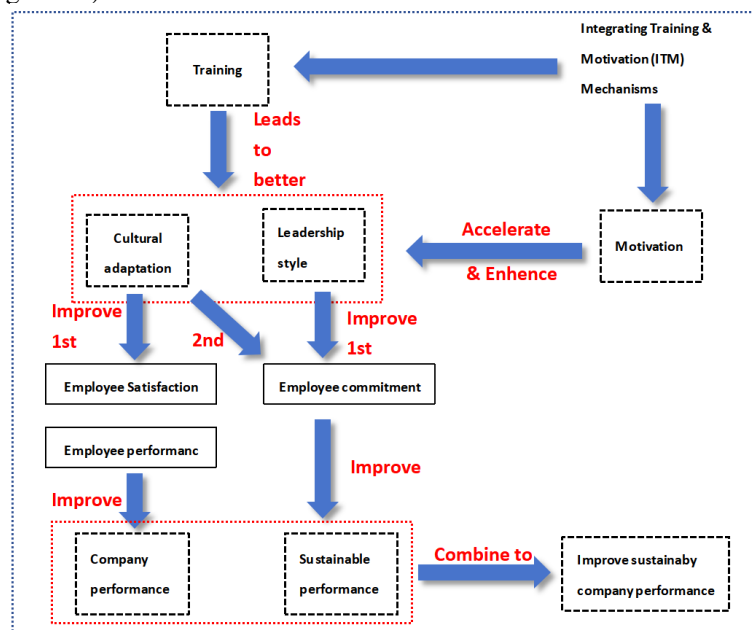


Figure 10. The Integrating Training & Motivation (ITM) Mechanisms

Source: Research data, 2025

As to the cultural adaptation, tailored training courses will help those expats who are expected to be assigned to a new country to master the basic local language and have a basic understanding of local culture. The teaching resources can be former expats with relevant experience or professors with relevant research backgrounds from local universities. At the same time, motivation will lead to an acceleration of the continuous study of local culture and local language. The ITM method will lead to a better cultural adaptation of the local culture. As to the leadership style, tailored training courses will help to cultivate expats' inclusive and supportive leadership style. The teaching resources can be former expats with relevant experience or professors with relevant research backgrounds from local universities. Because the assigned countries are usually far away from the headquarters and the trend towards targets in the current enterprise management style, the leadership style is often overlooked. However, this is critical to maintain employee commitment for the long term. Motivation will help to encourage and promote the inclusive and supportive leadership style. The ITM method will guarantee the long-term performance of an inclusive and supportive leadership style. By applying the ITM method, the cultural adaptation and leadership style are improved. This improvement will lead to enhanced employee satisfaction, performance, and commitment. Consequently, the sustainable performance of the MNEs is achieved. Accordingly, all the stakeholders, including the local community and the local government, benefited.

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